

ANNUAL REPORT 2020-2021



PAKISTAN STOCK BROKERS ASSOCIATION





WE AS AN ASSOCIATION

Pakistan Stock Brokers Association

Pakistan Stock Brokers Association (PSBA) is an association comprising 143 members from across the country who are TREC Holders/Stock Brokers of the Pakistan Stock Exchange.

PSBA is a professional body representing the TREC Holders/Stock Brokers of the Pakistan Stock Exchange who provides “Equity Brokerage Services” on an all-Pakistan basis. It has been established on February 3, 2020, and formally incorporated on July 27, 2020, as a Company limited by guarantee. PSBA aims to protect the rights of its members and to promote the Stock Brokerage Industry. PSBA educates its members on market structure issues while representing their interests with legislators, regulators and other organizations. PSBA keep their members informed on industry trends and provide unique opportunities for its members for their better understanding on the issue likely to affect their business. PSBA is committed to promoting its goodwill and fostering high standards of integrity in accordance with its founding principle and playing an active role in presenting problems of its members and safeguarding their interests through constant dialogue with all the relevant authorities.

In addition to work for the protection of the rights of its members, its objective is also to work for the growth of Pakistan’s only Capital Market thus contributing to the economic development of the country, and the overall interest of our members at large by becoming a medium between Regulators and Participants. There is no doubt that the Capital Market is the backbone of the economy of any country.

VISION

“To serve as an effective platform for its members where a collective and coordinated effort is made to resolve the industry-wide issues and to promote and represent the Stock Brokerage Industry”



It is my immense pleasure to present this 1st Annual/Year Book and to interact with our members through this esteemed publication. This publication includes information regarding the overall activities and achievements of the Association throughout the year. Along with our members of the Executive Committee I have always valued how PSBA rise to meet every challenge and opportunity. I thank them for their dedication to taking the PSBA to its new heights.

This year the PSBA remained actively engaged in resolving the issues of its members with close coordination with all the relevant authorities. I congratulate all the members for this progress of PSBA and ensure that it will continue to be the voice of the brokers and will take all necessary steps for the betterment of the Capital Market.

The PSBA is always ready to extend its full cooperation to the government for any of its endeavors, focused on improving the economy. PSBA is committed to continuously put its efforts with the Regulatory Authorities for the policies that would bring ease in doing business and closely monitor the implementation to achieve the desired results.

It is imperative to mention that we would not be able to achieve this eventful year without the continuous support of the Honorable Prime Minister of Pakistan, Chairman SECP, MD PSX. I also take this opportunity to place on record, my appreciation of the remarkable work done by the PSBA team, Dr. Yasir Mahmood (Senior Vice-Chairman), Mr. Zahid Latif Khan (Vice-Chairman), the members of the Executive Committee, and Bilal Farooq Zardi (Secretary General).

In the end, I would like to thank the positive role played by SECP, PSX, CDC, and NCCPL that enabled an environment for the positive growth of the Capital Market.

AQEEL KARIM DHEDHI
Chairman



The ultimate role of any stock market is to raise capital. Through listing, the issuer gets funds and the investor gets a return thus leading to economic development. This is only possible if we have a well-functioning Primary Market supported by a buoyant Secondary Market. To achieve this, the market must be fair, efficient, liquid, and transparent. This is the mutual responsibility of the industry and the regulator, and a balance must be struck between the market development and its regulation.

In a developing country like ours, which is capital-starved, the primary focus has to be on development, through a variety of product offerings, in line with investors' preferences. Investors' confidence is of paramount importance and the protection of their rights should not be compromised at any cost.

In my opinion, our markets, in the last decade, became a victim of over-regulation because of the concerns of investor protection and this stifled the growth of our markets.

I am glad to report that this has changed now. The regulator and the industry, are working together very hard to create ease of business and encourage innovation, and at the same time ensuring the required investor protection. The new broker regime, the establishment of E-clear the first custodian and clearing company for the retail investors, digitization of account opening, and Roshan Digital Account are few examples.

PSBA which became functional last year is trying to act as a bridge between the industry, market participants, and the regulators, thus aiding the much-needed process of fast pace development. Our target is to increase the size, depth, breadth, reach, and liquidity of the market.

I will take this opportunity to thank Chairman SECP Mr. Aamir Khan, MD PSX Mr. Farrukh Khan, Chairman PSBA Mr. Aqeel Karim Dhedhi, Secretary General Mr. Bilal Farooq Zardi, and members of the Executive Committee, for their untiring efforts in developing our capital market and all the members of PSBA for their inputs, feedbacks, and support.

DR. YASIR MAHMOOD
Senior Vice-Chairman



This year has been great for the Pakistan Stock Exchange. The market has been resilient against the challenges presented by the pandemic and our stock market has seen one of the healthiest recoveries in the world. With the indices and volumes reaching an all-time high, accompanied by countless IPOs and a large influx of new investors, it is safe to say the capital markets of Pakistan are on the trajectory for extraordinary growth.

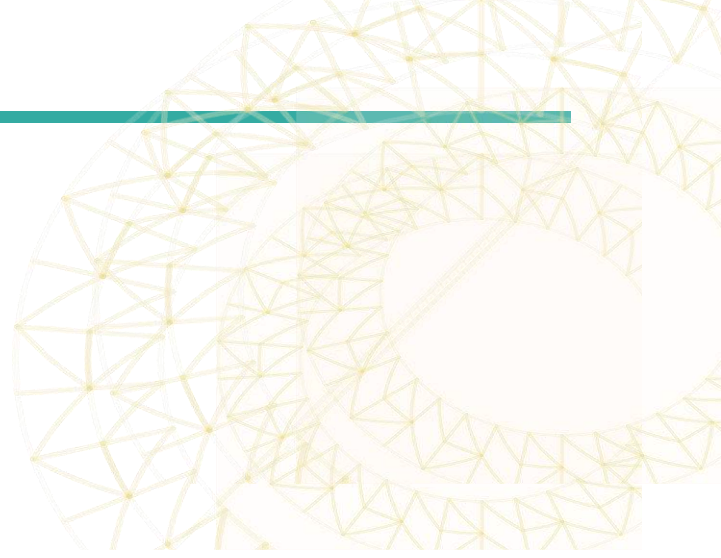
Along with being a great opportunity for all the stakeholders of this industry, this is also a great test for those responsible for maintaining the sanctity of this institution.

We must set the highest ethical standards for practices and ensure that those standards are met. We must work to implement a dynamic and ever-evolving framework that safeguards the system from any malpractices that might harm the reputation of the institution of capital markets or the confidence of the investors and the general public.

Pakistan Stock Brokers Association should actively assume the role of a bridge between the regulators and all the stakeholders.

It is our responsibility, more so than ever, to remain vigilant.

ZAHID LATIF KHAN
Vice Chairman



First and Foremost, praises and thanks to Allah (SWT), the almighty, for his blessings to complete this year successfully. The success and final outcome of this yearbook required a lot of guidance and assistance from many people and we, at PSBA, would like to express our deepest appreciation to all those who provided us the possibility to publish this report.

