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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 23rd September, 2020

S. R. O. 913 (I)/2020.—In exercise of the powers under sub-section (1) of section 169 read with sections 68, 69, 75, 78, 79, 80, 82 and 151 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan hereby makes the following regulations, the same having been previously published in the official Gazette vide S. R. O. 594(I)/2020 dated June 30, 2020 and also placed on its website as required under sub-section (4) of section 169 of the said Act, namely:—

CHAPTER I

PRELIMINARY

1. **Short title and commencement.**—(1) These regulations shall be called the Professional Clearing Members Regulations, 2020.

(2) They shall come into force at once.

2027(1—20)

Price : Rs. 40.00

[6095(2020)/Ex. Gaz.]

1. **Definitions.**—(1) In these regulations, unless there is anything repugnant in the subject or context,—

- (a) “Act” means the Securities Act, 2015 (III of 2015);
- (b) “annexure” means annexures appended to these regulations;
- (c) “Companies Act” means the Companies Act, 2017 (XIX of 2017);
- (d) “customer” for the purposes of these regulations includes a licensed securities broker and customers of such securities brokers;
- (e) “customer bank account” means the bank account opened by the professional clearing member with a scheduled bank in Pakistan wherein all customer money is deposited and maintained or separate bank account opened in the name of customer;
- (f) “customer custody account” means a sub-account in the central depository system opened by the professional clearing member for depositing and holding securities owned by a customer;
- (g) “non-banking finance company” has the same meaning as defined under clause (xxxiii a) of sub-rule (1) of rule 2 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;
- (h) “professional clearing services” includes services for clearing, settlement and custody of customer assets for customers;
- (i) “professional clearing member” means a company licensed under these regulations to provide professional clearing services; and
- (j) “scheduled bank” has the same meaning as defined in clause (m) of section 2 of the State Bank of Pakistan Act, 1956 (XXXIII of 1956).

(2) Words and expressions used but not defined in these regulations shall have the same meaning as assigned to them in the Act, the Companies Act, the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), Central Depositories Act, 1997 (XIX of 1997), and any rules or regulations made thereunder.

CHAPTER II

LICENSING AND REGISTRATION TO ACT AS A PROFESSIONAL CLEARING MEMBER

3. **Prohibition.**—No person shall act as or perform the functions of a professional clearing member unless such person is licensed with the Commission as a professional clearing member under the Act and these regulations:

Provided that Commission may register a scheduled bank, a development finance institute or a non-banking finance company, only having license for Investment Finance Services, to perform the functions of a professional clearing member without obtaining licence, subject to compliance with the requirements of regulation 9 and the requirements of Chapter IV, Chapter V and Chapter VI of these regulations.

4. **Application and procedure for granting a licence.**—(1) Subject to sub-regulation (2), an application for grant of a licence as a professional clearing member shall be made to the Commission along-with the information and documents specified in “Annexure A” and receipt evidencing payment of non-fundable fee of such amount as specified in “Annexure B”.

(2) The Commission, while considering the application for license, may require the applicant to furnish such further information or clarification as it may deem appropriate or appear before the Commission for representation through a person duly authorized for this purpose in writing by the board of directors of the applicant.

(3) Any subsequent change in the information provided to the Commission at the time of filing of application under sub-regulation (1) and (2) above shall be intimated to the Commission not later than fourteen days from the date of such change.

5. **Grant of licence.**—(1) The Commission, while considering the application for granting a licence, shall *inter-alia* take into account the following matters,—

- (a) the applicant meets the requirements including licensing conditions as provided in the Act and these regulations;
- (b) the applicant has the ability to efficiently handle its functions as a professional clearing member and fulfill its obligations under the Act and these regulations; and

