

# CORPORATE PULSE



## IN THIS ISSUE

PG. 2

**POLICY PAPER ON REGULATION OF DIGITAL ASSET TRADING PLATFORMS**

**NOTIFICATION U/S 66 OF COMPANIES ACT, 2017**

PG. 3

**DELEGATION OF POWER BY THE SECP**



## CLEARING HOUSES (LICENSING AND OPERATIONS) REGULATIONS, 2016

SECP has notified that the “Clearing House” licensed under the said Securities Act, 2015 is required to maintain:

(i) paid up capital of Rs.1.00 billion at all times; and

(ii) net worth of Rs.2.00 billion by June 30, 2023



## Position Paper on Regulation of Digital Asset Trading Platforms

The SECP published a position paper on Regulation of Digital Asset Trading Platforms on November 6, 2020. It is a consultation paper, which exclusively focuses on non-government or non-central bank-issued crypto assets. It is a part of SECP digital transformation agenda under which the SECP aims to develop a policy and regulatory response to Digital Assets in Pakistan considering the need and impact of Digital Assets on the financial sector of the Country and to identify any areas of regulatory arbitrage that may pose risks due to lack of appropriate policy and regulatory framework.

The complete paper can be read using the following official link:

<https://www.secp.gov.pk/document/position-paper-regulation-of-digital-asset-trading-platforms/?wpdmdl=40643&refresh=5fcoada53aa701606462885>



### SECTION 66 OF THE COMPANIES ACT, 2017

The SECP has notified the following list of persons to whom any instrument in the nature of “redeemable capital” may be issued by a company, subject to the terms and conditions as provided under section 66 (Issue of Securities and Redeemable Capital not Based on Interest) of the Act through S.R.O. 1208(I)/2020:

- i. Mutual Funds, Voluntary Pension Schemes and Private fund being managed by NBFC;
- ii. Insurer registered under the Insurance Ordinance, 2000 (XXXIX of 2000);
- iii. A Securities Broker;
- iv. A Fund and Trust as defined in the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018;
- v. A Company and Body Corporate as defined in the Companies Act, 2017;
- vi. Individual investors only in case of Government Debt Securities as defined below and debt securities whose debt servicing is guaranteed by the Government.

“Government Debt Securities means a debt security such as Treasury Bill (T-Bill), Pakistan Investment Bond (PIB), Government of Pakistan (GoP) Ijarah Sukuk and any other debt instrument issued by the Federal Government, Provisional Government, Local Government/Authority, and any other statutory body.”

## DELEGATION OF POWER

The SECP, during the month of November 2020, has delegated the following powers under different laws and regulations:

1. The power to hear an appeal against the order passed or upheld by the Registrar designated under clause (a) of section 480 of the Companies Act, 2017 has been delegated to the Executive Director (PLAD) in relation to companies other than listed and licensed entities except the companies licensed under section 42 of the Act
2. The Joint Director Supervision and Enforcement Department has been entrusted with the following powers in relation to NBFCs, Companies Ordinance, 1984
  - i. To issue directions to NBFCs 282 D(1)
  - ii. To modify or cancel the directions issued and impose conditions 282 D(2)
  - iii. To require to furnish any Information, etc. 282 G
  - iv. To cause inquiry or inspection and to exercise other related powers. 282 I
3. The power to hear an appeal against the order passed by the registrar concerned regarding refusal of name of LLP under regulation 3(4) of the Limited Liability Partnership Regulations, 2018 has been delegated to the Registrar [Limited Liability Partnership (LLP)], Corporatization and Compliance Department, Company Law Division.

### CONNECT WITH US:

[www.4mco.com.pk](http://www.4mco.com.pk)

[www.facebook.com/4mconsult](https://www.facebook.com/4mconsult)

[www.instagram.com/4m\\_business\\_consultants](https://www.instagram.com/4m_business_consultants)

### CONTACT US:

Phone: **021 3645 0366**

Email: [info@4mco.com.pk](mailto:info@4mco.com.pk)

Address: **Office 803, Landmark Plaza,  
I.I. Chundrigar Road, Karachi,  
Pakistan**