I am also grateful to Mr. Aqeel Karim Dhedhi (Chairman), Dr. Yasir Mahmood (Senior Vice-Chairman), Mr. Zahid Latif Khan (Vice-Chairman), Mr. Azneem Bilwani (EC Member), Chuhadry M. Afzal (EC Member), Mr. Hamad Nazir Kehar (EC Member), Mr. Jahanzeb Mirza, Mr. Muhammad Adil Ghaffar (EC Member), Mr. Muhammad Munir Khanani, Mr. Noman Abdul Majeed Adam, for their untiring efforts, their inputs, feedbacks, and support. I am also thankful to all the Government Authorities, Regulatory Authorities, and all Capital Market Entities for resolving the Regulatory and Taxation issues of PSBA members. Especially, during the COVID-19 pandemic where various relaxations were requested from them.

PSBA is a representative body of TREC Holders/Stock Brokers of Pakistan Stock Exchange, and it is continuously publishing its reports in order to disseminate the information relating to its performance, achievements, and updates thereto. This year has become very successful as the sector has performed very well, and the Association has contributed greatly to its growth. For PSBA, we may also call it a year of evolution towards a strong representation of its members.

Looking back at the full year, from the day of inception, we began just as we planned in line with our objectives, vision, and mission. We also remained engaged with the Regulatory Authorities to develop new pandemic-related solutions for our members. Throughout the year, we continued our commitment to delivering the best services for our members, and we will also continue to implement new training which we can read more about these commitments in this report.

It is fact that for capital market firms, regulatory compliance has become increasingly complex over the past decade, and the industry is positive in its desire to meet them with efficiency. In order to help the members, PSBA made efforts to develop an approach to their compliance obligations while arranging various sessions including the introduction of its compliance calendar. We fulfill this purpose through a combination of collaboration, agility, and care. And we hope that the members have found this activity relevant and informative.

Thank you for all your interest and trust in PSBA. We welcome your thoughts as the special attention of our members is also required to further strengthen the Association to serve the members at length and a close liaison with all the relevant authorities is also very important.

Lastly, it is my pleasure to briefly walk you through the events of the year as follows:

BILAL FAROOQ ZARDI
Secretary General



THE EXECUTIVE COMMITTEE (EC)



**MR. AQEEL KARIM DHEDHI
CHAIRMAN**

Mr. Dhedhi is the founder and Chairman of the AKD Group. Led by his vision, the group has evolved into a vibrant set of business enterprises operating in key sectors of Pakistan's economy, including financial services, telecom, infrastructure, manufacturing, and natural resources. Mr. Dhedhi strongly believes in the 'first mover advantage' and this philosophy is clearly seen in many of his initiatives.

Under his leadership, AKD Securities always remains active in taking all the initiatives for the development of the Capital Market.



**DR. YASIR MAHMOOD
SENIOR VICE-CHAIRMAN**

Dr. Yasir Mahmood runs one of the renowned brokerage houses at the Pakistan Stock Exchange under his own name since 1992. The firm deals in both equity and fixed-income securities. Mr. Mahmood has done his MBB\$ from Allama Iqbal Medical College and MBA from Lahore University of Management Sciences. His Professional Courses include Securities Clearance, Settlement, Accounting, International Corporate Finance, Financial Analysis & Portfolio Management, and Management of Stock Exchanges & Securities Companies.

He has also served in various positions which include Convenor Public Relations Committee Lahore Stock Exchange (LSE), Director Central Depository Company of Pakistan, Vice-President LSE, President LSE, Director Pakistan Credit Rating Agency (PACRA), Director Lahore Electric Supply Company (LESCO), Chairman LSE, Director National Clearing Corporation of Pakistan, Member Consultative Group on Capital Markets, and Chairman LESCO.



**MR. ZAHID LATIF KHAN
VICE-CHAIRMAN**

Mr. Khan is the Chairman of ISE Tower REIT Management Company Limited formerly known as Islamabad Stock Exchange Ltd. He is the CEO of Zahid Latif Khan Securities (Pvt.) Ltd, one of the premier and leading brokerage houses of Pakistan for the past 23 years. He is also a director of the Pakistan Mercantile Exchange (PMEX) and has associated himself by being one of the TREC Holders of Pakistan Stock Exchange to promote it into various educational institutions, Chamber of Commerce, and other trade bodies.

Additionally, he laid down an extensive network of securities branches in several parts of the country to enhance market outreach. He has also been nominated as the Convener of Central Committee for Foreign Affairs of the Federal of Pakistan Chamber of Commerce and Industry. In this position, he is quite instrumental in the promotion of bilateral economic and trade ties with the international community.



CHUHADRY M. AFZAL
MEMBER EC

Chuhadry M. Afzal is the Chief Executive Officer of Rahat Securities Limited, a brokerage of the Pakistan Stock Exchange. Rahat has launched its stock brokerage business that has grown exponentially during the last 25 years under his leadership. He has been at the forefront of innovation in investment & trading products and related services.

He has also served on the Board of Directors of LSE, nominee director in the board of PACRA. He has been instrumental in the development of securities trading at the Stock Exchange that catered to the need of upcountry investors.



MR. AZNEEM BILWANI
MEMBER EC

Mr. Bilwani is the Chairman of one of the leading brokerage houses namely Intermarket Securities Ltd, at Pakistan Stock Exchange His 20 years of dedication towards work has awarded him with a diversified experience in the financial sector, primarily in the Capital Market, along with vast exposure in the manufacturing and Information Technology segment. Mr. Bilwani, along with his skilled professional and dedicated workforce has led its company to become one of the leading brokerage houses in Pakistan.

His leadership, technological insight, and domain expertise have strengthened the culture of innovation and expanded the companies into new markets.



MR. HAMAD NAZIR KEHAR
MEMBER EC

Mr. Kehar is the Managing Director of Axis Global Ltd. Mr. Kehar has over 22 years of rich experience specializing in investment banking and corporate strategy and has spent his career advising institutions & corporations on diversification, market entry, financial restructuring, mergers & acquisitions, and capital raising.

He has his Bachelor's degree in MIS from the University of Alaska and post-graduation certification from Harvard University.



MR. JAHANZEB MIRZA
MEMBER EC

Mr. Mirza is the Chief Executive Officer of S.D Mirza Securities (Pvt.) Ltd. His knowledge regarding the investment environment and the structure of the financial markets has made S.D Mirza Securities a successful Equity Brokerage House. He has also served on the Board of LSE, Central Depository Company, and PACRA. He is BBA in Finance from the University of Houston, USA.

Mr. Mirza is a dynamic, progressive, and visionary entrepreneur. His endless desire to achieve perfection in client satisfaction and his ability to manage human resource has made the company a leading Stock Brokerage House.



MR. MUHAMMAD ADIL GHAFFAR
MEMBER EC

Mr. Ghaffar is the Chief Executive Officer of First Equity Modarba. He is a fellow member of the Institute of Chartered Accountants of Pakistan and the Institute of Corporate Secretaries of Pakistan. He is also an active member of NBF1 & Modarba Association of Pakistan and has also served as a Chairman there. He plays an active role with his legal expertise in the Corporate Sector, especially in the Capital Market.

He is well versed with the local capital market dynamics and international practices of securities market regulations and is considered a dedicated professional who is analytical and detailed. He has expertise in policymaking, applicable rules/regulations at Pakistan Stock Exchange and serves actively in the issues that require immediate legal attention and expertise.