- (c) the applicant has the necessary financial resources, policies, procedures, systems and controls to effectively and efficiently discharge its responsibilities as a professional clearing member.
- (2) The Commission, upon being satisfied after conducting such inquiries and obtaining such further information as it deems appropriate that,—
 - (a) the applicant is eligible for a licence;
 - (b) the applicant is in compliance with the provisions of the Act, these regulations and any directives, guidelines or codes issued thereunder; and
 - (c) it is in the interest of capital market,may grant a licence to the applicant under the provisions of the Act.
- (3) License of a professional clearing member shall be renewed automatically subject to compliance with requirements of the Act.
- (4) The Commission, after giving a reasonable opportunity of hearing to the applicant, may refuse to grant or renew license if in the opinion of the Commission such applicant does not fulfill the requirements specified under the Act and these regulations.
- (5) The applicant, if aggrieved by the decision of the Commission under sub-regulation (1), may, within a period of thirty days from the date of receipt of such refusal, prefer an appeal to the appellate bench of the Commission under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997.
- 6. **Cancellation of licence.**—(1) A professional clearing member may apply to the Commission for cancellation of its licence along-with a confirmation that it has informed all its existing customers, settled all dues and pending claims of the customers and has completed all formalities for closure of business.
 - (2) The Commission may, after being satisfied that all formalities for closure of business including settlement of customer claims have been completed, cancel the licence of such professional clearing member and impose such conditions as it deems appropriate.
 - (3) The Commission may cancel the licence granted to a professional clearing member in accordance with the provisions of the Act and/or where—
 - (a) the admission of professional clearing member as clearing member or CDS participant is terminated;

- (b) the professional clearing member is declared insolvent by a Court of competent jurisdiction;
- (c) it is in contravention with the Act, these regulations or has failed to comply with a direction of the Commission or any act or omission by the professional clearing member in the opinion of the Commission is a material non-compliance and is, or is likely to be prejudicial to the public interest.

(4) A professional clearing member whose licence is cancelled under sub-regulation (3) shall inform all its existing customers, the securities exchange, clearing house and central depository, settle all dues of the customers within fifteen days and shall remain responsible to meet clearing and settlement obligations arising out of trades executed up to the date on which it has been working as a professional clearing member.

7. Licensing conditions.—Subject to compliance with the provisions of the Act and any other requirements or conditions specified in these regulations, a company may apply to the Commission in the manner as provided in regulation 3 for grant of licence as professional clearing member, if—

- (a) it is a public or private company incorporated under the Companies Act;
- (b) the applicant does not hold, directly or indirectly, a TRE certificate;

Explanation: For the purposes of these Regulations, “indirectly” shall mean through an associate.

- (c) the applicant, its directors and senior management officers, including chief financial officer, chief compliance officer and head of internal audit, are fit and proper persons as per the criteria specified in Annexure D;
- (d) the applicant has financial resources, shareholding and governance structure as provided in these regulations and is in compliance with the requirements of regulation 9.

8. Registration to act as professional clearing member for entities which are exempt from licensing—(1) A scheduled bank, a development finance institute or a non-banking finance company only having license for Investment Finance Services may apply for registration as a professional clearing member by submitting application to the Commission along with all the information and documents specified in “Annexure C”.

(2) The Commission may register an applicant as a professional clearing member if it is satisfied that—

- (a) the applicant has the ability to efficiently handle its functions as a professional clearing member and fulfill its obligations under the Act and these regulations;
- (b) the applicant has the necessary financial resources, policies, procedures, systems and controls to effectively and efficiently discharge its responsibilities as a professional clearing member; and
- (c) it fulfills such other conditions as may be specified.

(3) The Commission may cancel the registration granted to a professional clearing member where its admission as clearing member or CDS participant is terminated, or it is declared insolvent by a Court of competent jurisdiction, or has contravened any of the provision of the Act, these regulations or has failed to comply with a direction of the Commission or any act or omission by the professional clearing member in the opinion of the Commission is, or is likely to be prejudicial to the public interest.

CHAPTER III

OBLIGATIONS OF A PROFESSIONAL CLEARING MEMBER

9. Governance and financial resources requirements.—(1) A professional clearing member must comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 at all times.

(2) A professional clearing member shall have net-worth of not less than rupees two hundred and fifty million:

Provided further that the Commission may, on case to case basis and after taking into account the financial strength of sponsors of the applicant, relax the net-worth requirements for a professional clearing member.

