

PSX/N- 1058

Dated: September 03, 2021

Reproduced hereunder letter No. SMD/SE/2(267)/2016/161 dated September 01, 2021 received from **Securities and Exchange Commission of Pakistan**, regarding **Timelines under the Securities Brokers (Licensing and Operations) Regulations, 2016**, for information of all concerned.



**Securities and Exchange Commission of Pakistan**  
**Securities Market Division**  
**Policy, Regulation and Development Department**

No. SMD/SE/2(267)/2016/161

September 01, 2021

**Mr. Ajeet Kumar**  
Chief Regulatory Officer  
Pakistan Stock Exchange Limited  
Karachi.

**Subject: Timelines under the Securities Brokers (Licensing and Operations) Regulations, 2016**

Dear Sir,

This is with reference to amendments notified in the Securities Brokers (Licensing and Operations) Regulations, 2016 (Regulations) vide S.R.O. 342(I)/2020 dated April 27, 2020 and S.R.O. 77(I)/2020 dated February 03, 2020 relating to the new broker regime and the Securities and Exchange Commission of Pakistan's (SECP) earlier letters of July 20, 2020, December 31, 2020, May 03, 2021, June 30, 2021 and August 02, 2021.

I am directed to communicate that the SECP, in order to facilitate the market participants for ensuring compliance with the new regime and taking into account the ongoing developments relating to PCM, in exercise of the powers conferred under the Regulations, has extended the timelines stipulated under the relevant provisions, as follows:

Sr.	Regulation	Subject	Deadline	New Deadlines for Brokers
1.	Proviso to 5A(2)	Submission of expression of interest for conversion to TC category	July 10, 2021	No change
2.	5A(2), (3)	Submission of application to the SECP by securities broker for conversion to a specific category (TO/TSC/TC) along with supporting documents  <i>Securities brokers which have already applied for conversion to TO/TSC category by December 15, 2020, or thereafter, shall be given another opportunity to evaluate the working model etc. of PCM and if they wish they can change their application for conversion.</i>	Completed. However, broker have option to apply for conversion of their category any time on voluntary basis	Completed. However, broker have option to apply for conversion of their category any time on voluntary basis
3.	-	Submission of confirmation from PCM/TC broker for entering into arrangements with regards to transfer of custody/settlement function.	August 20, 2021	September 20, 2021
4.	5A(2)	Compliance with the financial resource requirement of the respective category of	Completed. Any broker which has	Completed. Any broker which has



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		securities brokers. (In case broker is not compliant with the financial resource requirements, it shall submit an affidavit along with the application for conversion that it shall comply till February 28, 2021).	not submitted affidavit is given additional time for submitting affidavit till August 10, 2021 for compliance with financial resources requirements till August 31, 2021	not submitted affidavit is given additional time for submitting affidavit till September 10, 2021 for compliance with financial resources requirements till September 30, 2021
5.	Proviso to 6(1) & 6(1A)	New financial resource requirements to become applicable on categories of securities brokers.	September 01, 2021	October 01, 2021
6.	2 <sup>nd</sup> proviso to 6(1)	Broker non-compliant with existing financial resource requirements to be deemed compliant on condition of submission of application for conversion to relevant category under Regulation 5A above.	August 31, 2021	September 30, 2021
7.	5A(3)	TO broker to transfer clearing, settlement and custody functions of its customers to TC broker or PCM.	October 15, 2021	November 15, 2021

It is requested that the same may be disseminated to the market participants.

Regards,

**(Zonish Inayat)**  
Additional Joint Director

Cc:  
Chief Executive Officer, Pakistan Stock Exchange Limited  
Chief Executive Officer, National Clearing Company of Pakistan Limited  
Chief Executive Officer, Central Depository Company of Pakistan Limited