THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN ACT, 1997

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SCHEDULE I

[see section 2(1) (aa) and (s)]

ADMINISTERED LEGISLATION

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SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN ACT, 1997

ACT No. XLII OF 1997

[*19th December, 1997*]

An Act to provide for the establishment of the Securities and Exchange Commission of Pakistan and to provide for matters connected therewith and incidental thereto.

WHEREAS it is expedient to provide for the establishment of the Securities and Exchange Commission of Pakistan for the beneficial regulation of the capital markets, superintendence and control of corporate entities and for matters connected therewith and incidental thereto;

It is hereby enacted as follows:—

PART I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called as the Securities and Exchange Commission of Pakistan Act, 1997.

(2) It extends to the whole of Pakistan.

(3) Save for section 43, the Act shall come into force at once and section 43 shall come into force on such *date as the Federal Government may, by notification in the official Gazette, appoint.

2. Definitions. [1][(1)] In this Act, unless there is anything repugnant in the subject or context,—

(a) "appointed day" means the day on which section 43 comes into force;

[1][(aa) "administered legislation" means the legislation administered by the Commission as specified in the Schedule I;]

(b) "Authority" means the Corporate Law Authority constituted under the Companies Ordinance, 1984 (LXVII of 1984);

(c) "Board" means the Securities and Exchange Policy Board established under section 12;

(d) "Chairman" means the Chairman of the Commission [1][and includes the Acting Chairman];

(e) "civil servant" means a civil servant as defined in section 2 of the Civil Servants Act, 1973 (LXXI of 1973);

[1][(f) "clearing house" means a company that is licensed by the Commission as a clearing house;]

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* i.e. 1-1-1999 , See SRO 1404(1)/98, dt 31-12-98

[1] Numbered, added, ins. and subs. by Act No. XXXVI of 2016, s. 2.

(g) "Commission" means the Securities and Exchange Commission of Pakistan established under section 3;

(h) "Commissioner" means a Commissioner of the Commission and shall include the Chairman thereof;

(i) "committee" means a committee of the [1][Commission or the Board] constituted under [1][this Act] ;

[1][(ia) "Court" means the Company Bench of a High Court as provided in sections 7 and 8 of the Companies Ordinance, 1984 (XLVII of 1984)]

(j) "dealing in securities" means making or offering to make, whether as principal or agent, with any person or inducing or attempting to induce any person to enter into or to offer to enter into—

(i) any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities, or

(ii) any agreement the apparent or ostensible purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities;

[1][(ja) "document" includes any information recorded in any form, including documents or statement of accounts in respect of customers maintained by financial institution, through modern electronic devices or techniques and data or information recorded in any legible form;]

(k) "employee" means any officer or servant of the Commission;

[1][(ka) "financial services" mean all services provided by regulated persons under this Act or any administered legislation, but shall not include any service exclusively regulated by the State Bank of Pakistan;

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(kb) "financial services market" mean all markets in which financial services are provided and includes the capital market and the insurance market;]

(l) "Fund" means the fund established under section 23;

[2][(la) "Law of insurance" means the Insurance Ordinance, 2000 (XXXIX of 2000) or any other law in relation to insurance, the administration of which is vested in the Commission by the Federal Government by notification in the official Gazette.].

(m) "Member" means a Member of the Board;

[1]Subs. and Ins. by Act No. XXXVI of 2016, s. 2.
[2]Ins. by Ord. No. LV of 2000, s. 2.

(n) "NBFI" means a non-banking financial institution and includes a development finance institution, a Modaraba, a leasing company, a housing finance company and an investment bank but shall not include a banking company as defined in clause (c) of section 5 of the Banking Companies Ordinance, 1962 (LVII of 1962);

(o) "Ordinance" means the Companies Ordinance, 1984 (XLVII of 1984);

(p) "private sector person" means a person who is not in the service of Pakistan or of any statutory body or any body which is owned or controlled by the Federal Government or a Provincial Government not including a University or an educational institution;

[1][(pa) "regulated activity" means any activity which is required to be registered with or licensed by the Commission under this Act or any administered legislation;

(pb) "regulated person" means a person or entity licensed or registered under this Act or any administered legislation to carry on or engage in a regulated activity not being an institution exclusively regulated by the State Bank of Pakistan;]

(q) "regulations" means the regulations made by the Board or the Commission; [*][1]

(r) "rules" means the rules made by the Federal Government [;][1]

[1][(s) "Schedule" means schedule annexed to this Act;

(t) "self regulatory organization" means an entity connected with financial services market and registered by the Commission under this Act for the purpose of regulating the operations, standards of practice and business conduct of its members and their representatives with a view to promote protection of investors and the public interest;

(u) "specified" means specified by the Commission through regulations made under this Act;

(v) "subordinate legislation" means any rules or regulations made under this Act or any administered legislation; and

(w) "systemic risk" means the risks, including potential, emerging and systemic risks in financial services market, entities, infrastructure, products and activities which may impact the ability of the Commission to fulfil its regulatory responsibilities provided in this Act.]

[1][(2) Unless the context requires otherwise, the words and expressions used in this Act but not defined herein shall have the same meaning as assigned to them under the administered legislations.]

[1]Ins. omitted, subs. and added by Act No. XXXVI of 2016, s. 2.

PART II

THE COMMISSION

3. Establishment of the Commission.—(1) There is hereby established a Commission to be called the Securities and Exchange Commission of Pakistan.

(2) The Commission shall be a body corporate with perpetual succession and a common seal, and may sue and be sued in its own name and, subject to and for the purposes of this Act, may enter into contracts and may acquire, purchase, take, hold and enjoy movable and immovable property of every description and may convey, assign, surrender, yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of or deal with, any movable or immovable property or any interest vested in it, upon such terms as it deems fit.

[1][(3) The Commission shall be administratively, financially and functionally independent and the Federal Government shall use its best efforts to promote, enhance and maintain independence of the Commission.]

4. Head Office. The head office of the Commission shall be in Islamabad. The Commission may establish and close down offices at such other places in Pakistan as it considers necessary.

5. The Commissioners.—(1) Subject to sub-section (2), the Commission shall consist of such number of Commissioners, including the Chairman, appointed by the Federal Government as may be fixed by the Federal Government but such number shall not be less than five and more than seven. A Commissioner shall be a person who is known for his integrity, expertise, experience and eminence in any relevant field, including the securities market, law, accountancy, economics, finance [2][, insurance] and industry.

(2) The majority of the Commissioners shall always be of private sector persons.

(3) Subject to the provisions of this Act, the Commission shall, in discharge of its functions and exercise of its powers, conduct its proceedings in accordance with the regulations made by the [2][Commission].

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[2][(4) The Commissioners, including the Chairman, shall be paid such remuneration and allowances as the Commission may, with the approval of the Board, determine.]

[3][(5) No act, proceeding or decision of the Commission shall be invalid only by reason of the existence of a vacancy or defect in the constitution of the Commission.].

6. The Chairman.—(1) The Federal Government shall appoint one of the Commissioners to be the Chairman of the Commission, and no Commissioners shall be appointed Chairman for more than two consecutive terms.

(2) The Chairman shall be the chief executive officer of the Commission and shall, together with the other Commissioners, be responsible for the day to day administration of the affairs of the Commission and shall, subject to the regulations made by the Commission, be assisted by the other Commissioners in carrying out the functions of the Commission.

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[1] Added by Act No. XXXVI of 2016, s. 3.
[2]Ins. Subs. and added by Ord. No. LV of 2000, s. 3.
[3]Subs. by Act No. XVIII of 2013, s.2.

[1]**[6A. The Acting Chairman.** At any time when position of the Chairman is vacant or the Chairman is unable to perform his functions due to any cause, the Federal Government shall appoint senior most Commissioner of the Commission to be the Acting Chairman of the Commission until appointment of the Chairman on a regular basis:

Provided that the Federal Government shall ensure the appointment of Chairman on regular basis within hundred and twenty days from the date the post of Chairman fell vacant.]

7. Term of office of the Commissioners.—(1) Not less than three of the Commissioners (excluding the Chairman) first appointed under this Act, to be selected at random ballot in accordance with such procedure as may be approved by the Board (the "Term A Commissioner") shall hold office for a term of two years, shall retire on the expiration of that term and may be re-appointed for a further term of three years. The Commissioners, other than the Term A Commissioners (including the Chairman, the "Term B Commissioners") shall hold office for a term of three years, shall retire on the expiration of that term and may be re-appointed for a further term of three years.

[2][(2) At the end of each term, initial or further, or at the end of the cumulative period of five years, in case of the Term A Commissioners, or six years, in case of Term B Commissioners, as provided for in sub-section (1), the relevant number of Commissioners shall cease to hold office and any vacancy thus arising shall in each case be filled by appointment of the requisite number of qualified persons as Commissioners, each for a term of three years starting from the date of appointment:

Provided that a Commissioner shall be deemed to have retired at the end of such three-years unless, being eligible for re-appointment, he is re-appointed.]

[3][(3) Notwithstanding anything contained in sub-sections (1) and (2),-

(a) a person who, on the date of his appointment is more than sixty-two years of age, shall not be appointed as a Commissioner; and

(b) a Commissioner shall cease to hold office attaining the age of sixty-five years.]

8. Appointment of employees of the Commission.—(1) The Commission may, from time to time, employ persons to be employees of the Commission who shall be paid such remuneration and allowances and shall hold their employment on such terms and conditions as may be determined by the Commission with the approval of the Board.

(2) The employees of the Commission shall hold office during the pleasure of the Commission and shall be liable to disciplinary action in accordance with the procedure laid down by the Commission with the approval of the Board.

9. Appointment of advisers and consultants.—(1) Subject to sub-section (2), the Commission may, employ and pay consultants and agents and technical, professional and other advisers including, without limitation, bankers, stockbrokers, surveyors, valuers, actuaries, accountants, lawyers, and other persons to transact any business or to do any act required to be transacted or done in the exercise of its powers, the performance of its functions or for the better implementation of the purposes of this Act.

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[1]Ins. by Act No. XXXVI of 2016, s. 4.
[2]Subs by Act No. XVIII of 2013, s. 3.
[3]Ins. by Finance Act 2008 (Act No. I of 2008), s.15

(2) The decision to employ and the terms of employment of external advisers and consultants shall be made by the Commission in accordance with such policy guidelines as the Commission may, in consultation with the Board, establish from time to time.

10. Delegation of the Commission's functions or powers.—(1) The Commission may, subject to such conditions and limitations as it may deem fit to impose, delegate any of its functions or powers [1][under this Act or any administered legislation] to one or more Commissioners or any officer of the Commission.

(2) A delegation under this section shall not prevent the concurrent performance or exercise by the Commission of the functions or powers so delegated.

11. The Commission to furnish information. The Commission shall furnish to the Federal Government or the Board such information with respect to the policy it is pursuing or proposes to pursue in the performance of any of its functions under this Act as the Federal Government or the Board may, from time to time, require.

[1]**[11A. Committees of the Commission**. The Commission may constitute committees, consultative group, task force etc. as it considers necessary or expedient to assist it in performance of its functions under this Act or any administered legislation.].

PART III

THE BOARD

12. The Securities and Exchange Policy Board.—(1) The Federal Government shall appoint a Securities and Exchange Policy Board consisting of [2][eleven] Members.

(2) Of the Members—

(a) [3][five] shall be—

[3][(i)] *ex-officio* the Secretary to the Government of Pakistan, Finance Division;

(ii) *ex-officio* the Secretary to the Government of Pakistan, Law Division;

[4][(iia) *ex-officio* Secretary to the Government of Pakistan, Commerce Division;]

(iii) *ex officio* the Chairman of the Commission; and

(iv) a Deputy Governor of the State Bank of Pakistan nominated by the Governor of the State Bank of Pakistan; and

[1]Ins by Act No. XXXVI of 2016, ss. 5 and 6.
[2]Subs. by Act No. XXXVI of 2016, s. 7.
[3]Subs., omitted and re-numbered by Finance Act 2008 (Act No. I of 2008), s.15
[4]Ins. by Ord. No. LV of 2000, s. 4.

(b) [1][six] appointed by the Federal Government from private sector each of whom is well-known for his integrity, expertise and experience in the spheres of commerce and industry (including in particular the securities industry), corporate law, accountancy, financial services, investment [2][,insurance,] banking, academia or other related relevant fields of expertise [:][1]

[1][Provided that the Federal Government shall ensure the appointment of private sector member of the Board within hundred and twenty days from the date of such vacancy in the Board.]