Explanation: The net worth of a professional clearing member shall be calculated as total assets less total liabilities less surplus on revaluation, if any, created upon revaluation of fixed assets.

Provided further that the Commission may issue clarification in respect of treatment of any item of assets and/or liabilities for the purpose of calculating the net worth of a professional clearing member.

10. Shareholding requirements.—(1) No person other than the following shall, subject to compliance with the fit and proper criteria, directly or indirectly, acquire or hold more than five percent shares of a professional clearing member licensed under these regulations:

- (a) a licensed local or a foreign bank operating in Pakistan or a subsidiary of such bank;
- (b) a financial institution operating as a development finance institution, an insurance company or a non-banking finance company only having license for Investment Finance Services;
- (c) a central depository;
- (d) a securities exchange; and
- (e) any other entity as may be permitted by the Commission subject to terms and conditions notified by the Commission.

CHAPTER IV

CONDUCT OF A PROFESSIONAL CLEARING MEMBER

11. **Duties and obligations of a professional clearing member.**—(1) In addition to the requirements provided under the Act a professional clearing member shall—

- (a) develop and put in place requisite infrastructure; human resources with sufficient education, experience and expertise; mechanisms; systems and controls, including policies and procedures, for efficient business operations, order routing, risk management, clearing and settlement, default handling, customer dispute, grievance and complaint handling in an efficient manner and within reasonable time along with maintenance of proper books and records, effective compliance with the laws, relationship with customers etc.;
- (b) develop and implement policies, procedures, systems and internal controls, duly approved and periodically reviewed by its board of directors, relating to confidentiality, conflict of interest and fair representation with customers, assessment of customer credit worthiness, cyber security, business continuity, code of conduct for employees and any other functions of professional clearing member;
- (c) ensure compliance with the Know Your Customer and Customer Due Diligence requirements in accordance with the relevant regulatory framework;

- (d) ensure proper segregation and accounting of customer assets and develop and implement appropriate policies and procedures, including maintenance of separate sub-account in CDC for each customer and holding customer money in segregated designated customer bank account, either through a single designated bank account or separate designated bank accounts for customers, and comply with the applicable requirements in these regulations and specified by the central depository and clearing house relating to the segregation of customers' assets and assets under custody and prevent any use of customer assets which is unauthorized or not allowed under law; and
- (e) on quarterly or on any other periodic basis as deemed fit by the Commission, furnish to the customer reports containing information regarding handling of securities, receipts and payments and the holding balances of customer's assets, and promptly provide to a customer any report or information pertaining to the account of such customer as and when requested by the customer.

(2) A professional clearing member shall have an investment policy approved by its board of directors and shall avoid conflict of interest between the services being offered and investment decisions.

12. **Value added services.**—A professional clearing member licensed under these regulations may provide value added and ancillary services with prior intimation to the Commission.

13. **Extension of credit/ financing.**—A professional clearing member licensed under these regulations may extend credit or provide financing to its customers under conventional or Shariah compliant manner subject to compliance with requirements of the Act or any rules or regulations made thereunder.

14. **Charges.**—Customers shall pay charges to the professional clearing member as per the agreement with professional clearing member.

CHAPTER V

ACCOUNTS AND AUDIT

15. **General.**—The obligations and duties of a professional clearing member under these regulations with respect to audit and accounts are in addition to the requirements of the Companies Act, the rules and regulations made thereunder and any directives issued thereunder.

16. **Appointment of auditor and related matters.**—(1) A professional clearing member licensed under these regulations shall appoint its

auditor from the category A of the State Bank of Pakistan panel of auditors who shall not be an associate of the director or a senior management officer of the professional clearing member.

(2) A professional clearing member shall undergo annual audit of its regulatory framework, operations, information technology systems, access to confidential information and alteration, destruction, disclosure or dissemination of records and data, internal controls framework including controls over customer asset segregation, cyber security controls and safeguards and any other systems or functions or as required by the Commission from time to time in accordance with the terms of reference determined by the Commission.