MR. MUHAMMAD MUNIR KHANANI
MEMBER EC

Mr. Khanani is the Chief Executive Officer of M. Munir M. Ahmed Khanani Securities Limited who provides a wide range of premier brokerage and financial services in the field of equity brokerage. A self-made businessman having a great proficiency in establishing the business organization and taking new startup ventures to heights of efficient brokerage. He has also served on the board of the Pakistan Stock Exchange as a Director and as a member of the Arbitration Committee there.

He is one of the most active members of the Exchange and plays an active role in addressing the issues faced by the Brokers Fraternity.



MR. NOMAN ABDUL MAJEED ADAM
MEMBER EC

Mr. Adam is an Executive Director at Adam Securities Limited holding vast experience of over 10 years in the Securities Market, International Markets, and Commodities. He, with all his expertise, has made the Company one of the leading brokerage houses of the Pakistan Stock Exchange. He also plays an active role in fulfilling corporate social responsibility, as well as remains engaged with the fraternity in order to provide all the required assistance to them. He also provides his active assistance to the Capital Market Entities to further develop the market.

EXECUTIVES AND SECRETARIAT



MR. BILAL FAROOQ ZARDI
SECRETARY GENERAL

Mr. Zardi is currently serving as Secretary General of PSBA. He holds a Master's Degree and multiple certifications on working ethics and disciplines. He brings with him a range of professional, board-level, and senior management industry experience of over 10 years. He has expertise in business development, marketing, operations, corporate laws, secretarial practices, audit & finance, and legal matters of the Company. He plays an instrumental role with all of his expertise in corporate laws in order to address the issues faced by the members.

He has also served in various committees, formed for the development of the Capital Market. He also holds his expertise in policy-making, managing the teams, and ensuring timely deliveries. He is actively involved in liaising with all the government and regulatory authorities in matters pertaining to his roles and responsibilities.

PRESS CLIPPINGS

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Events

Introduction of Pakistan Stock Brokers Association

February 26, 2020

0 Less than a minute

Karachi, February 26, 2020: Pakistan Stock Brokers Association (PSBA) is pleased to announce that the Federal Government has been kind enough to grant license to PSBA as a trade organization to represent Stock Brokers / Equity Brokerage Services on all Pakistan-basis.

Today, PSBA held its first meeting under the Chairmanship of Mr. Aqeel Karim Dhedhi in the presence of all the members of Executive Committee, Mr. Hamad Nazir Kehar, Mr. Muhammad Munir Khanani, Mr. Muhammad Adil Ghaffar, Mr. Azneem Bilwani, Mr. Noman Abdul Majeed, Mr. Zahid Latif Khan, Mr. Muhammad Afzal, Mr. Yasir Mahmood & Mr. Jahanzeb Mirza.

The Executive body has accordingly approved the appointment of Mr. Bilal Farooq Zardi who will be the Secretary General of forenamed organization.

The Committee, in addition to the internal discussions, deliberated the matters pertaining to the development of Capital Market and protection of the rights of its members. The Committee stated that we would be pleased to continue the constructive dialogue with all the Government and Regulatory authorities for Capital Market Reforms.

Lastly, the chair congratulated the members of Executive Committee & Secretary General and expressed his hope that the Association will endeavor its best possibilities to address the concerns and issues being faced by the Stock Brokers and will try to get it resolved in due course.

"SESSION ON ETHICAL DECISION MAKING (EDM) FRAMEWORK"

By [Kazim Raza Rizvi](#) | 19-Oct-2020

Karachi: Pakistan Stock Brokers Association (PSBA) being actively involved towards enhancing the financial literacy and to promote ethical practices amongst its members, held a session on Ethical Decision Making (EDM) Framework, in collaboration with CFA Society Pakistan.

PSBA was honored with the presence of Mr. Mohammad Shoaib - CFA, Chief Executive Officer of Al-Meezan Investments Ltd. The session was conducted by Mr. Malik Dilawayz Ahmed, Certified Ethics Trainer, CFA Society Pakistan, and Chief Executive Officer of Darson Securities Limited.

The session was attended by 100 participants including the Executive Committee of PSBA, Board member of Pakistan Stock Exchange, members of the Association, and senior management of other Capital Market entities. The session was also open for multiple platforms so that interested participants may join as it was accessible live through ZOOM as well.

Mr. Bilal Farooq Zardi, Secretary General, while opening the session stated that we are thankful to CFA Society Pakistan for supporting us to promote Ethics amongst the broker community of PSX. He appreciated Mr. Mohammad Shoaib, to be the chief guest of the session and Mr. Malik Dilawayz Ahmed to conduct the session on the special request of the Association.

He further added that PSBA, while taking the corporate social responsibilities seriously, is committed to the ethical and best practices to ensure that we address and monitor all aspects of CSR that are relevant. In order to develop the skills and acknowledge of the members of the Capital Market community, we intend to work tirelessly and will design a financial literacy plan as a roadmap for our future endeavors.

Addressing the participants, Mr. Mohammad Shoaib said that he was extremely proud that PSBA being a representative body of TREC Holders/Stock Brokers of PSX has taken an initiative in order to promote financial literacy amongst its members. He further stated that being a Capital Market participant we always appreciate such positive steps taken by the Association to cater to the needs of its members. He also emphasized on the holding of such sessions on a regular basis. Acknowledging the initiative of the Association he stated that the Association is working tremendously for the Stock Broking Industry. On his part, he promised for the continuous support of CFA Society Pakistan. He congratulated the team. It was an excellent effort, he added. The session was gracefully concluded, and the members of the Executive Committee, who were present in person Mr. Hamad Nazir Kehar, Mr. Muhammad Munir Khanani,

Mr. Norman Abdul Majeed Adami, Mr. Bilal Farooq Zardi, Secretary General, and Dr. Fawad Yusuf senior member PSX, presented the token of appreciation to Mr. Mohammad Shoaib and Mr. Malik Dilawayz Ahmed.

Heroes Of Attack On Pakistan Stock Exchange Honoured

AP 10 months ago 10:26 PM



Pakistan Stock Exchange on Friday honoured the martyred and injured soldiers in the terrorist attack on the exchange on June 29, 2020 at a ceremony ; a plaque with the names of the martyrs etched on it was unveiled at its premises

Fawad Yousuf, Hanif Bawa, Arjad (Pearl Security), Nihal Ali Cassim, Haseeb Dor, Iqbal Usman, Amin Tal, Sohail (Topline), Farooq Dar, Abdal Razzaq Kapadia, Gaseem Lakhani, Anis-ur-Rehman, Siddique Datta, YH Securities, Sheerwan Securities, Danzara Securities, Mohammad Muneer Mohammad Ahmed Khanani Securities, Aftabali Investments, and Al Noobani Investment Management Ltd.

The most important amongst the participants at the ceremony were the family members of those who were martyred in the attack. These family members were invited as Chief guests to the occasion.

In the morning of June 29, 2020, terrorists attacked Pakistan stock exchange to damage and destroy the stability of this pillar of the country's economy. By the actions of the brave men guarding the Exchange, the safety and security of all the staff, brokers, and visitors present in the Exchange premises was protected. No damage to the property of the Exchange was also incurred at the hands of the terrorists because of the actions of the courageous men guarding the Exchange. The continuity of business at the exchange during and after the attack proved to the world that Pakistan Stock Exchange was a strong and resilient exchange with all systems in place to provide for continuous operations despite any challenges faced by it.