(3) A Member, not being an *ex-officio* Member, shall hold office for a term of four years and shall be eligible for re-appointment for one further four-year term but not more [.][1]

[1][* * *]

(4) An *ex-officio* Member shall hold office as Member till such time as he holds the office by virtue of which he is a Member and upon his transfer therefrom or retirement, resignation or removal from office, the person appointed in such Member's place shall be the Member.

(5) If an *ex-officio* Member is absent from Pakistan or is unable to attend a meeting of the Board he may authorize an officer, not below the rank of Additional Secretary, of his Division, to act as Member and such officer, if approved by the Board, may act as Member.

(6) If an *ex-officio* Member is disqualified to be a Member or resigns his office, the Federal Government shall,—

(a) in case he is a person referred to in sub-clause (i) or sub-clause (ii) of clause (a) of sub-section (2), appoint another Secretary as Member, so long such person holds the post; and

(b) in case of a Deputy Governor appoint another Deputy Governor as Member.

[3][(7) The Federal Government shall designate one of the Members to be the Chairman of the Board who shall, in the event of a tie, have a casting vote.];

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13. Procedure of the Board.—(1) The Board shall meet as often as may be necessary for the performance of its functions but not less than four times in a calendar year.

(2) The quorum for a meeting of the Board shall be [4][five] Members, including the Chairman.

(3) Subject to the provisions of this Act, the procedure and conduct of business of the Board shall be regulated by the regulations made by the Board.

14. Board may invite others to meetings. The Board may invite any person to attend any of its meetings or deliberations (including any of its committees) for the purpose of advising it on any matter under discussion but any person so attending shall have no right to participate in any decision or vote at the said meeting or deliberation.

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[1]Subs., ins. and omitted by Act No. XXXVI of 2016, s. 7.
[2]Ins. by Ord. No. LV of 2000, s. 4
[3]Subs by Finance Act 2008 (Act No. I of 2008), s.15
[4]Subs. by Act. No. XXXVI of 2016, s. 8.

15. Committees of the Board.—(1) The Board may constitute such number of its committees as it considers necessary or expedient to assist it in the performance of its functions under this Act.

(2) A committee constituted under this section shall act in accordance with the regulations made by the Board.

(3) Except as otherwise provided in the regulations made by the Board, the meetings of a committee shall be held at such times and places as the Chairman of the committee may determine.

(4) The Members, other than *ex-officio* Members, commissioner or employees, and any other person invited to attend any meeting of the Board or a committee shall be entitled to such compensation and reimbursement of expenses as the Board may from time to time determine by regulations.

PART IV

CONFLICT OF INTEREST

16. Disclosure of interest by Commissioners and Members.—(1) For the purpose of this and the next following section, a person shall be deemed to have an interest in a matter if he has any interest, pecuniary or otherwise, in such matter which could reasonably be regarded as giving rise to a conflict between his duty to honestly perform his functions under this Act and such interest, so that his ability to consider and decide any question impartially or to give any advice without bias, may reasonably be regarded as impaired.

(2) A Commissioner or a Member having any interest in any matter to be discussed or decided by the Commission or the Board or a committee shall, prior to any discussion of the matter, disclose in writing, respectively, to the Commission, the Board or a committee, as the case may be, the fact of his interest and the nature thereof.

(3) A disclosure of interest under sub-section (2) shall be recorded in the minutes of the Commission, the Board, or a committee, as the case may be, prior to any discussion of, or decision on, the matter and, after the disclosure, the Commissioner or, as the case may be the Member—

(a) shall not, save, in the case of Commissioners, as provided in sub-sections (7) to (9), take part nor be present in any deliberation or decision of the Commission, the Board or a committee, as the case may be, and

(b) shall be disregarded for the purpose of constitution of a quorum of the Board, the Commission or a committee, as the case may be.

(4) Any Commissioner, Member or the member of a committee who fails to disclose his interest as required by this section shall be guilty of an offence and shall on conviction be liable to imprisonment for a term which may extend to one year, or a fine not exceeding one million rupees, or both.

(5) It shall be a valid defence for a person charged with an offence under sub-section (4) if he proves that he was not aware of the facts constituting the offence and that he exercised due care and diligence in discovering those facts which he ought reasonably to have known in the circumstances.

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(6) Each Commissioner shall give written notice to the Federal Government of all direct or indirect pecuniary interests that he has or acquires in a body corporate carrying on a business in Pakistan. The nature of such interests and the particulars thereof shall be disclosed in the annual report of the Commission made under section 25.

(7) If a Commissioner is not the Chairman and the Chairman becomes aware that a Commissioner has the interest, the Chairman shall,—

(a) if the Chairman considers that the Commissioner should not take part, or continue to take part, as the case may require, in determining the matter, direct the Commissioner accordingly, or

(b) in any other case, cause the Commissioner's interest to be disclosed to the persons concerned in the matter (including any person whose application is pending decision or adjudication by the Commission).

(8) The Commissioner in respect of whom a direction has been given under clause (a) of sub-section (7) shall comply with the direction.

(9) If the Commissioner is the Chairman, he shall disclose his interest to the persons concerned in the matter (including any person whose application is pending decision or adjudication by the Commission).

(10) Subject to sub-section (7), the Chairman or the Commissioner who has any interest in any matter referred to in this section shall not take part, or continue to take part, as the case may require, in determining the matter unless everyone concerned in it consents to the Chairman or, as the case may be, the Commissioner so taking part.

17. Notification of interest by others.—(1) Where a person who, in the course of,—

(a) performing a function, or exercising a power, as a delegate of the Commission,

(b) performing functions or service as an employee, or

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(c) performing a function or services in any capacity by way of assisting or advising the Commission, the Board, any committee or any delegate of the Commission,

is required to consider a matter in which he has an interest, such person shall forthwith give to the Commission a written notice stating that he is required to consider the matter and has an interest in it and setting out particulars of the interest.

(2) The person referred to in sub-section (1) shall also declare his interest in accordance with the said sub-section whenever it is necessary to avoid the conflict of interest.

PART V

DISQUALIFICATION, REMOVAL, RESIGNATION AND VACANCIES

18. Disqualification of Members and Commissioners. No person shall be appointed or continue as a Member or Commissioner if he—

(a) has been convicted of an offence involving moral turpitude;

(b) has been or is adjudged insolvent;

(c) is incapable of discharging his duties by reasons of physical, physiological or mental unfitness and has been so declared by a registered medical practitioner appointed by the Federal Government;

(d) being a Member, absents himself from three consecutive meetings of the Board, without leave of the Board and, in the case of a Member *ex-officio*, or fails to appoint another person to act as member under sub-section (5) of section 12, or

(e) fails to disclose any conflict of interest at or within the time provided for such disclosure by or under this Act or contravenes any of the provisions of this Act pertaining to unauthorized disclosure of information.

19. Removal, resignation and vacancies.—(1) Subject to sub-section (2), appointment of any Member or Commissioner may, at any time, be revoked and he may be removed from his office by order of the Federal Government if it is found that such person stands disqualified under section 18.

(2) Unless a disqualification referred to in section 18 arises from the judgment or order of a court or tribunal of competent jurisdiction under any relevant provision of applicable law, a Member or Commissioner shall not be removed or his appointment revoked without an enquiry by an impartial person or body of persons constituted in accordance with such procedure, as may be prescribed by rules made by the Federal Government, and such rules shall provide for a reasonable opportunity for him to be heard in his defence.

(3) A Member or a Commissioner may at any time resign his office by a written notice addressed to the Federal Government.

(4) The office of a Member or Commissioner shall *ipso facto* be vacated if he dies.

PART VI
POWERS AND FUNCTIONS

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20. Powers and functions of the Commission.— (1) The Commission shall have all such powers as may be necessary to perform its duties and functions under this Act [1][or any administered legislation].

(2) The Commission may, having regard to its functions and to exercise its powers efficiently, organize itself into divisions, wings or such other sub-divisions as it may consider expedient.

(3) The Commission may, from time to time, identify the matters requiring the Board to make policy decisions and may also make recommendations regarding policy to the Board for its consideration.

(4) The Commission shall be responsible for the performance of the following functions:

(a) regulating the issue of securities;

[1]Ins. by Act No. XXXVI of 2016, s. 9.

(b) regulating the business in Stock Exchange [1][Commodity Exchange] and any other securities markets;

(c) supervising and monitoring the activities of any central depository and Stock Exchange clearing house;

(d) registering and regulating the working of stock brokers, sub brokers, share transfer agents, bankers to an issue, trustees of trust deeds, registrars to an issue, underwriters, portfolio managers, investment advisers and such other intermediaries who may be associated with the [2][financial services market] in any manner;

(e) proposing regulations for the registration and regulating the working of collective investment schemes, including unit trust schemes;

(f) promoting and regulating self-regulatory organizations including securities industry and related organizations such as Stock Exchanges and associations of mutual funds, leasing companies and other NBFIs;

[2][(fa) establishing and regulating entities for the protection of investors;

(fb) promoting, encouraging and enforcing proper conduct, competence and integrity of regulated persons;

(fc) proposing regulations for disclosure of information in public interest;]

(g) prohibiting fraudulent and unfair trade practices relating to [2][financial services market];

(h) promoting investors education and training of intermediaries [1][operating in the financial services market];

[3][(ha) hearing and deciding investor complaints against persons involved in brokerage business for violations of securities, laws, rules, regulations, directives, codes, etc;]

(i) conducting [2][inspections and] investigations in respect of matters related to this Act and [2][any administered legislation] and in particular for the purpose of investigating insider trading in securities and [3][initiating action against the] offenders;

[2][(ia) ensuring development of a sound regulatory framework to counter and suppress illegal, improper and unfair practices in financial services market and other sectors regulated by the Commission ;]

(j) regulating substantial acquisition of shares and the merger and take-over of companies;

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[1]Ins. by Finance Act 2003 (Act No. I of 2003), s. 11.
[2]Ins., subs. and added by Act XXXVI of 2016, s. 9.
[3]Ins. and subs. by Finance Act 2008 (Act No. I of 2008), s.15

[1][(ja) regulating professionals who provide services within the financial service markets;]

[2][(jb) maintaining and issuing panels of auditors from which companies may appoint auditors, and approving audit firms for financial institutions, listed companies and NBFIs;];

(k) calling for information from and undertaking inspections, conducting inquiries and audits of the Stock Exchanges and intermediaries and self-regulatory organizations in the [3][financial services market];

[3][(l) considering and suggesting reforms relating to the financial services market, regulated persons, companies and bodies corporate, including changes to the constitution, rules and regulations of companies and bodies corporate, securities exchanges or clearing houses;]

(m) encouraging the organized development of the [3][financial services market and other sector regulated by the commission] in Pakistan;

(n) conducting research in respect of any of the matters set out in this sub-section;

(o) performing such functions and exercising such powers of the [3][* * *] Federal Government delegated to the [3][Commission] (other than the power to make any rules or regulations) under the provisions of the Ordinance, [4][the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980)] and under any other law for the time being in force [3][or any other law which may be made after commencement of this Act,] under which any function or power has been conferred on the [3][Commission].

(p) performing such functions and exercising such powers (other than the power to make any rules or regulations) under the Ordinance or any other law for the time being in force as may, after the commencement of this Act, be delegated to it by the Federal Government and exercising any power or performing any functions conferred on it by or under any other law for the time being in force ; [5][*]

(q) proposing regulations in respect of all or any of the aforesaid matters for the consideration and approval of the Board [5][; and]

[5][(r) exercising all powers, discharging all duties and performing all functions assigned to the Commission under, and generally administering, the law of Insurance;

(s) ensuring and monitoring compliance by insurers, insurance surveyors and insurance intermediaries of all laws, rules and regulations pertaining to insurance for the time being in force;

[1]Ins. by Finance Act 2007 (Act No. I of 2007), s. 17.
[2]Ins. by Finance Act 2008 (Act No. I of 2008), s.15
[3]Subs., omitted, and ins., by Act XXXVI of 2016, s. 9.
[4]Ins by Finance Act 1999 (Act No. IV of 1999), s.17.
[5]Omitted, subs. and added by Ord. No. LV of 2000, s.5

(t) regulating professional organizations connected with the insurance business; [1][*]

(u) encouraging the organized development of the insurance market in Pakistan] [1][;] [2][*]

(v) promoting and regulating development of Private Pension Schemes and Funds; [3][*]

[3][(w) to control and minimize misconduct, market abuse and financial crime in the financial services market and other sectors regulated by Commission;]

[3][(x) for regulating and facilitating the growth of Shariah compliant financial products in the financial services market except the financial products regulated by the State Bank of Pakistan;

(y) to identify and address the factors resulting in systemic risk in the markets regulated by the Commission;

(z) to regulate and facilitate healthy growth of the corporate sector (private and public), and to promote good corporate governance for development of efficient management and prudent financial practices;

(za) establishing a foundation or fund to provide for welfare support and facilities to the employees whether serving or retired and their families and to create, establish, organize and assist in the social and cultural activities;

(zb) to regulate financial services market to ensure that they function in a fair, efficient, transparent and orderly manner; and

(zc) performing any other functions entrusted to the Commission by the Federal Government from time to time.]