CHAPTER VI

MISCELLANEOUS

17. **Chief compliance officer.**—The professional clearing member shall have a chief compliance officer, who shall be a fit and proper person, to oversee compliance function of the professional clearing member.

18. **Submission of information and returns.**—The Commission may by written notice require a professional clearing member to submit to the Commission such information or periodic returns as it may require.

19. **Power to give instructions.**—The Commission may give such instructions to the professional clearing member as it may deem fit for the purpose of ensuring compliance with the Act and these regulations and to protect the interest of public and customers and the professional clearing member shall comply with such instructions.

20. **Power to relax regulations.**—The Commission may, upon application or upon its own motion, relax operation of any requirement of these regulations for a person or class of persons for reasons to be recorded.

Annexure A

Information and Documents to be provided along-with application for licence as a professional clearing member

1. General and business information:

- 1.1. Brief history of the applicant containing at least name of the applicant, date and place of its incorporation, names and contact details of sponsors, directors and senior management officers including group structure, if any.

1.2. Address of the registered office of the applicant with complete contact details, existing and proposed capital structure and pattern of shareholding, details of substantial shareholders of the applicant including a brief profile of their business, names and profiles of sponsors, directors and senior management .

1.3. Details of ultimate beneficial owners of the applicant:

Explanation:—For the purposes of these regulations, the expression “ultimate beneficial owners” includes natural person or individual who ultimately own or control ten percent or more of the entity.

2. Other information

2.1. Proposed operational model, business feasibility, business plan and financial projections of the applicant for the next five financial years.

2.2. An undertaking from the substantial shareholders and directors that they have not been convicted in offences of money laundering including predicate offences as provided in the AML Act, 2010 or contravened any provision of SECP-AML/CFT Regulations, 2018 or any other AML/CFT requirements notified by the Commission or have not been convicted in any criminal offence or directly involved in civil/ criminal proceedings in a court of law; and have not been major shareholder or a director and/or chief executive of any company or body corporate which has misused customer securities or whose license/ membership has been cancelled; has not been disqualified/ removed from the post of a key executive position of a company by the Commission or any other regulatory authority.

2.3. An undertaking from the applicant that—

(i) it will immediately inform the Commission in case of any change in the sponsors/majority shareholders of the sponsoring company.

(ii) it will immediately inform the Commission in case of any change in status of compliance of its sponsors, directors, senior management officers are in compliance with all the requirements of the Act and these regulations.

2.4. Any other document that the applicant may consider useful to support its application or as may be required by the Commission.

Annexure B

LICENSING AND RENEWAL FEES*

Description of fee	Amount of fee in PKR
Fee to be paid at the time of applying for licence**	Rs.500,000
Fee to be paid at the time of applying for renewal of licence	Rs.10,000

* The above fees shall be deposited into the designated bank account of the Commission, along-with applicable collection charges.

**In case application for license is refused by the Commission, half the fee shall be refunded to the applicant.

Annexure C

Information and Documents to be provided along-with application for registration to act as a professional clearing member

1. General and business information:

- 1.1. Brief history of the applicant containing at least name of the applicant, date and place of its incorporation, names and contact details of sponsors, directors and senior management officers including group structure, if any.
- 1.2. Address of the registered office of the applicant with complete contact details, details of substantial shareholders of the applicant including a brief profile of their business, names and profiles of sponsors, directors and senior management officers, and pattern of shareholding.

2. List of documents to be provided along with application:

- 2.1. Audited accounts for the last three years and latest half yearly and quarterly accounts, where applicable.
- 2.2. Proposed operational model, business feasibility, business plan and financial projections of the applicant for business of professional clearing member for the next five financial years.
- 2.3. Any other document that the applicant may consider useful to support its application or as may be required by the Commission.

Annexure D

FIT AND PROPER CRITERIA

FIT AND PROPER CRITERIA FOR APPLICANT, DIRECTORS AND SENIOR MANAGEMENT OFFICERS OF PROFESSIONAL CLEARING MEMBERS

This Fit and Proper Criteria is perpetual in nature and its compliance is mandatory.

