

Intro Guide



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Intro Guide

NIC Building, 63 Jinnah Avenue, Islamabad, Pakistan
Tel: 051-9207091-4, Fax: 051-9204915
Website: www.secp.gov.pk
e-mail: enquiries@secp.gov.pk



Disclaimer:

The information contained herein is subject to change without prior notice. While every effort is made to ensure accuracy and completeness of information contained, the Commission makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information for any claim, demand or cause of action.



Contents

Vision, Mission, Strategy	1
The Commission	2
International Affairs, Communication And Coordination Department (iaccd)	3
Company Law Division	4
Securities Market Division	5
Specialized Companies Division	6
Insurance Division	7
Support Functions	8
Laws Administered By The Commission	9



Vision

The development of modern and efficient corporate sector and capital market, based on sound regulatory principles, that provides impetus for high economic growth and fosters social harmony in the Country.

Mission

To develop a fair, efficient and transparent regulatory framework, based on international legal standards and best practices, for the protection of investors and mitigation of systemic risk aimed at fostering growth of a robust corporate sector and broad based capital market in Pakistan.

Strategy

To develop an efficient and dynamic regulatory body that fosters principles of good governance in the corporate sector, ensures proper risk management procedures in the capital market, and protects investors through responsive policy measures and effective enforcement practices.

THE COMMISSION

Securities and Exchange Commission of Pakistan was established pursuant to the Securities and Exchange Commission of Pakistan Act, 1997 (SECP Act) for the beneficial regulation of the capital markets, superintendence and control of corporate entities in Pakistan and for matters connected therewith. The regulation of the Non-Banking Finance (NBF) sector, the insurance sector and the Voluntary Pension Schemes (VPS) was entrusted to the Commission over a period of time to provide for a holistic and consolidated regulation of those sectors. The Commission plays a fundamental role in maintaining the integrity and vitality of the capital markets, superintendence and control of the corporate entities, NBFCs, insurance industry and protection of the interests of investors.

The Commission is organized into four main operational divisions: Company Law Division, Securities Market Division, Specialized Companies Division, and Insurance Division. The Commission's head office is in Islamabad. The Securities Market Division, Specialized Companies Division and Insurance Division each have two regional offices (Head Office) – Southern Regional Office and Northern Regional Office – to administer the securities and corporate laws in their respective territorial jurisdictions. Company Law Division has eight Company Registration Offices (CROs) at different cities in the country.

INTERNATIONAL AFFAIRS, COMMUNICATION AND COORDINATION DEPARTMENT

International Affairs, Communication and Coordination Department (IACCD) has been structured in the following manner to better sign its functions and responsibilities:

- International Affairs Wing
- Internal and External Coordination Wing
- Internal and External Communication Wing
- Information Resource Centre

(IACCD) Coordinates the overall functioning of the Commission and liaises with external entities, including government agencies, ministries and multilateral and international organizations such as IOSCO, FATF, IFC, World Bank, ADB, etc.

IACCD also supports the management of corporate governance regime and donor-funded projects besides monitoring the redressal of investors and companies complaints by the concerned divisions. It maintains close liaison with the print and electronic media for proactive dissemination of information relating to key regulatory measures and initiatives undertaken by the Commission.

COMPANY LAW DIVISION

Company Law Division (CLD) regulates, monitors and enforces laws pertinent to the corporate sector. In recent years, It has introduced necessary amendments in existing laws and enacted new laws to cater to the changing business needs and scenarios. CLD also undertakes monitoring and vigilance of the corporate sector to promote transparency, accountability and good corporate governance practices.

The Division is entrusted with the following functions:

Administration and enforcement of the Companies Ordinance 1984 (the Ordinance) as well as other relevant laws, rules and regulations.

Registration of companies through Commission's field offices, the Company Registration Offices (CROs) located in various cities, i.e., Karachi, Lahore, Islamabad, Peshawar, Multan, Faisalabad, Quetta and Sukkur.

Regulating the statutory functions of companies and monitoring corporate compliance through examination of statutory returns and accounts for listed, unlisted as well as private companies.

Ensuring compliance of listed, unlisted as well as private companies (except NBFC's and Modarabas) with various corporate laws and regulations with the aim of protecting the interests of shareholders, creditors and other stakeholders.

CLD operates with the following departments:

Registration Department (RD)
Enforcement Department (EnfD)

SECURITIES MARKET DIVISION

Securities Market Division (SMD) is entrusted with the objectives to develop and promote a fair, transparent and modern capital market in Pakistan, protect investors through a robust regulatory framework, efficient enforcement program and facilitate capital formation.

SMD is committed to accomplish its objectives by instituting effective regulation and bringing in reforms to ensure fair and transparent market, ascertain effective risk management and promote good governance to strengthen investors confidence. SMD regulates the primary and secondary market activities, as well as market intermediaries with the objective of protecting investors through registration, surveillance, investigation, enforcement, compliance and rule making. SMD processes and grants approvals of prospectuses for public offerings and performs the oversight function for monitoring the working and activities of stock exchanges, commodity exchange and other capital market institutions like Central Depository Company, National Clearing Company and credit rating companies.

SMD is divided into the following two departments:

- The Securities Department
- The Self Regulatory Organization (SRO) Department

SPECIALIZED COMPANIES DIVISION

Specialized Companies Division (SCD) strives to provide a conducive regulatory environment for the development and promotion of a robust Non-Bank Financial (NBF) sector. The major functions performed by SCD to foster growth and development of the NBF sector include: licensing, registration, regulation, on-site inspection, off-site surveillance and enforcement. The underlying objective is to safeguard the interests of the stakeholders while at the same time facilitate diversification and innovation in products and services of NBF sector.