(5) Without prejudice to the provisions of sub-section (4), the approval of the Commission shall be required by-

(a) all public companies incorporated in Pakistan which intend to issue or offer for sale securities in markets outside Pakistan or to list such securities on a Stock Exchange outside Pakistan, in each case, whether directly or through an intermediary;

(b) all bodies corporate incorporated outside Pakistan which or persons who intend to issue or offer for sale, securities to the public in Pakistan or to list such securities on a Stock Exchange; and

(c) all bodies corporate incorporated outside Pakistan which are already listed on a Stock Exchange, for the listing of and quotation for any additional securities.

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[1]Omitted, subs. and added by Finance Act 2003 (Act No. I of 2003), s. 11.
[2]Omitted by Finance Act 2008 (Act No. I of 2008), s. 15.
[3]Omitted, subs. and added by Act XXXVI of 2016, s. 9.

(6) In performing its functions and exercising its powers, the Commission shall strive —

(a) to maintain facilities and improve the performance of companies and of [1][financial services market], in the interest of commercial certainty, reducing business costs, and efficiency and development of the economy;

(b) to maintain the confidence of investors in the [1][financial services market] by ensuring adequate protection for such investors;

[1][(ba) to create awareness among investors and to provide an appropriate degree of protection for investors, having regard to the general principle that investors should take responsibility for their decisions;]

(c) to achieve uniformity in how it performs those functions and exercise those powers;

(d) to administer laws effectively but with a minimum of procedural requirements;

(e) to receive, process, and store, efficiently and quickly, the documents lodged with, and the information given to, it under this Act, the Ordinance or any other law;

(f) to ensure that the documents, and the information referred to in clause (e) are available as soon as possible for access by the public; [2][*]

[2][(fa) to maintain the confidence of holders of insurance policies by protecting the interests of policy holders and beneficiaries of insurance policies in all matters, including assignment of insurance policies, nomination by policy holders, insurable interest, surrender value of policies of life insurance, and other terms and conditions of contracts of insurance;

(fb) to improve existing methods and devise new options for the expeditious settlement of claims and disputes between insurers and policy holders and between insurers and intermediaries;

(fc) to promote efficiency in the conduct of insurance business;

(fd) to promote the establishment and development of professional and educational organizations connected with insurance business with a view to improving the quality of insurance services in the country;

(fe) to promote awareness among consumers with respect to the benefits of insurance and the existence of measures to safeguard the interests of mortgagors, mortgagees and potential policy holders; and]

(g) to take whatever action it can take, and is necessary, in order to enforce and give effect to [1][this Act, any administered legislation] or any other law.

[1]Subs., ins. and added by Act No. XXXVI of 2016, s. 9.
[2]Omitted and ins. by Ord. No. LV of 2000, ss. 5-6.

[1][(7) The Commission, and the Commissioner or officer to whom any of the functions or powers have been delegated under section 10 may, for the purposes of a proceeding or enquiry, require anyone-

(a) to produce before, and to allow to be examined and kept by, an officer of the Commission specified in this behalf, any books, accounts or other documents in the custody or under the control of the person so required, being documents relating to any matter the examination of which may be considered necessary by the Commission or such Commissioner or officer; and

(b) to furnish to an officer of the Commission specified in this behalf such information and documents in his possession relating to any matter as may be necessary for the purposes of the proceeding or enquiry.]

21. Functions and powers of the Board.—(1) Subject to the provisions of this Act, the Board shall-

(a) when so asked to do and after consultation with the Commission, advise the Federal Government on all matters relating to-

(i) the securities industry [2][and insurance industry];

(ii) regulation of companies and corporate sector and protection of the interests of investors;

[2][(iia) regulation of the insurance sector and protection of the interests of insurance policy holders;]

(iii) measures to encourage self-regulation by the Stock Exchanges [2][insurers, insurance intermediaries, insurance surveyors] and NBFIs by specifying and the standards for such self-regulatory organizations;

(iv) measures to promote the development of and to regulate the securities market; [2][and the insurance market]; and

(v) other related matters;

[2][(b) consider and approve (with or without modification) any regulations with respect to implementation of policy decisions, proposed to be made by the Commission under the Act.]

(c) consider and approve (with or without modification) the budget for each financial year of the Commission prepared and submitted to it pursuant to the provisions of sub-section (2) of section 24;

(d) express its opinion in writing on any policy matter referred to it by the Federal Government or the Commission;

(e) oversee the performance of the Commission to the extent that the purposes of this Act are achieved;

[1]Added by Finance Act 1999 (Act No. IV of 1999), s.17.
[2]Added, ins. and subs. by Ord. No. LV of 2000, ss, 5-6.

(f) exercise all such powers and perform all such functions as are conferred or assigned to it under this Act; and

(g) specify fees, penalties and other charges chargeable by the Commission for carrying out the purposes of this Act.

(2) All policy decisions, including any change in previously established policy, in respect of all and any matters within the jurisdiction of the Commission shall be made only by the Board. The Board may make policy decisions *suo motu* or adopt such policy recommendation of the Commission, with or without modification, as the Board may deem fit in its sole discretion.

22. Supplementary provisions. —(1) All guidelines decisions and directives whether of the Board or the Commission shall be in writing expressed by resolutions, orders or in such other form as may be appropriate in the circumstances and shall be authenticated in the manner prescribed by the regulations, and where so provided by regulations, also sealed with the seal of the Commission.

(2) All policy decisions and directives of the Board and the Commission respectively shall be published in the official Gazette and the Board and the Commission shall make" such publications available to the public.

(3) The Commission shall, in adjudicating upon the rights of any person whose application on any matter it is required to consider in the exercise of any power or function under this Act, give the reasons for its decision after giving the person concerned a personal hearing, in addition to any written applications or submission which may be required to be made.

(4) The Commission when exercising its powers under this Act shall have regard, so far as, relevant to the circumstances of the particular case, to—

(a) the viability of the company or body corporate;

(b) the quality and capability of the management of the company or body corporate;

(c) the suitability for listing of the company or body corporate or a Stock Exchange where applicable;

(d) the interest of public investors, existing or potential, in the company or body corporate;

[1][(da) the professional competence and capability of persons engaged in the provision of services in the insurance industry;

(db) the interest of insurance policy holders, existing or potential, where applicable;]

(e) any policy decision or directives of the Board; and

(f) the general public interest.

(5) Subject to the compliance of the provisions of sub-section (3), section 24A of the General Clauses Act, 1897 (X of 1897), shall apply to any order made or direction given under this Act.

[1]Ins. by Ord. No. LV of 2000, ss, 5-6.

PART VII

FINANCE

23. The Fund.—(1) There is hereby established, for the purposes of this Act, a Fund to be administered and controlled by the Commission.

(2) The Fund shall consist of—

(a) such sums as the Federal Government may from time to time, grant;

(b) grants of money and sums borrowed or raised by the Commission for the purposes of meeting any of its obligations or discharging any of its duties;

[1][(c) taxes, fees, penalties or other charges levied under this Act, the Ordinance, the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and Under any other law for the time being administered by the Commission;] [2][*]

(d) all other sums or property which may in any manner become payable to or vested in the Commission in respect of any matter incidental to the exercise of its functions and powers [2][; and]

[2][(e) any other sources as may be notified by the Federal Government.]

(3) It shall be the duty of the Commission to conserve the Fund by performing its functions and exercising its powers under this Act [2][or any administered legislation] so as to ensure that the total revenues of the Commission are sufficient to meet all sums properly chargeable to its revenue account.

24. Expenditure to be charged on the Fund.—(1) The Fund shall be expended for the purpose of—

(a) paying any expenditure lawfully incurred by the Commission, including the remuneration of Commissioners and employees appointed and employed by the Commission, including provident fund contributions, superannuating allowances or gratuities and legal fees and cost and other fees and costs;

(b) paying any other expenses, costs or expenditure properly incurred or accepted by the Commission in the performance of its functions or the exercise of its powers under this Act;

(c) purchasing or hiring equipment, machinery and any other materials, acquiring land and erecting buildings, and carrying out any other work and undertakings in the performance of its functions or the exercise of its powers under this Act;

[1]Subs. by Finance Act 1999 (Act No. IV of 19990, s.17.
[2]Omitted, subs. added, and ins. by Act No. XXXVI of 2016, s. 10.

(d) repaying any financial accommodation received or moneys borrowed under this Act and the profit, return, mark-up or interest due thereon (howsoever called); and

(e) generally paying any expenses for carrying into effect the provisions of this Act [1][or any administered legislation].

(2) Within ninety days of its establishment, the Commission shall prepare and submit to the Board for its approval, a budget for the period up to and including the end of the then current financial year and thereafter it shall, not later than thirty days [3][before the expiry] of each financial year, submit to the Board for approval a budget for the next financial year.

(3) No expenditure shall be made for which provision has not been made in any approved budget except if made from any previously approved contingency funds, unless further approval is sought and obtained from the Board.

[2][(3A) Any surplus of receipts over the actual expenditure [1][including budgeted capital expenditure] in a year, after payment of tax, shall be remitted to the Federal Consolidated Fund and any deficit from the actual expenditure shall be made up by the Federal Government.]

(4) The Commission shall act as the secretariat of the Board and provide all the necessary facilities to enable the Board to exercise its powers and perform its functions under this Act and the necessary and proper expenses in that connection shall form part of the budget of the Commission.

25. Annual report and accounts.—(1) Within ninety days from the end of each financial year, the Commission shall, in consultation with the Board, cause a report to be prepared on the activities of the Commission (including investigations and enquiries made by the Commission under this Act or the Ordinance [3][or the Law of Insurances] during that financial year and release to the public and simultaneously send a copy of the report to the Federal Government.

(2) The Commission shall cause proper accounts to be kept and shall as soon as practicable after the end of each financial year cause to be prepared for that financial year a statement of accounts of the Commission which shall include a balance-sheet and an account of income and expenditure.

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[3][(3) The Commission shall cause the statement of accounts to be audited by auditors, appointed by Commission with the approval of the Federal Government, who shall be a firm of chartered accountants. Any casual vacancy in the office of auditor appointed under this section may be filled in by Commission.]

(4) The auditors shall make a report to the Federal Government, upon the annual balance sheet and accounts, and in any such report they shall state whether in their opinion the balance sheet is a full and fair balance sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Commission and, in case they have called for any explanation or information from the Commission, whether it has been given and whether it is satisfactory.

(5) The Federal Government may if it deems fit also required the accounts of the Commission for any financial year to be audited by the Auditor General of Pakistan.

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[1]Ins. by Act No. XXXVI of 2016, s. 11.
[2]Ins. by Finance Act 2012 (Act No. XVII of 2012), s. 13.
[3]Subs. and ins. by Ord. LV of 2000, ss. 9-10

(6) The Board shall, within one hundred and twenty days of the end of each financial year, together with the annual report of the Commission under sub-section (2), send a copy of the statement of accounts of the Commission certified by the auditors and a copy of the auditors' report to the Federal Government which shall cause them to be published in the official Gazette and laid before both Houses of the Majlis-e-Shoora (Parliament) within two months of their receipt.

26. Power to obtain finance, borrow money and receive grants.—(1) The Commission may, from time to time, and with the approval of the Federal Government, obtain finance or borrow money from sources within Pakistan or from abroad, as the case may be, with such rate of return, profit, mark-up or interest payable thereon, as the case may be, and for such period and upon such terms as to the time and method of repayment and otherwise, in respect of any sums required by the Commission for meeting any of its obligations or performing any of its functions.

(2) The Commission may also accept [1][* * *] and with the approval of the Federal Government, grants from entities both domestic and international, including multilateral agencies.

27. Investment.—(1) Subject to sub-section (2), the Commission may, in so far as its moneys are not required to be expended under this Act, invest in such manner as set out in section 20 of the Trusts Act, 1882 (II of 1882).