All persons subject to Fit and Proper Criteria must submit any change in the submitted information, including financial soundness to the company secretary of the professional clearing member within three business days and the professional clearing member shall within a period of seven business days report the same to the Commission.

In addition to the applicant, eligibility of any person desiring to act as a director on the board of directors or senior management officer, including chief financial officer, chief compliance officer and head of internal audit, of a professional clearing member shall be judged on the basis of following criteria, which in the case of directors, shall be in addition to meeting requirements of the Companies Act, 2017 relating to eligibility of a director:

(a) Financial Soundness and Integrity

- (i) The person should not have been adjudged as an insolvent or he should not have suspended payment of debts or compounded liabilities with its/his creditors.
- (ii) The person should not have been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a financial institution including banking company, a Development Financial Institution or a Non- Banking Financial Company.
- (iii) The person and companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner etc., has/have no overdue payment to any customer, financial institution, securities exchange, futures exchange, clearing house, central depository and / or defaulted in payment of any taxes in the individual capacity or as a proprietary concern or any partnership firm or as director in any private unlisted and listed company.

Explanation: In case of overdue payment to any financial institution, CIB reports from the State Bank of Pakistan shall be examined and if there is any overdue/past due payment to a financial institution,

irrespective of amount, in overdue column of latest CIB report of the person and of the companies, firms, sole proprietorship etc. where such person is a chief executive, director (other than nominee director), owner or partner etc., such person shall not be considered fit and proper person except:

- (a) in case where such overdue amount is under litigation and the same is also appearing as amount under litigation in CIB report;
- (b) No overdue payment is appearing in the overdue column in the subsequent latest CIB report; or
- (c) such person provides the documentary evidence of having no directorship in companies, firms, sole proprietorship etc., other than professional clearing member, showing overdue status in their CIB reports.

In case of overdue amount in CIB report, no rejection shall be made unless the person has been provided an opportunity of making a representation before the Commission.

- (iv) The person should not have been a director and/or chief executive of any company or body corporate which has defaulted in payment of Government duties/taxes/cess or has misused customer securities.
- (v) The person should be a tax payer and his name should be borne on the Active Tax Payers List regularly published by Federal Board of Revenue:

Provided that this requirement shall not be applicable in the case of foreign nationals.

(b) Educational or other Qualification or Experience

- (i) In case of chief executive officer, the person should:
 - (a) be a member of a recognized body of professional accountants or possess a post-graduate degree in finance, accountancy, business management, commerce, economics, law, capital market, financial services or related disciplines from a university recognized by the Higher Education Commission of Pakistan, or equivalent; and

- (b) have a minimum experience of seven years in a senior level managerial position, preferably in the regulated financial services sector.

Suitability of the chief executive officer shall be assessed by the Commission through interview prior to appointment.

- (ii) Any other senior management officer must be a qualified professional possessing relevant experience and degree relating to the job/assignment and must have demonstrated, through his qualification and experience, the capacity and suitability to successfully undertake the cognate responsibilities of the position.
- (iii) The directors and senior management officers must be fully conversant with the duties of director or senior management officer, as the case may be, as specified under the statutes, rules and regulations, memorandum and articles of association and the Corporate Governance Code.

(c) Competency

- (i) Membership or licence of the person or any company in which the person was a director during the last three years has not been suspended/cancelled by the Commission, any other regulatory authority, any professional body, association or relevant entity e.g. the securities or futures exchange, central depository or clearing house:

Provided that eligibility of a person may be considered on the basis of prior clearance obtained from any such organization that suspended/ cancelled the membership or licence.

- (ii) No proceedings are pending with respect to the applicant's winding up, insolvency or analogous relief.
- (iii) The person should not have been disqualified/ removed from the post of a key executive position of a company by the Commission or any other regulatory authority.

(d) Integrity, Honesty and Reputation

- (i) The person should not have been convicted in any criminal offence or directly involved in any settlement in civil/ criminal proceedings in a court of law, particularly with regard to moral turpitude, investments, financial/business misconduct, fraud/ forgery, breach of trust, financial crime etc. and/ or it has not

been concluded by any regulatory authority that the person has been associated with any unauthorized financial activity including illegal brokerage business.

