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APRIL-JUNE 2021

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JOINT SESSION WITH THE PAKISTAN CREDIT RATING COMPANY

Pakistan Stock Brokers Association (PSBA) held another joint session for its members with The Pakistan Credit Rating Agency to enable the members to understand the requirement of Broker Fiduciary Rating.

JOINT SESSION ON PROFESSIONAL CLEARING MEMBER MODEL (E-CLEAR) WITH CENTRAL DEPOSITORY COMPANY (CDC)

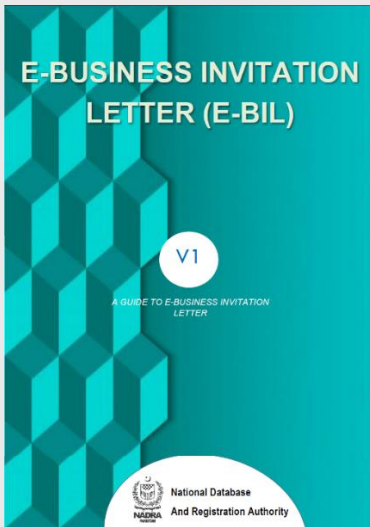
In line with the decision to organize a close session at all three locations. The Association held its second session for the Islamabad-based members on the PCM working model.

CHANGE IN KYC INFORMATION OF CUSTOMERS HAVING UKN

It was brought to the knowledge that while submitting a request for change in KYC information, duly signed physical copy is required to be submitted by the client. In order to provide ease to the members, PSBA took up the matter with NCCPL. And, NCCPL assured that going forward the request received through email would be acceptable.

E-BUSINESS INVITATION/VISA RECOMMENDATION LETTER

In pursuance of the implementation and launching of an online portal by NADRA for the issuance of Visa Recommendation Letters. PSBA completed its formalities to get enrolled with the said portal, to facilitate its members in this area as well. Members may now apply thru the said portal for the Visa Recommendation Letters to be issued by PSBA, following the link available at its website.



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**Apply For E-Business
Invitation Letter**

APPLY

<http://www.psba.pk/>

FEDERAL BUDGET PROPOSALS WITH ICMA PAKISTAN AND FEDERATION OF PAKISTAN CHAMBERS OF COMMERCE AND INDUSTRY

Institute of Cost and Management Accounts (ICMA) Pakistan and FPCCI had initiated a consultation process with the relevant stakeholders so that to highlight industry-wise issues and solutions thereof. PSBA also engaged with these organizations so that its proposals are pursued by them as well.

DISCUSSION ON PROFESSIONAL CLEARING MEMBER (PCM) MODEL

PSBA successfully concluded the discussion with regard to the PCM model with CDC. PCM namely E-Clear is a joint project of CDC, PSX, and NCCPL. PSBA extended its full cooperation in order to work for the common objective of market development.

AMENDMENTS IN THE SECP ACT, 1997 TO ESTABLISH INDEPENDENT CAPITAL MARKET TRIBUNALS

After the rigorous efforts of PSBA, the Securities and Exchange Commission of Pakistan (SECP) has proposed amendments in the SECP Act, 1997 to establish independent capital market tribunals. It will facilitate regulated stock market participants to appeal before an independent body against the decision of the SECP.

Capital market related cases require special expertise and technical knowledge to deal with which can be ensured through the establishment of special tribunals considering the international best practices, Finance Division also shared its positive view on the same.



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Independent capital market tribunals may be established
ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has proposed amendments in the SECP Act 1997 to...
www.brecorder.com

<https://www.brecorder.com/news/40083373/independent-capital-market-tribunals-may-be-established>

11:00 AM

INTRODUCTION OF COMPLIANCE CALENDAR

PSBA while remain committed to facilitating its members, introduced a compliance calendar to enable the members to ensure timely compliance with applicable Rules and Regulations. The calendar contains periodic and time-bound requirements including the relevant provisions of Rules/Regulations.