(2) The Commission shall not invest its money in listed securities or any derivative thereof whether listed or not.

[1]**[28. Bank Accounts**. The Commission may [2][* * *] open and maintain its accounts in rupees or in any foreign currency at such scheduled banks as it may from time to time determine.]

PART VIII
[3][INSPECTION, INVESTIGATION AND ENFORCEMENT]

[4][**28A. Inspection**.—(1) For the purpose of ascertaining whether a person who is, or at any time has been, a regulated person is complying with or has complied with any provision or requirement of this Act or any administered legislation, or the terms and conditions of licence or registration, the Commission may from time to time inspect any record or document relating to any regulated activity.

(2) The Commission may authorize in writing one or more of its employees to exercise the powers of the Commission under this section.

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(3) In the exercise of his powers under this section, an authorized person may—

(a) require the regulated person, or any concerned person, whom he believes is in possession of or has under his control any record or document referred to in sub-section (1), to produce that record or document before him;

(b) make inquiries of a regulated person, or any other person whom he has reasonable cause to believe has information relating to any record or document referred to in sub-section (1), concerning any such record or document or concerning any transaction or activity which was undertaken in the course of, or which may affect, the business conducted by the regulated person; and

(c) inspect and make copies of, or take extracts from, and where necessary take possession of, such documents.

[1]Omitted and subs., by Ord. No. LV of 2000, Ss.11-12.
[2]Omitted by Finance Act 2003 (Act No. I of 2003), s. 11.
[3]Subs. by Act No. XXXVI of 2016, s. 12.
[4]Ins. by Act No. XXXVI of 2016, s. 13.

(4) For the purpose of an inspection under this section, the regulated person or other person mentioned in sub-section (3) shall afford an authorized person access to the records or documents as may be required for the inspection and shall produce before the authorized person such records or documents as may be required.

(5) Any person who, without reasonable excuse, fails to comply with a requirement imposed on him by an authorized person under sub-section (3) commits an offence under this Act and shall be punishable with imprisonment of either description which may extend to three years or with fine which may extend to two hundred million rupees or with both.]

[1]**[29. Investigation and proceedings by the Commission.—(**1)Where the Commission, either on its own motion or on the basis of any information received, authorize one or more of its employees or one or more other persons to investigate, whether—

(a) an offence or a contravention has been committed by any person under this Act or any administered legislation or a subordinate legislation;

(b) a regulated person has been engaged in committing fraud, misfeasance or other misconduct in carrying on a regulated activity; or

(c) the manner in which a regulated person has engaged or is engaging in his regulated activity is not in the interest of the financial services market or investors, and submit an investigation report thereof to the Commission, the Commission shall proceed in the matter in accordance with the provisions of the Act and the administered legislation:

Provided that where any special procedure regarding investigation or inquiry is provided in the administered legislation the Commission may adopt such special procedure in addition to the procedure provided in this Act.

(2) Any concerned person, who is reasonably believed or suspected by the investigator to have in his possession or under his control any record or document which contains or which is likely to contain information relevant to an investigation under this section or who is believed or suspected of otherwise having such information in his possession or under his control, shall—

(a) produce to the investigator, within such time and at such place as the investigator requires in writing, any record or document specified by the investigator which is, or may be, relevant to the investigation and which is in his possession or under his control;

(b) if required by the investigator give the investigator an explanation for or further particulars of any record or document produced under clause (a);

[1]Subs. by Act No. XXXVI of 2016, s. 14.

(c) appear before the investigator at such time and at such place as the investigator requires in writing and answer truthfully and to the best of his ability any question relating to the matters under investigation as the investigator may put to him, whether orally or in writing; and

(d) provide to the investigator all assistance in connection with the investigation which he is reasonably able to give.

(3) Any person who without reasonable cause fails to—

(a) produce any record or document required to be produced under clause (a) of sub-section (2);

(b) give an explanation or further particulars as required under clause(b) of sub-section (2);

(c) appear before the investigator as required under clause (c) of sub-section (2);

(d) answer a question put to him by the investigator under clause (c) of sub-section (2) or in answering the question says anything which he knows to be false or misleading in a material particular or who in so answering recklessly makes a false statement; or

(e) comply with clause (d) of sub-section (2), commits an offence under this Act and shall be punishable with imprisonment of either description which may extend to three years or with fine which may extend to two hundred million rupees or with both.

(4) The Commission may, for the purposes of investigation under this Act or any administered legislation, also seek assistance of any other investigating agencies, bureau, local police and administration, statutory bodies, banks and other relevant entity, who shall provide such assistance to the Commission.]

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30. Powers of the investigating officers of the Commission.—(1) An investigating officer carrying out an investigation or inspection may, only after the written order of the Commission signed by [1][a commissioner, or an officer, authorized in this behalf] enter any place or building—

(a) to inspect and make copies of or take extracts from any book, minute book, register or document; and

(b) where he has reason to believe that an offence has been committed under this Act [1][any administered legislation] or any other law in respect of which the Commission has power to make investigation or inspection, to search for, seize, take possession of and detain any object, article, material, thing, accounts book or other document, including any travel or other personal document which may be used as evidence.

[1]Subs. by Act No. XXXVI of 2016, s. 15.

[1][(1A) The investigator shall, for the purposes of investigations, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (Act V of 1908), while trying suit in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any witness and examining him on oath or affirmation;

(b) compelling the discovery or production of any document, record or other material object;

(c) receiving evidence on affidavit; and

(d) issuing commissions for the examination of witnesses and documents.

(1B) In addition to sub-section (3), any person who contravenes the requirements of clause (a), (b) and (c) of sub-section (IA), the investigator may, after prior written approval of the Commission, make an application to the Court for attachment of property, both movable and immovable, or require him to furnish security for his appearance or any other order as the Court deems appropriate and necessary and in addition, the Commission may pass any order under Chapter XIA on a report of the investigation officer.

(1C) Notwithstanding anything contained in Qanun-e-Shahadat Order, 1984 (P.O. 10 of 1984) all evidence collected though modern electronic devices and such other techniques shall be admissible in the court of law.

(1D) Any proceeding before the investigator shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Pakistan Penal Code, 1860 (Act XLV of 1860) and in case of any contravention thereof the Commission may file a complaint in the Court of Sessions.]

(2) When an order has been made under sub-section (1) an investigating officer of the Commission may, by notice in writing, require any person to produce before him such books, registers or documents as are in the custody or under the control of that person.

(3) A person who—

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(a) fails deliberately to produce any such books, registers or documents as are required by the Commission or an investigating officer; or

(b) obstructs or hinders an investigating officer while exercising any of the powers under this section;

shall be guilty of an offence and shall be liable on conviction to a fine which may extend to one million rupees or to imprisonment for a term not exceeding one month, or to both.

(4) Any accounts, book or other document seized and taken possession of by the investigating officer of the Commission under sub-section (1) may be inspected by any person if such person is entitled to inspect such accounts, book or document under this Act, and if so authorized to do in writing by the Commission.

[1]Ins. by Act No. XXXVI of 2016, s. 15.

(5) Sub-section (1) shall not be construed as limiting or affecting any similar powers conferred on any person under any other law.

(6) Any person aggrieved by the conduct of an investigating officer may lodge a complaint in respect thereof to the Commission.

(7) The Commission shall, within fifteen days of receipt of the complaint under sub-section (6) commence a hearing to determine the veracity of such complaint in accordance with such procedure as may be prescribed by rules made by the Federal Government.

31. Forcible entry.—(1) For the purpose of exercising his powers under sub-sections (1) and (2) of section 30, an investigating officer of the Commission may enter any place or building by force, if necessary [1][in such form and manner as may be prescribed by the Federal Government through rules].

(2) Notwithstanding anything contained in sub-section (1), no investigating officer of the Commission shall enter any premises by the use of force without a written order of the Commission signed by [1][a Commissioner authorized in this behalf].

(3) If, on enquiry conducted in accordance with the rules it is found that the exercise by an investigating officer of his power under sub-section (2) was vexatious, excessive or with *mala fide* intent such officer shall be dismissed from service, and shall be guilty of an offence punishable with fine which may extend to five hundred thousand rupees and imprisonment for a term not exceeding one year.

(4) Whenever a criminal Court imposes a fine under sub-section (3) it shall, when passing judgment, order that a sum equal to the whole or any part of the fine recovered, be paid to the person on whose complaint the investigating officer was convicted, and in case the fine is not recovered the sum shall be paid out of the Fund.

(5) Any sum paid under sub-section (4) shall be without prejudice to the right of the aggrieved person to avail any other remedies available to him under the law but at the time of awarding compensation in any subsequent proceedings relating to the same matter the Court shall take into account any sum recovered from the convict and paid to the aggrieved person.

[1][**31A. Power of the Commission to call for information**.—(1) Notwithstanding anything contained in any other law, the Commission or authorized investigating officer may, by notice in writing, require any person including financial institution to furnish it with such documents or information as it may require during the course of inquiry, inspection or investigation under this Act or any administered legislation within such time and verified in such manner as it may specify.

(2) The duty to supply information under this section applies notwithstanding any other enactment or law in Pakistan including Banking Companies Ordinance, 1962 (LXII of 1962).

(3) Any person who refuses to provide information required by the Commission under sub-section (1) shall be guilty of an offence and shall be liable on conviction to a fine which may extend to one million rupees or to imprisonment for a term not exceeding three years, or with both.]

[1]Ins. and subs. by Act XXXVI of 2016, ss. 16 & 17.

32. Power to call for examination.—(1) For the purpose of sub-section (1) of section 29, the Commission may by notice in writing require any person acquainted with the facts and circumstances of the case to appear before an investigating officer authorized by it in this regard. Such person shall be examined orally and any statement made by such person during the course of the examination shall be reduced into writing.

(2) Such person shall be bound to answer all questions relating to such case put to him by the investigating officer, as the case may be, and to state the truth, whether or not the statement is made wholly or partly in answer questions.

(3) Subject to sub-section (4), a statement made by any person under this section shall be taken down in writing and signed by the person making it or affixed with his signature and thumb print, as the case may be, after it has been read to him and after he had been given an opportunity to make any correction he may wish.

(4) Where the person examined refuses to sign and affix his thumb print on the statement, the investigating officer of the Commission shall endorse thereon under his hand the fact of such refusal and the reason therefor, if any, stated by the person examined.

(5) Any person who:—

(a) fails to appear before an investigating officer of the Commission as required under sub-section (1);

(b) refuses to answer any question put to him by an investigating officer of the Commission as required under sub-section (2); or

(c) knowingly furnishes to an investigating officer of the Commission information or statement that is false or misleading in any material particular;

(d) wilfully refuses to obey or disregards any lawful order of the Commission [1][under this Act or any other law administered by the Commission];

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one hundred thousand rupees or to imprisonment for a term not exceeding one year, or to both.

[1][**32A. Implementation of orders of the Commission**. The Commission may issue such directions as may be necessary or expedient to give effect to its orders or to prevent abuse of its process, including but not limited to, seeking the assistance of the local administration or Police who shall be bound to provide such assistance.]

[2][**32B. Review.**—(1) Any order passed by the Commission shall be subject to review by the Commission on its own motion or on application made to it within thirty days from the date of such order.

(2) Any person aggrieved by an order of the Appellate Bench from which an appeal is allowed under section 34 but no appeal has been preferred, may file an application for review within thirty days from the date of such order.]

[1]Ins. by Finance Act 2008 (Act No. I of 2008), s.15
[2]Ins. by Act No. XXXVI of 2016, s. 18.

33. Appeal to the Appellate Bench of the Commission.- [1][(1) Except as otherwise provided any person aggrieved by an order of the Commission passed by one Commissioner or an officer authorized in this behalf by the Commission, may within thirty days of the order, prefer an appeal to an Appellate Bench of the Commission constituted under sub-section (2):

Provided that no appeal shall lie against:-

(a) an administrative direction given by a Commissioner or an officer of the Commission;

(b) an order passed in exercise of the powers of revision or review;

(c) a sanction provided or decision made by a Commissioner or an officer of the Commission to commence legal proceedings [2][* * *] ; and

(d) an interim order which does not dispose of the entire matter.]

(2) The Commission shall constitute an Appellate Bench of the Commission comprising not less than two Commissioners to hear appeals under sub-section (1).

(3) If any Commissioner who is included in the Appellate Bench has participated or been concerned in the decision being appealed against the Chairman shall nominate an other Commissioner to sit in the Bench to hear that appeal.