KARACHI, (APP - UrduPoint / Pakistan Point News - 2nd Oct, 2020) : Pakistan Stock Exchange on Friday honoured the martyred and injured soldiers in the terrorist attack on the exchange on June 29, 2020 at a ceremony ; a plaque with the Names of the martyrs etched on it was unveiled at its premises.

As a gesture of appreciation and support, donation cheques for the welfare of the families of the martyred and injured men were also presented to their family members. Also, cheques were presented to the men who shot dead the terrorists and to all other security personnel who were

present on the day. psx has worked with other donors to set up a facility that will support the families of the martyred on a long term basis, said press release.

The ceremony was attended by Chairman of PSX board Sukman S. Mehta , Chief Executive Officer Farukh H.Khan , PSX Board Members , Chairman Pakistan Stock Brokers Association Aqeel Karim Dheddi , Secretary General PSBA , Bilal Farooq Zard , Board Members of PSBA, senior management of the exchange and representatives of donors to the Support Facility for the terrorists attack affecteds.

The donors to the facility included Brokerage Houses and Asset Management Companies. Specifically, persons, entities and market participants who contributed to the Donation Fund were PSX Board and employees, Aqeel Karim Dheddi, Aef Habib, Ghias Usman, Amam Bilwan, Imran Haroon, Dawood Jan Mohammad, Dr.

PSBA granted licence as trade organisation

BH Web Desk | Recorder Report 28 Feb 2020



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Comments

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The executive body has accordingly approved the appointment of Bilal Farooq Zardi who will be the Secretary General of forenamed organization.

The committee, in addition to the internal discussions, deliberated the matters pertaining to the development of capital market and protection of the rights of its members. The committee stated that we would be pleased to continue the constructive dialogue with all the Government and regulatory authorities for capital market reforms.

Lastly, the chair congratulated the members of Executive Committee and Secretary General and expressed his hope that the Association will endeavour its best possibilities to address the concerns and issues being faced by the stock brokers and will try to get it resolved in due course.-PR

PSX Welcomes the Chairman and Executive Committee Members of the Newly Established PSBA

By [Feroze Durrani](#) - September 1, 2020



September 1, 2020 (MLN): Pakistan Stock Exchange (PSX) welcomed the Chairman, Mr. Aqeel Karim Dhedhi, and the Members of the Executive Committee of Pakistan Stock Brokers Association (PSBA) by hosting a luncheon in honour of the officials. The lunch was held to welcome the PSBA becoming the official representative body of the Stock Brokers of Pakistan.

Present amongst the hosts were Mr. Farrukh H. Khan, CEO PSX, Mr. Nadir Rahman, COO PSX, and Board Members of PSX, Mr. Ahmed Chinoy, Mr. Muhammad Ashraf Bawany, Mr. Amjad Pervez & Mr. Abid Ali Habib. The guests included Mr. Aqeel Karim Dhedhi, Chairman of PSBA, and members of the Executive Committee including Mr Adil Ghaffar, Mr Azneem Bilwani, Mr Bilal Farooq Zardi, Mr Hamad Nazir Kehar, Mr Munir Khanani and Mr Noman Adam.

The luncheon was held to welcome the newly established and registered Pakistan Stock Brokers Association and the Members of the Executive Committee. Furthermore, the event marked the fully operational status of the PSBA as it announced that in accordance with the laws applicable with the trade organisations, it has completed all legal formalities.

At the lunch, the hosts and guests exchanged views on matters of mutual interest, including development of the Capital Market, measures required to increase the investor base and facilitate investors and listed companies.

Speaking at the occasion, Mr. Farrukh Khan, CEO PSX congratulated Mr. Dhedhi and Members of the Executive Committee and said, "PSX, as the frontline regulator of the capital market of Pakistan, is very happy that the Pakistan Stock Brokers Association has completed its legal formalities to become a fully functional and operational Association to represent the Stock brokers of the country". He further added, "We look forward to working closely with PSBA to further the growth and development of the capital markets of Pakistan".

For his part, the Chairman of PSBA, Mr Aqeel Karim Dhedhi said, "I fully appreciate this gesture of the PSX management and board members of PSX for having hosted this lunch event where we have had a chance to discuss matters of mutual interest and benefit for the stock market. I am confident that going forward, with each other's cooperation, we will see Pakistan Stock Exchange thriving for a better and enhanced experience for all market participants".

Press Release

Posted on: 2020-09-01T11:55:00+05:00



PAKISTAN STOCK BROKERS ASSOCIATION
 Incorporated under Section 13 of the Companies Act 1929
 Registered Office: 100, Feroz Road, F-7/1, Islamabad
 Telephone: 37332222, 37332223, 37332224
 Fax: 37332225, 37332226, 37332227
 E-mail: info@psba.com.pk

PSBA RELEASE

December 5, 2020

"MEMORANDUM OF UNDERSTANDING"

(Thursday, December 3, 2020) Karachi, Pakistan Stock Brokers Association (PSBA) is pleased to officially announce the launch of the initiative on Thursday. The idea is available under <http://psba.com.pk>

The goal with this initiative is to provide all the relevant information to our members and clients, to provide an opportunity to meet about PSBA in an online way, and to allow the members to interact with each other. The initiative is designed to give the members an insight into the PSBA's activities, to provide an insight into the PSBA's activities, to provide an insight into the PSBA's activities, to provide an insight into the PSBA's activities.

Through the online initiative, the members can interact with each other and the PSBA's activities, to provide an insight into the PSBA's activities, to provide an insight into the PSBA's activities, to provide an insight into the PSBA's activities, to provide an insight into the PSBA's activities.

We hope this initiative will find the members a platform to receive information and we are sure it will be a valuable period for a number of information for our members and clients. We are looking forward to the future and we are sure it will be a valuable period for a number of information for our members and clients.

For any queries, suggestions, feedback, or comments, please mail us at info@psba.com.pk



MEMBER SECRETARY
 Pakistan Stock Brokers Association



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PSBA RELEASE

December 3, 2020

"TRADING FACILITIES & EXCHANGE COMMISSION OF PAKISTAN"

(Thursday, December 3, 2020) Karachi, Pakistan Stock Brokers Association (PSBA) would like to extend its sincere gratitude to the Securities and Exchange Commission of Pakistan for approving its members for the digital trading of securities.

The idea PSBA's initiative aimed to enable all the members and investors to trade in open to allow access to the Capital Market of Pakistan.

The members to sign the PSBA's digital trading facility that will allow members to trade in open to allow access to the Capital Market of Pakistan.

The PSBA's initiative aimed to enable all the members and investors to trade in open to allow access to the Capital Market of Pakistan.

We would also like to extend our thanks to the Capital Market of Pakistan for the approval of the initiative.



MEMBER SECRETARY
 Pakistan Stock Brokers Association



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PSBA RELEASE

March 30, 2021

"CHAIRMAN PAKISTAN STOCK BROKERS ASSOCIATION MR. AQIB RAHIM DURING FELICITATE MR. HAMMAD AZHAR"

(Thursday, March 30, 2021) Karachi, Chairman Pakistan Stock Brokers Association (PSBA), Mr. Aqib Rahim Durrani, on behalf of the Association, congratulated Mr. Hammad Azhar on an additional change of position by the Honorable Prime Minister of Pakistan.

We are positive that with Mr. Azhar's vision and inspiration, the finance team will lead Pakistan to its new heights. Mr. Azhar with his excellent approach is also expected to use PSX for capital formation and promotion of trade & industry.