SDC's primary responsibilities include licensing, monitoring and enforcement of NBF sector participants i.e. Non Banking Finance Companies, Mutual Funds, Modarabas, Real Estate Investment Trusts, Pension Funds, Private Equity Funds and Venture Capital Funds.

To effectively regulate the sectors under the ambit, the Division has been divided into two main departments:

- Policy and regulations department (situated in Islamabad)
- Supervision Department (situated in Karachi)

INSURANCE DIVISION

The Insurance Division aims to ensure protection of the interests of insurance policyholders and to promote sound development of the insurance industry

Insurance Division (ID) is based in Karachi and regulates the insurance sector, including life and non-life companies, takaful operators, insurance intermediaries and bodies connected with insurance business in Pakistan. In addition to monitoring & supervision, it is also responsible for policy reforms.

ID has been divided into the following three wings:

- Life Insurance Wing
- Non-Life Insurance Wing
- Takaful Wing



Support Functions

Human Resources and Training Department

The Human Resources (HR) and Training Department facilitates the overall operations of the human resources at the SECP and is responsible for various activities that include manpower planning, recruitment, selection and capacity building of the SECP's employees.

Finance and Administration Department

The Finance & Admin Department is responsible for directing and controlling the areas of accounting, facilitating overall operations of the SECP and ensuring its smooth functioning.

Information Systems and Technology Department

The Information Systems and Technology (IS&T) Department provides Information Technology leadership to SECP, to build the organizational information infrastructure, and to expand technology support, to create an environment that will assist the whole organization to achieve its goals in the coming decades. In short the IS & T division is the technology partner for all members of the SECP community and is ISO 9001:2000 certified.

Law Division

The Law Division ensures that all legal services are performed with the highest integrity and in accordance with the finest ethical standards of the legal profession for achieving the statutory mandate of SECP. The Law Division comprises of three wings:

- Advisory Wing
- Litigation Wing
- Legislation Wing

Laws Administered by the Commission

Statutes

2002

Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002

2000

Insurance Ordinance, 2000

1997

Securities and Exchange Commission of Pakistan Act, 1997

Central Depositories Act, 1997

1984

Companies Ordinance, 1984

1980

Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980

1974

Companies (Appointment of Legal Advisors) Act 1974

1969

Securities and Exchange Ordinance, 1969

Rules/Regulations/Guidelines

2008

REIT Regulations 2008

Group Companies Registration Regulations, 2008

Non-Banking Finance Companies And Notified Entities Regulations, 2008

Private Equity & Venture Capital Fund Regulations, 2008 | Forms & Schedule

Listed Companies (Substantial Acquisition Of Voting Shares And Takeovers) Regulations, 2008

2005

Takaful Rules, 2005

Clearing Houses (Regulation and Registration) Rules, 2005

Voluntary Pension System Rules, 2005

Commodity Exchange and Futures Contracts Rules, 2005

2004

Prudential Regulations for NBFCs, 2004
Prudential Regulations for Modaraba, 2004
Margin Trading Rules, 2004

2003

Single Member (Private Limited Companies) Rules, 2003
Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003.
Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003
Companies (Registration Offices) Regulations, 2003

2002

Federal Government Insurance Rules, 2002
Securities and Exchange Commission (Insurance) Rules, 2002
Guidelines for Issue of TFCs, 2002
Guidelines for Issue of Commercial Papers, 2002
Guidelines for Preparation of Prospectus, 2002
Code of Corporate Governance for Listed Companies, 2002

2001

Balloters, Transfer Agents and Underwriters Rules, 2001
Brokers and Agents Registration Rules, 2001
Public Companies (Employees Stock Option Scheme) Rules, 2001
Stock Exchange Members (Inspection of Books and Record) Rules, 2001
Members' Agents and Traders (Eligibility Standards) Rules, 2001
Venture Capital Companies and Venture Capital Funds Rules, 2001

2000

Companies' Share Capital (Variation in Rights and Privileges) Rules, 2000

1999

Companies (Asset-Backed Securitization) Rules, 1999
Companies (Buy-Back of Shares) Rules, 1999
Companies (Rehabilitation of Sick Industrial Units) Rules, 1999

1998

The Companies (Audit of Cost Accounts) Rules, 1998

1996

Central Depository Companies (Establishment and Regulation) Rules, 1996

Companies (Issue of Capital) Rules, 1996

Employees' Provident Fund (Investment In Listed Securities) Rules, 1996

1995

Credit Rating Companies Rules, 1995

1987

Companies (Invitation and Acceptance of Deposits) Rules, 1987

1985

Companies (General Provisions and Forms) Rules, 1985

1981

Modaraba Companies and Modaraba Rules, 1981

1975

Companies (Appointment of Legal Advisors) Rules, 1975

1971

Securities and Exchange Rules, 1971

Securities and Exchange Commission of Pakistan

National Insurance Corporation Building

Jinnah Avenue,

Islamabad-44000

PAKISTAN

Tel: +92-51-111-117-327

Fax: +92-51-9204915

Email: enquiries@secp.gov.pk

Website: www.secp.gov.pk

NIC Building, 63 Jinnah Avenue, Islamabad, Pakistan

Tel: 051-9207091-4, UAN: 111 117 327

Fax: 051-9204915

Website: www.secp.gov.pk

e-mail: enquiries@secp.gov.pk