[3][(3A) Any clerical or arthematic mistakes in an order or error arising therein from any accidental slip or omission may at any time be corrected by the Appellate Bench on its own motion or on an application made to it by any party.]

(4) The form in which an appeal is to be filed and the fees to be paid therefor and other related matters shall be prescribed by rules.

34. Appeal to the Court.—(1) An appeal shall lie to the Court referred to in Part II of the Ordinance in respect of an order of the Commission comprising two or more Commissioners or the Appellate Bench [3][or order made under sub-section (2) of section 32B].

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(2) The appeal under sub-section (1) shall be filed within sixty days of the date of the decision and shall be accompanied by a fee of one hundred rupees.

[3][(3) The Court may, on an appeal made to it under sub-section (1), accept, set aside or vary the order referred to in sub-section (1) or make such other order as the interest of justice require.

(4) The Court shall at the stage of admission of an appeal, or at any time thereafter on application of the aggrieved person with due notice to the parties, decide by means of a reasoned order whether the appeal is to be admitted in part or in whole depending on the facts and circumstances of the case:

Provided that the admission of the appeal shall not *per se* operate as a stay and nor shall any stay be granted therein unless the Commission has been given an opportunity of being heard.

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[1]Subs. by Finance Act 2007 (Act No. I of 2007), s. 17.
[2]Omitted. by Finance Act 2008 (Act No. I of 2008), s.15
[3]Ins. by Act No. XXXVI of 2016, ss. 19-20.

(5) Notwithstanding anything contained in any other law, the hearing of appeal may continue day to day, unless sufficient cause has shown by the parties jointly or severally which is beyond the control of the parties, the Court may adjourn the hearing for maximum of two dates and such adjournment may not be more than fifteen days at any one time or for more than thirty days in all.]

PART IX

CONFIDENTIALITY OF INFORMATION

35. Obligation of confidentiality.—(1) Subject to this section, any person who is or was at any time—

(a) acting as a Member of the Board, or

(b) engaged as a Commissioner or employee of the Commission, or

(c) authorized to perform or exercise any function or power of the Commission or any function or power on behalf of the Commission or to render services to the Commission in the capacity of a consultant or adviser;

shall not, except to the extent necessary to perform his official duties, or in performance or exercise of such a function or power, either directly or indirectly, make a record of, or disclose to any person, any information that is or was acquired by him because of having been so appointed, engaged or authorized, or make use of any such information, for any purpose other than the performance of his official duties or the performance or exercise of that function or power.

(2) Any person who contravenes sub-section (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one million rupees or to imprisonment for a term not exceeding one year or, to both.

(3) The Commission shall take all reasonable measures to protect from unauthorized use or disclosure the information given to it in confidence in or in connection with the performance of its functions or the exercise of its powers.

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(4) For the purpose of sub-section (1) the disclosure of information as required or permitted by any law for the time being in force in Pakistan or any other jurisdiction shall be taken to be authorized use and disclosure of the information.

(5) For the purposes of sub-section (1), the disclosure of information by a person for the purposes of—

(a) performing his functions as—

(i) a Commissioner or employee of the Commission, or

(ii) a person who is acting as a Commissioner or employee or who is authorized to perform or exercise a function or power of, or on behalf of, the Commission, or

(b) The performance of functions or service by the person by way of assisting a Commissioner or a delegate of the Commission,

shall be taken to be authorized use and disclosure of the information.

(6) Where the Chairman is satisfied that particular information—

(a) will enable or assist the Board to perform or exercise any of its functions or powers;

(b) will enable or assist the Government, or an agency of the Government to perform a function or exercise a power; or

(c) will enable or assist the Government, or an agency of the Government, of a foreign country to perform a function, or exercise a power, conferred by a law in force in that foreign country;

the disclosure of the information to such persons by a person whom the Chairman authorizes for the purpose shall be taken to be authorized use and disclosure of the information.

(7) The Chairman may impose conditions to be complied with in relation to information disclosed under sub-section (6).

(8) The disclosure of information to a body specified in sub-section (9) is authorized use and disclosure of the information if:

(a) the Chairman is satisfied that the information will enable or assist the body to monitor compliance with, enforce, or perform functions or exercise powers under—

(i) any law for the time being in force;

(ii) the rules and regulations (including the listing rules if any), of the body ; and

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(b) the disclosure is made by a person authorized by the Chairman for the purpose.

(9) A body to whom disclosure of information under sub-section (8) may be authorized is—

(a) a Stock Exchange; or

(b) a clearing house; or

(c) a central depository; or

(d) such other body corporate as the Federal Government may by notification in the official Gazette specify for the purposes of this sub-section.

(10) The Chairman may impose conditions to be complied with by the body and its officers, employees and agents in relation to the information disclosed to it under sub-section (8) and persons in respect of whom conditions are imposed shall be bound to comply with them.

(11) If information is disclosed to a body under sub-section (8) the body, or any officer, employee or agent of the body shall not, without the written consent of the Chairman:

(a) disclose the information to a person who is not an officer, employee, professional adviser or agent of the body corporate; or

(b) use the information otherwise than for the purpose of monitoring compliance with, enforcing, or performing functions or exercising powers under:

(i) the Ordinance and any other law for the time being in force; or

(ii) the rules and regulations (including the listing rules, if any), of the body corporate.

(12) The Chairman may delegate all or any of his functions and powers under sub-sections (6), (7), (8), (10) or (11) to a Commissioner or an employee.

(13) Nothing in any of sub-sections (4), (5), (7) and (8) shall limit:

(a) anything else in any of those sub-sections; or

(b) what may otherwise constitute, for the purposes of sub-section (1), authorized use or disclosure of information.

36. Permitted disclosure. Nothing in section 35 shall preclude a person from:

(a) producing a document to a court in the cause of criminal proceedings or in the course of any proceedings under this Act, the Ordinance or any other law for the time being in force.

(b) disclosing to a court in the course of any proceedings referred to in clause (a) any matter or thing, that came under his notice in the performance of official duties or in the performance of a function or the exercise of a power referred to in that section ; or

(c) producing a document or disclosing information to a person to whom, in the opinion of the Commission, it is in the public interest that the document be produced or the information be disclosed; or

(d) producing a document or disclosing information that is required or permitted by any law for the time being in force in Pakistan or any other jurisdiction to be produced or disclosed, as the case may be; or

(e) producing a document or disclosing information to the Commission.

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[1][PART IXA

POWERS OF INTERVENTION BY COMMISSION

36A. Scope of powers under this Part.—(1) The powers conferred on the Commission under this Part may be exercised in relation to any regulated person if it appears to the Commission that —

(a) the exercise of the powers is desirable for the protection of investors or is in the interest of the financial services market; or

(b) a regulated person is not a fit and proper person; or

(c) a regulated person has contravened or failed to comply with any provision of or any requirement under this Act or any administered legislation or, in purported compliance with any such provision or requirement, has furnished the Commission with information that is false, inaccurate or misleading.

(2) In exercising the powers conferred by this section or section 36B, the Commission may be entitled to rely on the findings of an inspection conducted under section 28A or the content of any report of investigating officer received under section 29.

(3) The powers conferred on the Commission by this Part may be exercised in relation to a person whose registration or license has been suspended or revoked or has expired whether or not the suspension or revocation is the subject of appeal.

36B. Restriction of business.—(1) For the purposes of section 36A, the Commission may prohibit a regulated person from doing any one or more of the following, namely:—

(a) entering into transactions—

(i) of a specified description or other than of a specified description; or

(ii) in specified circumstances or other than in specified circumstances; or

(iii) to a specified extent or other than to a specified extent;

(b) soliciting business from persons of a specified description or from persons other than of a specified description; or

(c) carrying on business in a specified manner or other than in a specified manner.

(2) A prohibition under this section may relate to transactions entered into in connection with or for the purposes of the regulated activity or to other business that is carried on in connection with or for the purposes of any such regulated activity.

[1]Ins. by Act No. XXXVI of 2016, s. 21.

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PART IXB

SELF REGULATORY ORGANIZATION

36C. Self-regulatory organizations. A person who wishes to carry on activities as self-regulatory organization may apply to the Commission for registration and the Commission may, where it deems appropriate in the public interest or for the protection of investors, register any entity as a self-regulatory organization in such form and manner and subject to such terms and conditions as may be specified including but not limited to following, namely:—

(a) it is a company licensed by the Commission under section 42 of the Ordinance;

(b) it has specified in its memorandum of association as its main objects the discharging of functions of self-regulatory organization;

(c) it has necessary infrastructure, adequate office space, equipment's, experienced man power and technical aspects, financial resources, policies, procedures, systems and controls to effectively and efficiently discharge its functions and responsibilities;

(d) its directors and senior management officials fulfill the fit and proper criteria as may be specified;

(e) at-least one-half of the number of its directors are independent directors and in order to determine the independent status of a director, the requirements prescribed in the code of corporate governance as specified by the Commission from time to time shall be followed;

(f) the chairman of the board of directors of that company shall always be an independent director;

(g) it has paid up capital net of losses of not less than such amount as may be specified; and

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(h) any other conditions as may be specified.

Explanation.— For the purpose of this section, senior management officials shall include, chief executive officer or managing director, deputy managing director or chief operating officer and chief regulatory officer or holder of such position by whatever name called.

36D. Registration of self-regulatory organizations.—(1) The application for registration as a self-regulatory organization shall be made in such form and manner and subject to such fee as may be specified.

(2) Upon receipt of application under sub-section (1), the Commission may grant certificate of registration after making such inquiries and after obtaining such information as it considers necessary, including but not limited to the following, namely:—

(a) applicant fulfills the eligibility criteria;

(b) applicant has the ability to efficiently handle its functions as self-regulatory organization and its obligations under this Act and regulations made by the Commission;

(c) the regulations of the applicant contain satisfactory provisions for the matters specified in this section;

(d) it shall be in the interest of financial services market and the public to grant registration to the applicant; and

(e) any other condition as may be specified.

(3) The certificate of registration as self-regulatory organization shall be valid for a period of five years and may be renewed by the Commission subject to fulfillment of such conditions as may be specified.

(4) Self-regulatory organization shall be responsible to perform the functions which may include any or all of the following, namely:—

(a) effective training and education of the members of self-regulatory organization and investors in general;

(b) conducting examinations and providing certifications to its members and investors in general;

(c) providing research and development assistance to its members and investors in general;

(d) conducting the grading of its members with respect to their compliance with the applicable law and other norms as may be specified;

(e) providing information to the investors regarding general and specific risks of financial services market, information pertaining to its members and other information useful for taking informed investment decisions and protecting the interest of investors; and

(f) any other functions as may be specified.

(5) It shall be responsibility of the self-regulatory organization to—

(a) specify code of conduct for its members and take measures for ensuring compliance thereof;

(b) implement mechanism for monitoring and supervising activities of its members and ensuring compliance with applicable laws;

(c) implement mechanism for inspection of its members on regular basis;

(d) take disciplinary action against its members in cases of violation of code of conduct and other applicable law;

(e) treat all its members in an equitable manner and must ensure that no member gains unfair advantage to other member as a result of oversight activities of self-regulatory organization;

(f) promptly inform the Commission regarding any non-compliance of laws by its members;

(g) act in good faith and take measures to avoid conflict of interest in conduct of its duties and functions;

(h) submit annual report to the Commission which shall contain such information as may be specified;

(i) comply with all the requirements of this Act, regulations made thereunder and directions given by the Commission from time to time;

(j) comply with the code of corporate governance specified by the Commission;

(k) submit periodical returns to the Commission in the manner and frequency specified;

(I) provide such assistance to the Commission as and when required, including the furnishing of such returns and the provision of such information relating to its operations or required under this Act or any administered legislation and applicable rules and regulations, directions, notifications, etc.;

(m) extend full cooperation to the Commission in relation to any inspection or investigation against its members and in ensuring compliance with the law by its members; and

(n) perform such other duties and responsibilities as may be specified.