- (ii) No investigation/enquiry/inspection, conducted under Section 139 of the Securities Act, 2015, Section 83 of the Futures Market Act, 2016, Section 29 of the Securities and Exchange Commission of Pakistan Act, 1997, Section 21 of the Securities and Exchange Ordinance, 1969, Section 256 or Section 257 of the Companies Act, 2017, has been concluded against the person by the Commission with material adverse findings or any settlement in civil/criminal proceedings particularly with regard to investments, financial matters/business, misconduct, fraud, formation or management of a corporate body etc. by any regulatory authorities (within or outside Pakistan), professional bodies or government bodies/agencies.
- (iii) The person has not defaulted on settlement of a customer complaint where such complaint has been adjudicated by the Commission or the securities exchange.
- (iv) An order restraining, prohibiting or debarring the person from dealing in securities in the capital market or from accessing the capital market has not been passed; or penalty of Rs.500,000/- or more has not been imposed on it/him/her by the Commission in the last three years, in respect of any laws administered by the Commission:

Provided that a person may be considered eligible in case a period of at least three years from the date of expiry of the period specified in the order for which such person has been restrained/ prohibited/debarred has elapsed.

- (v) The director or senior management officer should not have been penalized for providing false or misleading information either to the Commission or to any of the regulatory body, securities exchange, central depository or a clearing house.
- (vi) The person should not have been actively involved in the management of a company whose registration or licence has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices.
- (vii) The person must not be ineligible, under the Companies Act, 2017 or any other legislation from acting as a director.
- (viii) The person should not have entered into a plea bargain arrangement with the National Accountability Bureau.

(e) Additional Criteria for Independent Directors

- (i) The person has no relationship with the professional clearing member that would interfere with him exercising independent professional judgment as a director and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any apparent form of interference.
- (ii) The person should not be a director, officer, sponsor or shareholder of a company holding TRE certificate or any holding or subsidiary company of such company.
- (iii) The person's immediate family member is also not a director, officer, sponsor or shareholder of a company holding TRE certificate and/or the combined shareholding of the immediate family members in any company licensed as a professional clearing member does not exceed twenty percent.
- (iv) It shall be mandatory to disclose any shareholding in a listed company in such person's name or in the name of his/her immediate family member or in the name of an entity being managed or controlled by him/her or his/her immediate family member to the professional clearing member;
 - a. at the time of submission of initial information; and
 - b. on quarterly basis for the respective period.
- (v) The person shall not simultaneously be serving as a director on the board of more than seven listed companies.
- (vi) The person should have:
 - (a) membership of a recognized body of professional accountants; or a CFA degree; or a graduate degree in finance, accountancy, business management, commerce, economics, law, capital market, financial services or related disciplines from a university recognized by the Higher Education Commission of Pakistan, or equivalent;
 - (b) have an experience of at least five years in activities relating to capital market, preferably professional clearing member business; and

- (c) the suitability of person for the position of independent director shall be assessed by the board prior to his/her appointment.

Note:

- In case of any ambiguity in determination of fitness and propriety of a person in terms of this criteria, the decision of the Commission shall be final and binding upon the professional clearing member.
- Along-with the application for licence for a professional clearing member:
 - (a) the applicant's directors and senior management officers shall submit the following duly filled form of information and the affidavit; and
 - (b) the authorized person on behalf of the applicant shall submit the following duly filled affidavit.