REPRESENTATION WITH CHAIRMAN ANOMALY/TECHNICAL COMMITTEE TAX

In order to discuss and resolve the outstanding issue of the definition of the term "Securities". PSBA made a representation before the Chairman of the Committee, while having a detailed discussion, PSBA also requested him to make this, part of the recommendations of the said Committee to get this issue resolved. He assured to extend its full cooperation in fixing the issue.

MEETING WITH INSTITUTE OF BUSINESS ADMINISTRATION – IBA

PSBA held another meeting with IBA in order to introduce a certification program on ethics for trading & sales staff of PSBA members, followed by a webinar.

MEETING WITH MR. SHAUKAT TARIN – FINANCE MINISTER OF PAKISTAN

PSBA had a fruitful meeting with the Honorable Finance Minister of Pakistan, wherein, following Tax Proposals were discussed:

1. Explanation to be added for the removal of doubt in respect of the term "Securities";
2. Reduction in Capital Gain Tax rates;
3. Reduction in Tax rates on dividend income;
4. Introduction of the concept of Holding Periods for Capital Gain; and
5. Introduction of minimum threshold for Capital Gain and dividend income.



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MEETING WITH MR. FAROGH NASEEM – LAW MINISTER OF PAKISTAN

PSBA had an excellent meeting with the Honorable Law Minister of Pakistan. The meeting was to produce a combined effort for the regulatory and capital market reforms.

MEETING WITH SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

PSBA held a meeting with SECP's AML Team to discuss the concerns of members in respect to the compliance of AML/CFT Regulations. The SECP officials were kind enough to listen to all the issues and assured to extend their full support for the removal of gaps in understanding. SECP team also appreciated the role of the Association to streamline and simplify the compliance/regulatory process. It was assured that the inspection team will be guided properly with regards to the concerns as highlighted by the Association.

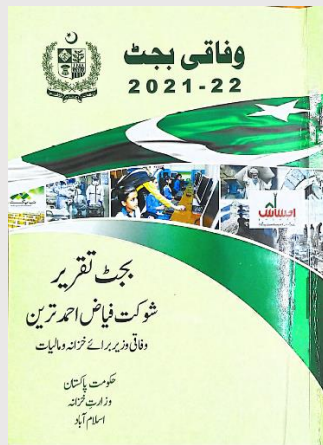
FEDERAL BUDGET 2021-2022

In line with the proposals submitted by the Association in respect to the Federal Budget 2021-22 and subsequent meeting held with the Finance Minister of Pakistan. The government has been kind enough to accede to our requests and granted the following reliefs for the Stock Market:

- 1) The rate of Capital Gain Tax has been reduced to 12.5%
- 2) W/H Tax on Margin Financing has been abolished

MEETING WITH NATIONAL CLEARING COMPANY OF PAKISTAN LTD

In pursuance of the request of the members, PSBA held a detailed meeting with NCCPL to further ease out the KYC process in order to increase the investor base. NCCPL assured to extend its full cooperation to remove regulatory hurdles.



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MEETING WITH PAKISTAN STOCK EXCHANGE LTD RE NEW TRADING SYSTEM

PSBA attended the meeting called by PSX on the introduction of the new trading platform. The issues identified by the members were discussed in detail. The Exchange was kind enough to listen to all the concerns and noted the same to fix before the trading system is live. PSBA is in constant follow-up to ensure that all the required important features are part of the new trading system.

EXCLUSIVE SESSION WITH PSX, NCCPL, AND CDC FOR TRADING AND CLEARING CATEGORY BROKERS

In line with the requirement of amended Securities Brokers (Licensing and Operations) Regulations, 2016, to give effect to new brokers regime. All the three SROs on the special request of PSBA held an awareness session for the members who have opted for Trading and Clearing (T&C) License to provide their services to Trading Only Brokers. The migration and the regulatory framework were briefly discussed in the session to enable the T&C Brokers to extend their required services.

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