36E. Regulations of self-regulatory organization.—(1) Self-regulatory organization shall make regulations subject to prior approval of the Commission and such regulations shall contain following provisions, amongst others,—

(a) for the protection of investors;

(b) for manner of admission of its members;

(c) code of conduct for the members;

(d) for monitor conduct of its members;

(e) relating to discipline of a member who contravenes its regulations or the provisions of this Act or any administered legislation and may provide for fine, suspension, expulsion, limitation of activities, functions or operations;

(f) for specifying the procedure for disciplinary proceedings;

(g) right of appeal of member of self-regulatory organization against any disciplinary action by the self-regulatory organization including manner and procedures in connection therewith;

(h) for preventing fraudulent, deceptive and manipulative acts and practices and promoting fair trading practices;

(i) obligation of members to provide information to the self-regulatory organization in the manner and frequency specified;

(j) manner and frequency of submission of returns and information to the self-regulatory organization by its members;

(k) arbitration mechanism in relation to any dispute between its members or between members and their clients;

(I) for maintenance of books and records by the self-regulatory organization;

(m) criteria for appointment of auditors of self-regulatory organization and the content of audit report;

(n) for confidentiality of information available with the self-regulatory organization and its officers;

(o) for inspection of members including audit by independent auditors to determine compliance with the law and provide opinion on such matters as may be specified;

(p) for fair treatment to its members and any person who applies for membership; and

(q) any other matters as may be specified.

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(2) The Commission may approve regulations of self-regulatory organization with or without modification or on its own motion, make or amend the regulations after giving due notice to the self-regulatory organization.

(3) The Commission may, by notice in writing served on a self-regulatory organization, require it to —

(a) make regulations specified in the notice within the period specified; or

(b) amend regulations referred to in the notice in the manner and within the period specified in the notice.

(4) Where the Commission is satisfied that a self-regulatory organization has not complied with a requirement referred to in sub-section (3) within the period specified in the notice, the Commission may make or amend the regulations and the regulations so made or amended shall be deemed to have been made or amended by the self-regulatory organization and shall have effect accordingly.

(5) Self-regulatory organization shall only admit the regulated persons which are granted a licence by the Commission or which are registered with the Commission under the laws administered by the Commission:

Provided that the Commission may declare a class of persons connected with the financial services market who may be admitted by a self-regulatory organization as its members.

36F. Maintenance and inspection of records.—(1) A self-regulatory organization shall —

(a) make and maintain such records in such form and manner and for such period as may be specified;

(b) file with the Commission any report specified by the Commission in the form and manner as may be specified; and

(c) appoint auditor with the prior approval of the Commission to express opinion on such matters as may be specified.

(2) The Commission may in writing at any time appoint one or more persons to —

(a) inspect books of accounts, other records and documents of the self-regulatory organization or its members and the self-regulatory organization or the member, as the case may be, shall extend full cooperation to the persons so appointed by the Commission and produce all accounts, records and documents as may be required by person so appointed; and

(b) prepare such financial or other reports as the Commission requires.

36G. Powers of the Commission to issue directions to self-regulatory organization.—(1) Without prejudice to the powers conferred by section 40B the Commission may issue directions to self-regulatory organization of a general or specific nature where the Commission considers it necessary or expedient, in the public interest or for the protection of investors or in the interest of financial services market.

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(2) Where the self-regulatory organization contravenes any provision of this Act or any administered legislation or any rules or regulations made thereunder or fails to comply with any direction of the Commission, the Commission may, after providing a reasonable opportunity of being heard,—

(a) remove the chief executive officer, any director or officer of the self-regulatory organization from office;

(b) impose a penalty of such sum which may extend to fifty million rupees; or

(c) suspend or cancel the registration of the self-regulatory organization.

PART IXC

AUDIT OVERSIGHT BOARD

36H. Definitions. In this Part,—

(a) "auditor" means a chartered accountant within the meaning of Chartered Accountants Ordinance, 1961 (X of 1961) being a person qualified to be appointed as auditor of a company under section 253 of the Ordinance;

(b) "audit firm" means a firm of chartered accountants in practice organized as partnership under the Partnership Act, 1932 (IX of 1932) or a sole proprietary firm being an auditor;

(c) "audit oversight board" or "AOB" means the independent audit oversight board established under section 36;

(d) "employee" means any officer or employee of AOB;

(e) "fund" means fund established under this Part;

(f) "Institute" means the Institute of Chartered Accountants of Pakistan established under the Chartered Accountants Ordinance, 1961 (X of 1961);

(g) "member AOB" means the member of AOB;

(h) "nominating committee" means committee comprising following *ex-officio* members, namely:—

(i) Secretary to the Government of Pakistan, Finance Division;

(ii) the Chairman of the Commission;

(iii) the President of the Institute;

(iv) the Governor State Bank of Pakistan; and

(v) one member to be co-opted by the *ex-officio* members;

(i) "public interest company" means such company or body corporate as may be notified by the Commission;

(j) "quality assurance board" or "QAB" means the quality assurance board constituted by the Institute;

(k) "registered audit firm" means an audit firm registered with AOB; and

(I) "specified" means specified through regulations made under section 36Z.

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36I. Establishment of AOB.—(1) There is hereby established an independent audit oversight board to function in the public interest.

(2) AOB shall have perpetual succession and common seal and can sue and be sued in its own name.

(3) AOB shall perform such functions as assigned to it under this Part and shall have all powers incidental and ancillary thereto.

36J. Members of AOB.—(1) AOB shall comprise seven members including its chairman.

(2) The members and the chairman of AOB shall be appointed by the Federal Government on the recommendation of the nominating committee.

(3) A member AOB shall be a person who possesses relevant qualification such as a degree, recognized by the Higher Education Commission, in accountancy, business, finance, law or economics and experience of audit, regulation of auditors or corporate law or having been on the board of directors or in the senior management of public interest companies.

(4) The nominating committee shall formulate procedures for selection of members following due process, including interviews of the potential candidates, before recommending them to the Federal Government for appointment.

(5) The quorum of the meeting of AOB shall not be less than four members.

(6) The members of AOB, including the chairman, shall be paid such remuneration and allowances as may be notified by the Federal Government on the recommendation of the nominating committee.

(7) A member of AOB shall be appointed for an initial term of three years and shall be eligible for reappointment for another non-renewable term of three years.

(8) The nominating committee shall determine the appointment procedure and system of performance evaluation of the members of AOB and its constitution and reconstitution in the following manner, namely:—

(a) appointment of seven members on first constitution of AOB shall be made for a term of three years;

(b) after expiry of three years on first constitution of AOB, four members of AOB, selected on random ballot out of the then existing members, shall continue for further term of three years and the remaining members shall stand retired and cease to hold the office, provided that they have completed their first term of three years; and

(c) any vacancy arising at any time shall be filled in accordance with the provisions of this Part for a term of three years reckoning from the date of the appointment.

(9) No act, proceeding or decision of AOB shall be invalid by reason only of the existence of a vacancy in, or defect in the constitution of AOB.

36K. Functions of AOB. Notwithstanding anything contained in any other law, AOB shall perform the following functions, namely:—

(a) to register audit firms, which carry out or intend to carry out audit of public interest companies in the manner laid down in sub-section (1) of section 36T;

(b) to deregister audit firms in the manner laid down in sub-section (2) of section 36T;

(c) to undertake comprehensive review and examination of the QAB work and independently assess the appropriateness of the quality control review framework and take such actions as deemed necessary;

(d) to oversee and review policies, procedures, programs of QAB for ensuring an effective oversight of quality of audit of public interest companies and to specify any improvement required in QAB's policies, procedures and systems;

(e) to direct the Institute for making such changes in the quality control review framework as it considers necessary or expedient for the purposes of this Part;

(f) to ensure that the auditing standards adopted by the Institute conform to the international standards as issued by International Auditing and Assurance Board;

(g) to conduct inspections and inquiries in respect of matters related to this Part and regulations made hereunder; and

(h) to coordinate with relevant authorities including the Commission, State Bank of Pakistan and the Institute in formulating and implementing strategies for enhancing the reliability of quality and effectiveness of audits of public interest companies.

36L. Appointment of employees of AOB.—(1) The AOB may, from time to time, employ persons for AOB who shall be paid such remuneration and allowances as may be determined by AOB.

(2) There shall be a full time chief executive officer of AOB with functions as may be prescribed.

36M. Disclosure of interest.—(1) A member of AOB having directly or indirectly, by himself or through a member of his immediate family, any interest in any matter directly or indirectly under discussion by AOB shall disclose to the AOB the fact and nature of his interest.

(2) A disclosure under sub-section (1) shall be recorded in the minutes of the meeting of AOB and, after the disclosure, the member having an interest in the matter —

(a) shall neither take part nor be present in any deliberation or decision of AOB; and

(b) shall be disregarded for the purpose of constituting a quorum of AOB.

(3) Any member of AOB who fails to disclose his interest as provided under sub-section (1) commits an offence and shall be liable to be removed there for by the Federal Government in accordance with the prescribed procedure.

36N. Disqualification of members. No person shall be appointed or continue as a member of AOB if he—

(a) has been convicted of an offence involving moral turpitude;

(b) has been or is adjudged insolvent;

(c) is incapable of discharging his duties by reasons of physical, physiological or mental unfitness and has been so. declared by a registered medical practitioner appointed by the Federal Government;

(d) being a member, absents himself from three consecutive meetings of AOB, without leave of AOB;

(e) fails to disclose any conflict of interest at or within the time provided for such disclosure by or under this Act or contravenes any of the provisions of this Act pertaining to unauthorized disclosure of information; or

(f) is found guilty of misconduct under section 36Q.

36O. Removal, resignation and vacancies.—(1) Subject to sub-section (2), appointment of any member of AOB may, at any time, be revoked and he may be removed from his office subject to such procedure as may be specified.

(2) A member of AOB may at any time resign his office by a written notice addressed to the chairman of AOB.

(3) The office of a member of AOB shall *ipso facto* stand vacated if he dies.

(4) Any vacancy created as a result of removal, resignation or death of a member of AOB shall be filled on the recommendation of the nominating committee.

36P. Fund of AOB.—(1) For the purposes of this Part, there is hereby established, a fund to be managed and controlled by AOB in such form and manner as may be prescribed by regulations.

(2) The fund under sub-section (1) shall consist of —

(a) such sums as the Federal Government may from time to time grant;

(b) voluntary contributions by the stakeholders;

(c) grants of monies and sums raised or borrowed by AOB for the purposes of meeting any of its obligations or discharging any of its duties;

(d) fee for registration of the audit firm under this section;

(e) fee and charge from the public interest company required to be audited by a registered audit firm;

(f) earnings from investments, properties or other assets owned by AOB; and

(g) any other grant or donations or amount permitted by the Federal Government.

(3) The fund shall be used for the purposes of AOB's own affairs and may also be utilized for the affairs of QAB.

36Q. Conduct of business of AOB. AOB shall observe such procedure as may be specified to conduct its business.

36R. Accounts and Audit.—(1) AOB shall keep proper books of accounts and records in such form and manner as may be specified.

(2) AOB shall send audited financial statements along with auditors report for each financial year to the Federal Government within such time and in such a manner as may be specified.

36S. Annual report.—(1) AOB shall, within six months on the close of its financial year or such later time as allowed by the Federal Government, submit to the Federal Government and publish an annual report including its performance and future plans and such contents and information as may be prescribed.

(2) AOB shall ensure that the annual report is accompanied by such other information and statements as may be prescribed.

36T. Registration and deregistration of audit firm.—(1) An audit firm shall be entitled to be registered on the recommendation of QAB in accordance with the quality control review framework:

Provided that all the firms having satisfactory rating at the time of commencement of this Act shall be deemed to be registered.

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(2) AOB, on its own motion or on the recommendation of QAB, may order deregistration of the audit firm from the register maintained under section 36W. For this purpose AOB shall rely on the work and inspections carried out by QAB or its own inspection.

36U. Inspection and proceedings by AOB.—(1) AOB on a complaint, *suo moto* or on reference made by the Commission or State Bank of Pakistan may conduct inspection of records of QAB, in respect of an audit firm registered under this Part, to ensure compliance of this Part or regulations made hereunder:

Provided that, if AOB is not satisfied with the work of QAB, it may directly conduct inspection of records of audit firm and the public interest company.

(2) For the purposes of sub-section (1), AOB or any person authorized in this behalf shall have the same powers as are vested in the civil court under the Code of Civil Procedure, 1908 (Act V of 1908), while trying a suit, in respect of the following matters, namely:—

(a) discovery and production of books of account and other documents, at such place and at such time as may be specified;

(b) summoning and enforcing the attendance of persons and examining them on oath or affirmation;

(c) inspection of any books, registers and other documents of any person referred to in clause (b) at any place;

(d) issuing commissions for examination of witnesses or documents; and

(e) receiving evidence on affidavit.

36V. Appeal to the Court.—Any person aggrieved by an order of AOB may file an appeal before the Court, within sixty days of the order of AOB.