In view of Mr. Azhar's diversified expertise and his awareness of the role of the Stock Market in a country's economy, we anticipate that he will not only provide an investor-friendly environment of PSX but will also ensure expeditious starting the stock market in consultation with the market participants at his earliest.

We would be pleased to continue the constructive dialogue we have had with Mr. Azhar, for the capital formation and to promote ease of doing business.

We would also like to take this opportunity to invite Mr. Azhar, to visit PSX and to have an interaction with the Stock Brokers as we hope that this will lead to the arrival of confidence amongst the investors.

EVENTS OF THE YEAR



TREASURE MAGAZINE

PSBA hails SECP's approval for opening online accounts with brokers

By Saif Razaqat - October 4, 2020



Pakistan Stock Brokers Association had a meeting with Chief Executive Officer – Roshni Homes (A social contribution project of Credence Group)

Roshni Homes provides rehabilitation and educational facilities to the orphaned children. It is a leading independent organization creating real and lasting change for orphaned and abandoned children in need around Pakistan. The story of Roshni Homes in Pakistan is a story of positive change where a group of motivated and enthusiastic people are working together to create opportunities for orphaned children.

PSBA chief congratulates Hammad Azhar

31 Mar 2021



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

<https://www.brecorder.com/news/480833373/independent-capital-market-tribunals-may-be-established>

PSBA FEDERAL BUDGET PROPOSALS FY 2021-22



<https://psba.org.pk/federal-budget-proposals>



Institute of
Financial
Markets of
Pakistan

EXCLUSIVE
COMPLIMENTARY
WORKSHOP ON



**Regulatory
Change
Management**

by
Mr. Salman Arshad
Additional Joint Director, Policy,
Regulation and Development Department,
Securities Market Division (SECP)

Rescheduled on Tuesday,
2nd February, 2021

Timing: 4:15 pm to 5:45 pm
Via Zoom

www.ifmp.org.pk

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Apply For E-Business Invitation Letter

APPLY

E-BUSINESS INVITATION LETTER (E-BIL)

VI

Securities and Exchange Commission of Pakistan
SECP



1. PSBA SECOND EXECUTIVE COMMITTEE MEETING

PSBA followed by the meeting announced that in accordance with the law applicable to the Trade Organizations, it has completed all the legal formalities to start the operations. The meeting accordingly declared the Association to be functional in its entirety.

The Association also discussed certain plans for the development of the capital market, and to promote the Stock Brokerage Industry, it was decided to actively involve the Association in enhancing financial literacy and to promote ethical practices amongst the members.

It was also discussed that the Association should take Corporate Social Responsibility seriously and should be committed to the best practices to ensure that we address and monitor all relevant aspects of CSR.

2. COMPLIANCE OF NADRA VERISYS

PSBA took up the matter with the Securities and Exchange Commission of Pakistan to ensure compliance with the Regulation, the National Clearing Company of Pakistan Ltd is performing the NADRA VERISYS of all the UINs/clients that have been registered with NCCPL. The request of the PSBA was to ask the NCCPL to share such reports with the respective brokers to avoid duplication of work. It will not only be providing ease of doing business but will also be saving the cost of approximately Rs. 12.5mn of the Stock Market investors if the data is shared.

SECP responded that the request of the Association cannot be acceded to considering the legal impediments. However, SECP is in the process of contemplating the matter to reach a mutually agreed and plausible solution.

Furthermore, the SECP has also requested NADRA for a short-time window facility for the financial institutions to undertake VERISYS without providing a Date of Issue in case of existing customers, where the CNIC has expired and the renewed one is not available with the financial institution. We are hoping the matter to be resolved shortly.

3. LUNCHEON HOSTED BY THE PAKISTAN STOCK EXCHANGE

The luncheon was held by the Pakistan Stock Exchange to welcome the newly established and registered Pakistan Stock Brokers Association. The event also marked the fully operational status of PSBA.

The hosts and guests exchanged views on matters of mutual interests, including the development of the Capital Market, measures required to increase the investor base, and facilitate the investors and members.

The Association fully appreciated this gesture of the Exchange for having hosting this event where we had a chance to discuss matters of mutual interests and benefit for the stock market. Both the parties were confident that going forward, with each other's cooperation, we will see Pakistan Stock Exchange thriving for a better and enhanced experience for all market participants.



4. MEETING WITH COMMISSIONER ANTI MONEY LAUNDERING – SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN – MS. SADIA KHAN

The delegation of PSBA held a meeting with Commissioner AML, in SECP Headquarters Islamabad to have interaction and to discuss certain practical issues while implementing the required procedures and reporting requirements thereon.

The meeting emphasized working with close coordination in order for the members to better understand, and comply with the requirements in a smooth manner.

The Honorable Commissioner assured to extend its full support as and when required so that to ensure the effective implementation of policies and procedures to mitigate the ML/TF risk.

5. MEETING WITH COMMISSIONER SECURITIES MARKET DIVISION – SECURITIES MARKET DIVISION – MR SHAUZAIB ALI

The representatives of PSBA held a meeting with Commissioner SMD - SECP to discuss some proposals for the development of the Capital Market and to request the measures for the ease of doing business.

The Honorable Commissioner was kind enough to listen to all the issues being faced by the broker fraternity and assured to do his best in order to resolve them. PSBA asserted that the Stock Market plays a vital role in the economy of the country.

The Commissioner assured the representatives that reasonable measures will be observed, in order to promote ease of doing business. All the concerns and issues will be resolved in due course as they have already been discussed in multiple meetings held with the representatives of Capital Market.

6. MEETING WITH CHAIRMAN, NATIONAL ASSEMBLY'S STANDING COMMITTEE FOR LAW & JUSTICE

The delegation of PSBA held a meeting with Chairman, National Assembly's Standing Committee for Law & Justice.

Both parties called for the strengthening of the implementation of the joint work program for the removal of impediments to business growth in Pakistan.

The interaction of both parties was to produce a combined effort for the regulatory reforms.

7. MEETING WITH BOARD OF INVESTMENT

The delegation of PSBA had a courtesy meeting with the Board of Investment in continuation of the meeting called by the Ministry of Planning & Development.



8. COLLECTION OF CAPITAL GAIN TAX

After the rigorous follow-up with the NCCPL to adjust the losses with the Capital Gain on monthly basis instead of yearly, PSBA held numerous meetings with all the relevant authorities to seek clarification from the Federal Board of Revenue as required by NCCPL to proceed accordingly.

The clarification is yet to be issued by the FBR, enabling the NCCPL to adjust the allowed capital losses on monthly basis.

9. CENTRALIZED KYC ORGANIZATION REGIME

The SECP followed by the process of reviewing the CKO Regulations, invited the comments of the Association to highlight the practical issues being faced by the members in the existing CKO model/procedural requirements which may affect the efficient onboarding of customers. Thereafter, the Association had a meeting with the representatives of SMD to convey the concerns of the members with regard to the following:

- i) Requirement of Biometric verification;
- ii) Obtaining Unique KYC Number for the existing customers;
- iii) Relationship with the cellular companies to efficiently implement the requirement of BIOSYS;

The SECP assured the Association to look into every aspect while reviewing the CKO Regulations in order to provide ease to the implementation of the required measures.

In continuation of the meeting, the NCCPL also extended the timeline for the existing customers to obtain the UKN.