Information to be provided by directors and senior management officers of the.__ (name of professional clearing member)__

1.	Curriculum Vitae/Resume containing:
(a)	Name:
(b)	Father's or Husband Name:
(c)	C.N.I.C # (attach copy)
(d)	Latest photograph
(e)	Nationality:
(f)	Age:
(g)	Contact details:
	(i) Residential address:
	(ii) Business address:
	(iii) Tel:
	(iv) Mobile:
	(v) Fax:
	(vi) E-mail:
(h)	National Tax Number:
(i)	Present occupation:
(j)	Qualification(s):
	(i) Academic:
	(ii) Professional:

(k)	Experience: (Positions held during the last 10 years along with name and address company/ institution) Information to be provided on the following sample format*:			
	Sr #	Name of Organization	Designation	Period
	1	Company A		DD/MM/YY - DD/MM/YY
	2	Company B		DD/MM/YY - DD/MM/YY
2.	1. Nature of directorship:			
	(a) Executive (b) Non-executive			
	2. Status of directorship:			
	(a) Nominee director (b) Elected director (c) Independent director			
	Number of shares subscribed or held—————			
	Nominated by (name of shareholder/ nominating entity)			
3.	Names of companies, firms and other organizations of which the person is presently director, partner, office holder or major shareholder (Information to be provided on the following sample format*)			
	Sr #	Name of Organization	Designation	Period
	1	Company A		DD/MM/YY - DD/MM/YY
	2	Company B		DD/MM/YY - DD/MM/YY
4.	Names of any persons on the board of the (name of professional clearing member) who are related to the applicant.			

Signature_____

*use additional sheets if required

Affidavit to be provided by the applicant, directors and senior management officers of the applicant

(On Stamp Paper of Appropriate Value)

AFFIDAVIT

A. In case of an individual in his/her own capacity:

I, _____ son/daughter/wife of _____ adult, resident of _____ and holding CNIC/ Passport No. _____ do hereby state on solemn affirmation as under:—

1. That I am eligible for.....the position of director/senior management officer.....of the.....(name of applicant).....according to the Fit and Proper Criteria specified as per the Professional clearing members (Licensing and Operations) Regulations, 2020.

2. That I and the companies, firms, sole proprietorship etc. where I am a chief executive, director (other than nominee director), owner or partner etc. have no overdue payment to any financial institution.

3. That I hereby confirm that the statements made and the information given by me are correct and that there are no facts which have been concealed.

4. That I have no objection if the ..(name of applicant)...., or the SECP requests or obtains information about me from any third party.

5. That I undertake to bring to the attention of the... (name of applicant).... any matter which may potentially affect my status as director/senior management officer as per the fit and proper criteria specified in the Professional clearing members (Licensing and Operations) Regulations, 2020.

6. That all the documents provided to.... (name of applicant)...., are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof.

7. That I will comply with any other condition as may be specified by the Commission.

B. In case of an individual as authorized person on behalf of applicant:

I, _____ son/daughter/wife of _____ adult, resident of _____ and holding CNIC/Passport No. _____, on behalf of.....(name of the applicant)..... do hereby state on solemn affirmation as under:—

1. That.... (name of the applicant).... is eligible for applying for licence as a professional clearing member as per the Professional clearing members (Licensing and Operations) Regulations, 2020.

2. That.....(name of the applicant)....., and the companies, firms, sole proprietorship etc. associated with..... (name of the applicant)....., have no overdue payment to any financial institution.

3. That I hereby confirm that the statements made and the information given by me are correct and that there are no facts which have been concealed.

4. That..... (name of the applicant).... has no objection if the SECP requests or obtains information about..... (name of the applicant)..... from any third party.

5. That I undertake, on behalf of..... (name of the applicant)..... that (name of the applicant)..... will bring to the attention of the Commission any matter which may potentially affect its status as a professional clearing member as per the licencing conditions and fit and proper criteria specified in the Professional clearing members (Licencing and Operations) Regulations, 2020.

6. That all the documents provided by..... (name of applicant)..... are true copies of the originals and I have compared the copies with their respective originals and certify them to be true copies thereof.

7. That the applicant will comply with any other condition as may be specified by the Commission.

DEPONENT

The Deponent is identified by me

Signature_____
ADVOCATE
(Name and Seal)

*Solemnly affirmed before me on this _____ day of _____
at _____ by the Deponent above named who is identified to me by _____,
Advocate, who is known to me personally.*

Signature_____
OATH COMMISSIONER FOR TAKING AFFIDAVIT

[File No. SY/SECP/8/13.]

BILAL RASUL,
Secretary to the Commission.