36W. Register of audit firms.—AOB shall keep and maintain register of firms authorized to carry out audit of public interest companies in such form and manner as may be specified.

36X. AOB may seek assistance.—AOB may seek such assistance from the Commission, State Bank of Pakistan or Institute as it reasonably require for the performance of its duties and functions under this Part.

36Y. Registration and supervision fees.—AOB shall specify fee for the registration of auditors of public interest companies, supervision fee for the public interest companies and such others as specified.

36Z. Power to make regulations.—AOB may make regulations for the purposes of this Part.

36AA. Power to give directions, circulars, code, guidelines etc.—AOB may issue such directives, circular, code, guidelines or policy statements as it considers appropriate to carry out the purposes of this Part.

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36BB. Power to call for information.—For the purposes of discharging its functions the AOB shall be empowered to seek such information from QAB, audit firms and public interest companies or from any other person, as deemed necessary by it.

36CC. Penalty, sanctions or revocation of registration.—(1) Subject to sub-section (2), if an audit firm fails to comply with the requirement of this Part or any regulations made there-under, or if so recommended by the QAB based upon its findings, AOB may after providing opportunity of hearing,—

(a) impose penalty which may extend to five million Rupees;

(b) impose following sanctions;

(i) such audit firm may be barred from engaging itself as auditor of the public interest companies for a minimum period of six months or for such higher period not exceeding five years as may be decided by AOB; or

(ii) revoke registration and remove name from the register of auditor of public interest companies;

(c) reprimand, issue warnings or such other sanctions as deemed necessary or appropriate under the circumstances; or

(d) publish or place its findings of inspections of registered firms on its website.

(2) The power to impose penalty under sub-section (1) shall be in addition to the power of the Commission to impose penalty or file compliant for prosecution in respect of an offence specified in any provisions of the Ordinance relating to the auditors.

(3) AOB shall give opportunity to be heard through show cause notice to the registered audit firm prior to imposing any penalty, sanctions or revocation of registration under this Part, regulations and give reasons for its decision.]

PART X

COGNIZANCE AND PROSECUTION OF OFFENCES

[1][**37. Cognizance of offences**.—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act No. V of 1898) but subject to the administered legislation, no court other than the court of sessions shall take cognizance of any offence punishable with imprisonment or imprisonment in addition of fine under this Act or any administered legislation, except on a complaint by an officer authorized in this behalf by the Commission signed by a Commissioner:

Provided that the Federal Government may, in consultation with the Chief Justice of the concerned High Court, notify any other court established under any other law presided by sessions judge or equivalent to take cognizance of any offences under this Act or any administered legislation.

(2) Subject to sub-section (1), in case of transfer of case from court of sessions it will not be necessary to recall any witness or record any evidence a new that may have been recorded and the court to which the case is transferred shall continue proceedings from the stage before such transfer.

38. Prosecution of offences by the Commission.—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898) all prosecution of offences against any person under this Act or the administered legislation, shall be conducted by a special public prosecutor appointed by the Commission:

Provided that special public prosecutor or advocates appointed by the Commission may institute or defend cases, appeals, petitions, applications and all other matters before any court including the High Court and Supreme Court in matters arising out of or in relation to proceedings under this Act or any administered legislation.

[1]Subs. by Act No. XXXVI of 2016, s. 22.

(2) On receipt of complaint the court shall issue summons as for the attendance of the accused in the first instance and on failure of the accused to appear before the court, warrant of arrest shall be issued by the court.

(3) The complaint referred in this section shall mean the report in writing of the investigation officer stating the facts constituting the offence along with statements of witnesses recorded under section 32 and copies thereof shall be supplied to the accused free of cost before the commencement of the trial.

(4) Personal attendance of the officer authorized by the Commission to file a complaint before the court trying the offence shall not be required during the trial proceedings in the presence of special public prosecutor referred to in sub-section (1).

(5) The court shall adopt procedure provided for under Chapter XXII-A of the Code of Criminal Procedure, 1898 (Act V of 1898) in the manner not inconsistent with the provisions of this Act and all prosecutions before the court under this Act shall be disposed of and the judgment pronounced, as expeditiously as possible.

(6) The hearing of the matters referred to in sub-section (1) shall not be adjourned except for sufficient cause to be recorded or for more than fourteen days at one time and court may impose such cost as it may deems fit.

(7) The court may, for reasons to be recorded, dispense with any procedure in the Code of Criminal Procedure, 1898 (Act V of 1898) and follow such procedure as it may deem fit in the circumstances of the case for expeditious disposal of the complaint.]

[1][**38A. Opportunity of hearing to the Commission in stay matters.**—(1) Any court or authority shall, before granting any injunction, whether temporary or permanent in respect of any action taken or to be taken by the Commission in pursuance of any power conferred by or under this Act or any administered legislation or subordinate legislation, provide opportunity of hearing to the Commission.

(2) No suit or appeal against an order of the Commission or the Appellant Bench shall be instituted except with prior notice of such proceedings to the Commission to its head office or regional office, as the case may be, either personally or through courier along-with acknowledgement and copy of the petition or appeal.]

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PART XI

RULES AND REGULATIONS

39. Power to make rules.—(1) Subject to sub-section (2), the Federal Government may, by notification in the official Gazette, make rules for all or any of the matters in respect of which it is required to make rules to carry out the purposes of this Act.

(2) The power to make rules conferred by this section shall be subject to the condition of previous publication and before making any rules the draft thereof shall be published in the official Gazette for eliciting public opinion thereon within a period of not less than [2][thirty] days from the date of publication.

[1]Ins. by Act No. XXXVI of 2016, s. 23.
[2]Subs. by Ord. No. LV of 2000, s. 13.

40. Power to make regulations.—(1) Subject to sub-section (2),

(i) the Board, [1][* * *] on the recommendation of the Commission and in consultation with the Federal Government; and

(ii) the Commission [1][in consultation with] the Board,

may make such regulations as may be required to carry out the purposes of this Act [2][or the functions of the Commission specified in sub-section (4) of section 20].

(2) The power to make regulations conferred by this section shall be subject to the condition of previous publication and before making any regulations the draft thereof shall be published in two newspapers of wide circulation for eliciting public opinion thereon within a period of not less than [1][thirty] days from the date of publication.

[2]**[40A. Penalty for violation of rules [4][,] regulations [4][, directives and notification].**—(1) Any [4][person who contravenes or fails to comply with any provision of] rule made under section 39 or regulation made under section 40 [4][or directive or notification issued under this Act] [4][shall be liable to pay by way of penalty a sum] which may extend to ten million rupees and where the contravention is a continuing, one with a further [4][penalty] which may extend to one hundred thousand rupees for every day after the first during which such contravention continues.

(2) A [4][penalty] under sub-section (1) shall be imposed by the Commission after providing a reasonable opportunity of being heard to the party;

[3][**40AA. Fines and penalties to be credited to the Federal Consolidated Fund.—** All fines and penalties recovered by the Commission shall be credited to the Federal Consolidated Fund.]

[2][**40B. Power of the Commission to issue directives, circulars, guidelines, etc.** The Commission shall have the power to issue such directives, codes, guidelines, circulars or notifications as are necessary to carry out the purposes of this Act, the rules and regulations made thereunder and [4][any administered legislation]].

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PART XII

GENERAL

41. Common seal. The Commission shall have a common seal and such seal shall be kept in the custody of the Chairman or such other person as may be authorized by the regulations made by the Commission. Documents required or permitted to be executed under seal shall be specified in and authenticated in such manner as shall be authorized by regulations made by the Board.

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[1]Omitted and subs. by Ord. No. LV of 2000, s.14.
[2]Added & Ins. by Finance Act 2007 (Act No. IV of 2007), s. 17.
[3]Ins by Finance Act 2012 (Act No. XVII of 2012), s. 13.
[4]Subs. and ins. by Act No. XXXVI of 2016, ss. 24-25.

[1][**41A. Standard of proof**.—(1) Where it is necessary for the Commission to establish or to be satisfied, for the purposes of this Act or any administered legislation, that any person has contravened:

(a) any provision of this Act or any administered legislation or subordinate legislation;

(b) any notice, direction or requirement given or made under or pursuant to any provision of this Act or any administered legislation;

(c) any of the terms and conditions of a registration granted under this Act or any licence or registration granted under any administered legislation;

(d) any other condition imposed under or pursuant to any provision of this Act or any administered legislation,

it shall be sufficient for the Commission to establish or to be satisfied as to the matters referred above on the standard of proof applicable to civil proceedings in summary manner in a court of law.

41B. Inquiry, investigation and other proceedings in respect of regulated persons.—(1) Notwithstanding anything contained in any other law, including National Accountability Ordinance, 1999 (XVIII of 1999) and Federal Investigation Agency Act, 1974 (VIII of 1975) no action, inquiry, investigation or proceedings in respect of any regulated activity, regulated securities activity, transaction, process or permission granted under this Act or any administered legislation, shall be taken, initiated or conducted by any Federal or Provincial investigating agency, bureau, authority or institution by whatever name called without reference from the Commission.

No proceedings shall lie before any agency, bureau, authority or institution at the instance of any party to a matter which is or has been in issue before the Commission, in respect of a matter which is actually or has been or might or ought to have been a proper subject of complaint to the Commission under the administered legislation:

Provided that cases pending before any court having jurisdiction before coming into force of this Amendment Act, shall continue to be prosecuted and conducted without reference from the Commission.]

42. Public servants.—(1) The Members, Commissioners, employees and other persons authorized to perform or exercise any function or power under this Act or rendering services to Commission as consultant or adviser shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860).

(2) Save as otherwise provided by this Act and only for the purposes so provided, nothing therein contained shall be construed to mean that any person referred to in sub-section (1) is or shall be deemed to be in the service of Pakistan or is to be regarded or treated as a civil servant.

[1]Ins.by Act No. XXXVI of 2016, s. 26.

[1][**42A. Indemnity of the Commission, Chairman, Commissioners, employees and Member**.—(1) No suit, prosecutions or any other legal proceedings or action in damages shall lie against the Commission, Chairman, Commissioners, employees and Members for anything done or omission in exercise or performance of any functions, power or duty conferred or imposed by or under this Act or any administered legislation unless the act or omission is shown, beyond reasonable doubt to have been in bad faith.

(2) A Chairman, Commissioner, employees, consultant, advisers and Member shall not be sued in their personal capacity for the action bonafidely taken in their official capacity and in case of any such suit the Commission shall bear expenses of the proceeding till its final decision.]

[1][**42B. Recovery of penalties.**—(1) Any penalty imposed by the Commission in the exercise of its powers under this Act or any administered legislation or subordinate legislation, shall be payable to the Commission and may be recovered by the Commission as a decree for the payment of money in case where the person aggrieved by such order has,-

(a) preferred an appeal under section 34 and the Court has upheld the order of the Commission or the Appellate Bench, it will automatically be converted into execution proceeding and no fresh notices need to be issued to appellant; or

(b) not preferred an appeal to the Appellate Bench of the Commission under section 33 or to the Court under section 34 and the Court on application of the Commission has confirmed and allowed conversion or initiation of execution proceedings after notices to the parties as deem appropriate by the Court.

(2) The Court shall exercise all the powers of an executing court as provided in the Code of Civil Procedure, 1908 (Act V of 1908), for the purposes of recovery of penalties:

Provided that the Court may, for reasons to be recorded, dispense with any procedure in the Code of Civil Procedure, 1908 (Act V of 1908) and follow such procedure as it may deem fit in the circumstances of the case for expeditious disposal.

(3) The executing Court may attach any immovable property or sale of any movable property, including bank accounts of the person or company on whom a penalty has been imposed under this Act or any administered legislation by the Commission and any transaction or attempt to alienate, transfer, encumber or mortgage such property shall be void, illegal and without any lawfuI authority.

(4) All government departments, authorities, bodies, private entities, housing societies or schemes, by whatever name called, banks and any other concerned entity shall, on the orders of the Court, be bound to assist the Commission in providing details of moveable or immovable property of judgment debtor.

(5) In addition to sub-sections (1), (2) and (3) any penalty imposed or amount ordered or required to be surrendered or deposited with the Commission under this Act or an administered legislation may also be recovered by the Commission as arrears of land revenue.

[1]Subs. and Ins. by Act No. XXXVI of 2016, ss. 27-28.