10. MEETING WITH COMPETITION COMMISSION OF PAKISTAN

PSBA held a meeting with the representatives of the Competition Commission of Pakistan to discuss certain provisions of the Competition Commission Act, 2010.

11. ZAKAT REPOSITORY SYSTEM

On the special request of PSBA, the Central Depository Company of Pakistan Limited extended the timeline to update the records of Zakat Forms in the said system, considering the hurdles being faced by the Stock Brokers.

12. TRADING FEE (LAGA)

Following the comments submitted by PSBA on the proposed increase in Trading Fee (LAGA) by the Stock Exchange, the representatives of PSBA were invited to have a meeting whereby we could explore further. A lot of discussions took place and it was decided that the management of PSX will bring up another proposal on the following basis, and will have another meeting thereafter:

- i) To minimize the impact of the increase, the relaxation of discount allowed to any broker may be lifted;
- ii) Reduce the proposed rate in such a manner that the overall increase may not be over the actual increase after discount;
- iii) The portion of IPF may be excluded to further reduce the impact.



13. OFFERING OF TRIBUTE TO MEN WHO WERE MARTYRED & INJURED IN THE ATTACK ON THE EXCHANGE

The PSBA, on the invitation, collaborated with the PSX to pay tribute to the men who were martyred and injured while defending the attack on the Stock Exchange. A plaque with the names of the martyrs was also unveiled at the Stock Exchange premises. Further, in a gesture of appreciation and support, donation cheques were also presented to their families from the fund donated for the purpose.

14. GONG CEREMONY ON LAUNCH OF ETFs

PSBA, on the invitation of PSX, attended the gong ceremony to formally mark the launch of Exchange Traded Funds (ETFs) at PSX. The launched ETFs are NIT Pakistan Gateway Exchange Traded Fund, UBL Pakistan Enterprise Exchange Traded Fund, Meezan Pakistan Exchange Traded Fund, and NBP Pakistan Growth Exchange Traded Fund.

The ETF is an investment product that combines the return offered by the Stock Market with the diversity offered by a mutual fund. It is cost-effective, transparent, and provides diversified investment opportunities to investors.

15. AWARENESS SESSION ON ANTI MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM (AML/CFT) REGULATORY REQUIREMENTS

PSBA in collaboration with SECP, held a detailed awareness session on AML/CFT Regulatory Requirements, enabling the members to understand the procedures to be obtained in order to comply with the requirement of Regulations.

The session was widely attended by the members of the Association, and other market participants.

16. SESSION ON ETHICAL DECISION MAKING (EDM) FRAMEWORK

PSBA being actively involved in enhancing financial literacy and to promoting ethical practices amongst its members, held a session on Ethical Decision Making Framework in collaboration with CFA Society Pakistan. PSBA was honored with the presence of Mr. Mohammad Shoaib, CEO, Al-Meezan Investments Ltd. It was an interactive session conducted by the representative of one of the member companies of PSBA namely Darson Securities Limited. The session was widely attended by more than 100 participants.



17. MEETING WITH COMMISSIONER SECURITIES MARKET DIVISION (SMD) AND HIS TEAM

Followed the comments submitted with regards to the proposed amendments in Securities Exchanges (Licensing and Operations) Regulations, 2016. PSBA had a productive meeting with Commissioner SMD and his team to further discuss, enabling them to consider incorporating the suggestions before finalization.

In the follow-up, PSBA had another meeting with Commissioner SMD on his visit to Karachi to discuss certain issues i.e. electronic account opening, BMC, etc., that required immediate action.

18. WEBINAR ON SUSPICIOUS TRANSACTION REPORTING

PSBA in collaboration with the Institute of Financial Market of Pakistan had a successful webinar on STR reporting wherein Ms. Sumera Baloch Additional Director, Financial Monitoring Unit (FMU) was the guest speaker.

19. JOINT MEETING WITH PSX, CDC, AND NCCPL

PSBA had a joint meeting with the representatives of the Pakistan Stock Exchange (PSX), Central Depository Company (CDC), and National Clearing Company of Pakistan Ltd (NCCPL) as to how can we make it easier for existing customers to obtain Unique KYC number in compliance of CKO Regulations. The requirement was discussed at length and the meeting reached the following conclusion subject to the approval of the authorities:

It was concluded in the meeting that in the first stage, available cell numbers in the NCCPL UIN database will be verified in the bulk by NCCPL through Pakistan Mobile Number Portability Database (PMD).

Further, the idea was raised that for induction of existing customer Biometric Verification (BV) should be relaxed. PSBA was informed that BV will be replaced with One Time Password (OTP) for which Regulations are already in process of approval. However, an authorized intermediary (AI) will be required to submit a new KYC Application Form (KAF).

PSBA also suggested that since the database contains mobile numbers, if the AIs agree then the option to verify mobile numbers via OTP can be explored. Whereas, International Banking Account Number (IBAN) can be obtained via Central Depository Company (CDC) subaccounts. NCCPL management was in favor of this option.

It was also highlighted in the meeting that no further developments will be required by the Pakistan Stock Exchange (PSX) and CDC for induction of existing customers into the KYC regime.

20. TAX AWARENESS SESSION

PSBA facilitated Befiler (Pvt.) Ltd to increase the visibility amongst the members of the Association by conducting a session in order to raise tax awareness amongst them.



21. LAUNCHING OF PSBA WEBSITE

In order to provide all the relevant information to the members, to provide an opportunity to learn about PSBA in an easier manner, and to allow the visitors to browse information based on their own choice, PSBA officially announced the launch of its website.

22. MEETING WITH CHIEF EXECUTIVE OFFICER – ROSHNI HOMES (A SOCIAL CONTRIBUTION PROJECT OF CREDENCE GROUP)

Roshni Homes provides rehabilitation and educational facilities to the orphaned children. It is a leading independent organization creating real and lasting change for orphaned and abandoned children in need around Pakistan.

The story of Roshni Homes in Pakistan is a story of positive change where a group of motivated and enthusiastic people is working together to create opportunities for orphaned children.

The meeting, attended by the Secretary General, the board members, and senior members PSX, expressed the hope for the children of Roshni Homes to grow better, learn, and eventually become independent.

23. MEETING WITH THE MANAGEMENT OF PAKISTAN STOCK EXCHANGE

PSBA had a detailed meeting with the management of the Pakistan Stock Exchange to discuss the introduction of the dormancy concept of the TRE Certificate. Presently, at PSX, there is no such option available for the TREC Holders, and the only option available is to surrender the TREC. This is indeed not business-friendly. Our request, as above, will not only save members from forced closure of their businesses but would also benefit Exchange in arresting the surrendering ratio.

A broker whose TRE Certificate is treated as a separate asset and is dormant, may at any time, thereafter apply to the Exchange for reactivation by submitting such information including the financial condition of the broker as the Exchange requires.

Furthermore, a dormant brokerage house must be allowed to trade with another broker of the Exchange till the time, the TRE Certificate is under dormant status. The matter is under discussion.

24. AMENDMENTS IN NCCPL CKO REGULATIONS 2017

On the request of the Association to improve the customer onboarding process, the NCCPL proposed the amendments in NCCPL CKO Regulations, 2017 and got it approved from the Commission to simplify the account opening process and to give effect to the concept of an online account opening form, whereby, the customers will be allowed to open an account digitally with the brokers. These amendments also introduce an alternate process to include the concept of customer verification through mobile number and IBAN instead of biometric verification. Previously, it was difficult for investors to perform biometric especially in remote locations outside major cities. Moreover, these amendments also include the option to open an online sahumat account and to make the process easier for non-resident Pakistani customers as well.



“We thank the Commission and NCCPL to extend its full support in designing the process to make the account opening process easier considering the International Best Practices.”

25. WEBINAR ON UNDERSTANDING THE CRITERIA ON MARGIN ELIGIBLE SECURITIES (MES)

NCCPL considering the request of PSBA members held a webinar for the awareness of the members. The key features of the webinar were:

1. Criteria for qualifying as MES;
2. The notice period for exclusion and inclusion of securities from MES;
3. Shifting of MES from one category to another;
4. Valuation of MES as collateral.

It was a fruitful session and the ambiguities stood clear after the question and answers during the session. The response of NCCPL was commendable in order to make market participants understand the above-mentioned areas.

26. AMENDMENTS IN NCCPL REGULATIONS PERTAINING TO MARGIN FINANCING SYSTEM

The NCCPL, while supporting the recommendations of the Association, proposed amendments in the NCCPL Regulations to give effect to the following in order to increase the activity in MFS which will ultimately be expanding overall liquidity in the market:

1. This amendment will make this facility available for Deliverable Futures Contract Market at the end of the Contract Period and may also be extended to the MF participants on T+1
2. After fulfilling the required financial and regulatory requirements, the Broker Margin Financier will be allowed to pledge 100% and 50% of Margin Financed Securities respectively in favor of the company and a scheduled bank
3. Market wide position limit, 40% of free-float for each security will be allowed
4. In case of any change in mark-up rate, a rollover of MF transaction can be initiated

PSBA has recommended further changes in line with the discussions held with the market participants in order to make this product viable and investor-friendly.

27. MEETING WITH PROMINENT ASSOCIATIONS OF PAKISTAN AND OTHER CAPITAL MARKET ENTITIES

PSBA held a meeting with the prominent associations and other capital market entities, namely Mutual Funds Association of Pakistan (MUFAP), NBFI & Modaraba Association of Pakistan, CFA Society Pakistan, and Institute of Financial Markets of Pakistan (IFMP), to develop synergies and to have an interaction to work together for the development of the capital market. The event marked a combined effort for capital formation. The participants exchanged views on matters of mutual interests, including the development of the market, measures required to further strengthen the roles of the Association and to facilitate the members more effectively.



28. MEETING WITH PAKISTAN STOCK EXCHANGE, NATIONAL CLEARING COMPANY, AND CENTRAL DEPOSITORY COMPANY

A meeting was held with all the three SROs to discuss the placement of names of delinquent customers on the website of the Exchange to save the members from the bad clients. The matter was first discussed over the 6th Executive Committee meeting to explore the avenues as to what is the best possible solution to save the members. In this respect, the provision is also available in Rule 18.12 of PSX Rule Book, for maintaining and placing, the list of delinquent clients of Securities Brokers on the website of the Exchange. And, the list of the same is also being maintained on the Exchange's website however, the utilization of this available feature is not being made effectively. The procedure was discussed in detail with the SROs and all the participants of the meeting were of the view that to make this more efficient we should encourage the members to share the data with the authorities enabling them to inspect to place the names upon completion of the formalities. It was also suggested that as an abundant precaution, the respective members may also place the names of their bad clients into their websites as well as publish the names by using the platform of social media so that the Brokers fraternity is saved.

29. MEETING WITH NATIONAL ASSEMBLY'S STANDING COMMITTEE FOR LAW AND JUSTICE

PSBA held another exclusive meeting on the special invitation of the Chairman of the aforesaid Committee wherein the Committee was given a presentation concerning the regulatory framework of the Stock Market. The members of this august body gave a patient hearing to the representatives of the Association, appreciated the presentation, and assured to help & support this platform for the Capital Market (economy's backbone) to grow further. PSBA is in regular coordination with the representatives of the committee to achieve the desired results.

30. MEETING WITH MEMBER – INLAND REVENUE – POLICY – FEDERAL BOARD OF REVENUE

The delegation of PSBA, in its visit to Islamabad, held a meeting with FBR wherein the following key points were discussed and submitted for their kind consideration for the upcoming budget:

1. Collection of Capital Gain Tax should be subject to adjustment of carry forward losses on a monthly basis
2. Amended securities definition in Income Tax Ordinance, 2001, should be in retrospective effect
3. Direct investors should be encouraged rather than penalizing in terms of Capital Gain Tax as compared to Mutual Funds
4. Withholding tax under Section 233 is presently at 12% where brokerage commission is paid by Institutions. This highest rate of 12% on gross income should be in line with the applicable rate to the Stock Exchange. Whereas, the rate of tax on any payments to PSX and PMEX is 3%.
5. Currently, CGT is 5% on the commodity market of PMEX. This is the same as the future market of PSX. Hence, it should be brought up in line with 5% in PMEX
6. Incentivize the investors by spreading Capital Gain Tax as per the following slab:
 - a) Sale within 1 year - 10%
 - b) Sale within 2 years - 7.5%
 - c) Sale within 3 years - 5%
 - d) Sale after 3 years - ZERO

Thereafter, the meeting was concluded with a request to keep in contact, and PSBA was advised to have further meetings during the consultation process with respect to the upcoming federal budget so that the capital market related taxation matters are briefly discussed, deliberated, and considered.



31. CONSULTATIVE SESSION ON PROFESSIONAL CLEARING MEMBER MODEL

Central Depository Company of Pakistan (CDC) invited PSBA for a consultative session on the model of Professional Clearing Member. During the session, an overview was given to the participants on all three variants which will be available to Trading Only (TO) Brokers, including the "Complete PCM model", the "Prop-plus PCM model" and the model where TO will avail services of Trading & Clearing Member.

In the session, the members felt that the complete PCM model presented has the potential to attract a large number of TOs and even other categories of Brokers such as Trading and Self Clearing Members. One of the most commended features was the role of PCM in taking over the AML/CFT compliance obligation of the Brokers in option 1.

The views were exchanged and PSBA submitted its recommendations to make this model viable, cost-effective, and efficient in terms of technology, etc.

32. ONLINE WORKSHOP ON REGULATORY CHANGE MANAGEMENT

In continuation of the efforts of the Pakistan Stock Brokers Association (PSBA) to raise awareness amongst its members on regulatory requirements, the PSBA, in collaboration with the Securities and Exchange Commission of Pakistan (SECP) and Institute of Financial Markets of Pakistan (IFMP), conducted an online workshop for its members on Regulatory Change Management. This workshop was focused on the following key points:

1. Standard Operating Procedures;
2. Development of Regulatory Change Management methodology;
3. Implementation of policies/procedures/tools for regulatory tracking; and
4. Staff training

33. MEETING WITH INSTITUTE OF BUSINESS ADMINISTRATION

The delegation of the Association visited the city campus of the Institute of Business Administration – Karachi wherein an introductory meeting was held with Dr. Rameez Khalid, Director – Centre for Executive Education, IBA, and Ms. Sumera Muhammad, Manager – Skills Development Program. IBA gave a review on the recent projects being introduced for the corporate sectors and the following three programs were part of the discussions:

1. IBA Dispute Resolution Forum;
2. AML/CFT trainings and workshops; and
3. Family Business Structure.

IBA assured to extend its full support as per the needs of the members of the Association through experienced and qualified team members.