42C. Proof of documents by production of certified copies.—Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act No. V of 1898), Qanun-e-Shahadat Order, 1984 (P.O. 10 of 1984) or any other law,—

(a) any duly certified copy of extract from any document or record maintained by the Commission under this Act or any administered legislation shall be construed as sufficient evidence in any inquiry or investigation or legal proceedings before any tribunal, authority or court of law ;

(b) no one shall without the permission of the Commission in writing, take over or remove any original document or register from the custody of the officer of the Commission maintained under this Act or any administrated law.

42D. Cooperation and assistance to foreign regulatory authorities.—(1) Notwithstanding anything contained in any other law for the time being inforce, the Commission may, on reciprocal basis, cooperate with and provide assistance under this Act or any administered legislation to a foreign regulatory authority or any other international organizations with whom the Commission has entered into any arrangement or agreement or understanding for assisting in any inquiry or investigation. for contravening the laws relating to financial services of the requesting authority.

(2) An assistance referred to in sub-section (1) shall include the disclosure of any information or document filed with or provided to the Commission under this Act or an administered legislation, or any information or document obtained by the Commission from any person on the request of the requesting authority.

(3) For the purposes of this section the Commission may, notwithstanding anything contained in any other law for the time being inforce including Banking Companies Ordinance, 1962 (LXII of 1962), obtain any information or document from any person on the request of the requesting authority.

(4) Such cooperation and assistance may be provided without regard to the fact that such contravention does not constitute offence under this Act or any administered legislation.

(5) The Commission may request the foreign regulatory body or authority or entity to seek such mutual legal assistance for carrying out inspection, inquiry investigation under this Act or any administered legislation.

(6) Notwithstanding anything contained in Qanun-e-Shahadat Order, 1984 (P.O. 10 of 1984) all evidence, documents or any material transferred to Pakistan by foreign entity under this section shall be considered as evidence in legal proceedings under this Act or any other law for the time being in force.

(7) Any assistance provided under this section to any foreign regulatory authorities or international organizations may be refused by the Commission on the grounds of national security and public interest.

42E. Power to amend the Schedule.—The Federal Government may, by notification in the official Gazette, amend the Schedule.]

43. Dissolution of the Authority. The Authority is hereby [1]dissolved and at all times thereafter,—

(a) section 11 and sub-sections (3) to (7) (inclusive) of section 12 of the Ordinance shall stand repealed and except as hereinafter provided, all references to the Authority appearing in the Ordinance and any other law for the time being in force shall be deemed to mean and refer to the Commission;

[2][(b) the rules under the Ordinance or under any other law for the time being in force being administered by the Commission shall be made by the Commission with the approval of the Federal Government.]

(c) save as otherwise provided in clause (b), all powers exercisable by the Federal Government under any provisions of the Ordinance or any other law for the time being in force, which immediately before the appointed day had been delegated to the Authority, shall be exercised by the Commission;

(d) all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash and bank balance, reserve funds, investments and all other interests and rights in, or arising out of, such property and all debts, liabilities and obligations of whatever kind of the Authority subsisting immediately before its dissolution shall stand transferred to and vest in the Commission;

(e) no officer, employee, servant, or any other person holding any post in connection with the affairs of the Authority, shall have any right or lien to appointment to any post in the Commission;

[3][(ea) the Commission may, on the instructions of the Federal Government, form a committee to initiate disciplinary proceedings against a person referred to in clause (e) and the Federal Government may take such disciplinary action as it deem appropriate on the recommendation of the committee;]

(f) any person referred to in clause (e) who is appointed by the Commission shall have the option either to remain a civil servant or to be an employee of the Commission. The option once exercised shall be irrevocable;

(g) in the event of a person referred to in clause (e) opting to be an employee of the Commission, he shall cease to be a civil servant for all purpose and shall be entitled to such remuneration, allowances and other terms and conditions of employment as are applicable to the employees of the Commission. For the service rendered in the Authority such person shall be entitled to such benefits including the transfer of benefits to the Commission as may be prescribed by the rules. But, in the event of such a person opting to remain as a civil servant, he shall be entitled to the same remuneration, allowances and other rights and privileges as are admissible to civil servants but, in other respects such as organizational structure, right to promotion and discipline, he shall be subject to the regulations made by the Commission, and for the period he served the Commission, the Commission shall contribute to the pension, gratuity and final payment of provident fund in accordance with the rules.

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[1] i.e. 1-1-1999, see SRO 1404(I)/98-dt-31-12-98

[2]Subs. by Ord. No. LV of 2000, s.15.

[3]Ins. by Act No. XXXVI of 2016, s. 29.

(h) a person referred to in clause (e) who is not appointed by the Commission shall continue to draw his pay, allowances, privileges or other benefits as he was drawing while holding the post in the Authority and unless sooner he is appointed by the Federal Government to another post or otherwise ceases to remain in Government service on account of retirement, dismissal, removal, discharge from service or in any other manner applicable to a civil servant, the cost for payment salary, allowance and other benefits to such person shall be borne by the Commission.

(i) save as otherwise provided in clauses (e) and (h), all debts and obligations incurred or contracts entered into or rights acquired and all matters and things engaged to be done by, with or for the Authority before the appointed day shall be deemed to have been incurred, entered into, acquired or engaged to be done by, with or for the Commission, as the case may be; and

(j) all suits and other legal proceedings instituted by or against the Authority before the appointed day shall be deemed to be suits and proceedings by or against the Commission as the case may be and may proceed and be dealt with accordingly.

[1][**43A. Abolition of Department of Insurance**.—(1) As from the appointed date—

(a) the Department of Insurance shall stand abolished;

(b) no officer, employee, servant, or any other person holding any post in connection with the affairs of the Department of Insurance, shall have any right or lien to appointment to any post in the Commission;

(c) any person referred to in clause (b) who is appointed by the Commission shall have the option either to remain a civil servant or to be an employee of the Commission and the option once exercised shall be irrevocable;

(d) in the event of a person referred to in clause (b) opting to be an employee of the Commission, he shall cease to be a civil servant for all purposes and shall be entitled to such remuneration, allowances and other terms and conditions of employment as are applicable to the employees of the Commission. For the service rendered in the Department of Insurance such person shall be entitled to such benefits including the transfer of benefits the Commission as may be prescribed by the rules. But, in the event of such a person opting to remain as a civil servant, he shall be entitled to the same remuneration, allowances and other rights and privileges as are admissible to civil servants but, in other respects such as organizational structure, right to seniority, promotion and discipline, he shall be subject to the regulations made by the Commission, and for the period he served the Commission, the Commission shall contribute to the pension, gratuity and final payment of provident fund in accordance with the rules;

[1]Ins. by Ord. No. LV of 2000, s. 16.

(e) a person referred to in clause (b) who is not appointed by the Commission shall continue to draw his pay, allowances privileges or other benefits as he was drawing while holding the post in the Department of Insurance and unless sooner he is appointed by the Federal Government to another post or otherwise ceases to remain in Government service on account of retirement, dismissal, removal, discharge from service or in any other manner applicable to a civil servant, the cost for paying salary, allowances and other benefits to such person shall be borne by the Commission;

(f) save as otherwise provided in this Act, all debts and obligations incurred or contacts entered into or rights acquired and all matters and things engaged to be done by, with or for the Federal Government under or pursuant to the Law of Insurance before the appointed date shall be deemed to have been incurred, entered into, acquired or engaged to be done by, with or for the Commission, as the case may be; and

(g) all suits and other legal proceedings instituted by or against the Federal Government under, or pursuant to, the Law of Insurance before the appointed date shall be deemed to be suits and proceedings by, or against, the Commission as the case may be and may be proceeded with and be dealt with accordingly.]

44. Savings. Save as otherwise provided in this Act, nothing in this Act shall affect or be deemed to affect anything done, action taken, investigation or proceedings commenced, order, rule, regulation, appointment, document, or agreement made, fee directed, resolution passed, direction given, proceedings taken, or instrument executed or issued under or pursuant to any law amended or repealed by this Act [1][or any amendments in this Act] and any such thing, action, investigation, proceedings, order, rule, regulation, appointment, document, agreement, fee resolution, direction, proceedings or instrument shall, if in force at the commencement date [1][or from the date of any amendments made in this Act] and not inconsistent with any of the provisions of this Act, continue in force and have effect as if it had been respectively done, taken, commenced, made, directed, passed, given, executed or issued under this Act or the law as amended by this Act.

45. Act to override other laws. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

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[1]Ins. by Act No. XXXVI of 2016, s. 30.

THE SCHEDULE

POWERS AND FUNCTIONS CONFERRED ON THE AUTHORITY UNDER THE ORDINANCE TO BE EXERCISED BY THE COMMISSION

(See clause (o) of sub-section (4) of section 20)

1. To call for any information, document etc. for purposes of any proceeding or inquiry (section 12(4) of the Ordinance).

2. To allow alteration in the Memorandum of Association (section 21 of the Ordinance).

3. To decide whether a name of a company is appropriate and permissible (section 37 of the Ordinance).

4. To grant licence to an association not for profit to be registered as a company (section 42 of the Ordinance).

5. To accord approval for conversion of a public company into a private company (section 44 of the Ordinance).

6. Approval of prospectus (section 57 of the Ordinance).

7. To allow issue of securities outside Pakistan (section 62A of the Ordinance).

8. To specify minimum amount of shares to be applied for and the form of application for shares (section 67 of the Ordinance).

9. To prescribe maximum rate of commission on issue of shares (section 82 of the Ordinance).

10. To sanction issue of shares at discount (section 84 of the Ordinance).

11. To grant extension in time for holding AGM in the case of listed companies (section 158 of the Ordinance).

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12. To allow a company to make a loan to a director (section 195 of the Ordinance).

13. To grant exemption for appointment of managing agent and to approve appointment of sole sale/purchase/distribution agents (section 206 of the Ordinance).

14. To recover tenderable gains (section 224 of the Ordinance).

15. To prescribe cost accounting records for manufacturing companies (section 230 of the Ordinance).

16. To extend period for laying annual accounts in the AGM by listed companies (section 233 of the Ordinance).

17. To direct a change in financial year of holding companies and their subsidiaries (section 238 of the Ordinance).

18. To call for additional statements of accounts from companies (section 246 of the Ordinance).

19. To appoint auditors in certain cases (section 252(6) of the Ordinance).

20. To conduct investigation into the affairs of the companies (sections 263 and 265 of the Ordinance.

21. To prosecute a company or person found guilty as a consequence of investigation (sections 270 and 271 of the Ordinance).

22. To appoint administrator (section 295 of the Ordinance).

23. To make application to the Court for winding up a company (section 309 of the Ordinance).

24. To recommend a panel of persons to the Court for appointment as official liquidator (section 321 of the Ordinance).

25. To order restoration of the names of defunct companies (section 439(9) of the Ordinance).

26. To exercise similar powers in the case of foreign companies (section 457 of the Ordinance).

27. To accord special permission to take over original documents from custody of Registrar (section 467 of the Ordinance).

28. To prescribe additional fees for filing of documents (section 469 of the Ordinance).

29. To force companies to comply with the provisions of the Ordinance (section 472 of the Ordinance).

30. To impose fine as penalty (section 476 of the Ordinance).

31. To hear appeals against the orders of Registrar (section 477 of the Ordinance).

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32. To exercise powers of court in relation to enquires and proceedings (section 478 of the Ordinance).

33. To direct appearance of officers of companies (section 479 of the Ordinance). .

34. To apply amount of fine towards payments of costs, compensations, etc. (section 483 of the Ordinance).

35. To hear revision petition against the orders of Registrar, etc. (section.484 of the Ordinance).

36. To grant relief in certain cases (section 488 of the Ordinance).

37. To impose penalty for wrongful withholding of company profit (section 493 of the Ordinance).

38. To impose penalty for non-compliance with directions (section 495 of the Ordinance).

[1][SCHEDULE I

[*see* Section 2(1) (aa) and (s)]

ADMINISTERED LEGISLATION

1. Motor Vehicle Act, 1939 (IV of 1939) [chapter VIII and section 125];

2. The Securities and Exchange Ordinance, 1969 (XVII of 1969);

3. The Companies (Appointment of Legal Advisers) Act, 1974 (X of 1974);

4. The Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);

5. The Companies Ordinance, 1984 (XLVII of 1984);

6. The Central Depositories Act, 1997 (XIX of 1997);

7. The Insurance Ordinance, 2000 (XXXIX of 2000); and

8. Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (XV of 2012);

9. Securities Act, 2015(III of 2015).]

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[1]Added by Act No. XXXVI of 2016, s. 31.

Dated: 24-06-2026