34. SMS ALERT TO THE CLIENTS

The SMS being sent to the clients has been revisited for some suitable changes to inform the clients that their shares are being pledged against their trading only, and not for any other purposes. Before the amendment, it was difficult for the members to inform their clients for the reason of this message of pledging.



35. DISCUSSION ON OFF-MARKET OR NEGOTIATED DEAL MARKET TRANSACTIONS

In pursuance of the notice published by Pakistan Stock Exchange seeking suggestions/recommendations of market participants in respect of the framework of Off-Market or Negotiated Deal Market Transactions. The Pakistan Stock Brokers Association while facilitating the members concerned and in order to discuss and understand the need for this revision in the framework held a meeting with the Exchange personnel so that the members are in a better position to give recommendations.

The member participants during the meeting, recommended the following:

1. If there is a need to amend the existing procedures/rules for NDM transactions, the whole mechanism including any other relevant rules should be revisited holistically rather than just revising the price/volume thresholds.
2. Trade rectification of executed NDM transactions may also be made available.
3. The maximum settlement cycle should be enhanced in line with the Deliverable Futures Contract (DFC) i.e. T+90 currently.
4. For daily settlement runs as per DTS, NCCPL should settle regular market trades simultaneously with the NDM trades. As informed by a market participant, NCCPL settles NDM trades before the settlement of the regular market trades.
5. In case of implementation of minimum price/volume threshold for the NDM transaction, the transaction beyond threshold would be executed in the regular market which may be considered as 'pre-arranged trades' by the regulator(s).
6. The existing verification procedure is not adequate to suffice the essence of NDM transaction authenticity and transparency. It should be revisited.
7. NDM margins should be made optional.
8. The market participants should be in the loop till the finalization.

36. MEETING WITH NATIONAL CLEARING COMPANY OF PAKISTAN AND IDENFO IN RESPECT OF AML COMPLIANCE SOLUTION

PSBA held a detailed session with NCCPL and IDENFO to understand the model of IDENFO being offered in collaboration with NCCPL for the members to meet their compliance needs of AML/CFT Regulations. The requirements of the members were addressed to the team and the members emphasized that this model should be approved by SECP so that the members may opt for this offered model comfortably.

37. AWARENESS SESSION ON BROKER FIDUCIARY RATING (BFR) BY PACRA

PSBA facilitated, The Pakistan Credit Rating Agency Limited (PACRA) to hold an awareness session, for the information and understanding of its members regarding the Broker Fiduciary Rating (BFR). The requirement has been introduced by the Securities and Exchange Commission of Pakistan (SECP) through amended Securities Brokers (Licensing and Operations) Regulations, 2016.

38. AWARENESS SESSION ON GUIDELINES ON ANTI MONEY LAUNDERING, COUNTERING FINANCING OF TERRORISM, AND PROLIFERATION FINANCING (UPDATED JANUARY, 2021)

PSBA in collaboration with SECP conducted an awareness session to discuss the key changes and improvements to help members in finding the relevant areas in the revised guidelines.



39. SECOND CONSULTATIVE SESSION ON PROFESSIONAL CLEARING MEMBER MODEL

Followed by the first session, another session was held with the representatives of the Central Depository Company of Pakistan (CDC), the Pakistan Stock Exchange (PSX), and National Clearing Company of Pakistan Ltd (NCCPL). The discussion was around the following key points:

- It was decided that for all those TREC Holders who will be outsourcing complete business to PCM (prop + clients). PCM would not be charging any minimum fixed charges to such TREC Holders.
- Those TREC Holders who will be outsourcing only the client's business will be charged a fixed fee by PCM i.e. Rs.75,000/-.
- It was also agreed that E-Clear will also work on a slab-based pricing model, where, with the increased volumes, a lesser amount will be charged to TREC Holders. Similarly, it was also agreed that the E-Clear pricing model would be negotiable depending upon the volume of business and other factors. PSBA also recommended that E-Clear should look into the possibility to offer customized offerings to TREC Holders who are only doing prop work and also should consider offering only KYC/AML related outsourcing services.
- PSBA members also voiced their opinion that the timeline set by SECP for the launch of PCM should be extended keeping in view the launch of the new trading system. Members of the association were of the view that Broker categorization may take effect from March as planned, however, actual commencement should be at least 3 months post the implementation of the new Trading system. It was decided that PSBA will directly take up this issue with SECP.
- It was also decided that PSBA and E-Clear will jointly organize sessions for TREC Holders at all three locations.

40. MEETING WITH INSTITUTE OF FINANCIAL MARKETS OF PAKISTAN (IFMP)

PSBA on the special request of IFMP that to resolve the issue of certification for the professionals of Capital Market in an amicable manner started discussions on the following lines:

1. No. of certified persons would be minimum 1 for Trading and Self Clearing and 0 for Trading Only member (Rest optional).
2. Concept of Papers/Examination be replaced with Seminars/Sessions to acquire the said certification.
3. The Fee would be Rs. 500/- and lump-sum payment for ten years be treated as a lifelong payment.
4. Eligibility of grandfathering should be 14 years of school (Graduate) and 5 years of Capital Market Experience.
5. There won't be any change for the next 15 years.

41. HARA BHARA PAKISTAN CAMPAIGN

PSX and PSBA took a great step forward in terms of their CSR activities while launching the Hara Bhara Pakistan campaign in line with the efforts of the Government of Pakistan to promote greenery and tree plantation in Pakistan. The event was held at the Exchange including the seeding of a plant by Chairman PSBA, Secretary General PSBA, Member EC, and MD PSX. The event was also covered by the media. The video messages were also recorded to appreciate the tree plantation efforts started by Prime Minister and PSX/PSBA.



42. CASH RECEIPT REPORTING FOR RS. 25,000 AND ABOVE

The Association had meetings with the Exchange on their invitation to discuss the issues relating to the acceptance of cash from clients by the brokers. The point of discussion was as to what are the exceptional circumstances where cash acceptance becomes necessary for the members. The Association, on behalf of its members, made a detailed representation and briefed the Exchange authorities regarding the circumstances.

43. JOINT SESSION ON PROFESSIONAL CLEARING MODEL (E-CLEAR) WITH CDC

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

44. 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.

45. 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.

46. CHANGE IN KYC INFORMATION OF CUSTOMERS HAVING UKN

It was brought to the knowledge that while submitting a request for change in KYC information, a 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.

47. 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.

48. 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.



49. 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.

50. 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.

51. 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.

52. 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.

53. 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.

54. 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
Introduction of minimum threshold for Capital Gain and dividend income.



55. 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.

56. 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.

57. 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

58. 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.

59. 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.

60. 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.





PUBLICATIONS

QUARTERLY News Letter JULY-SEPTEMBER 2020

PAKISTAN STOCK BROKERS ASSOCIATION

INSIDE THE DOCUMENT

1. SECOND EXECUTIVE COMMITTEE MEETING OF PSRA
2. COMPLIANCE OF NADRA VERISYS
3. LUNCHEON HOSTED BY THE PAKISTAN STOCK EXCHANGE
4. MEETING WITH COMMISSIONER ANTI MONEY LAUNDERING - SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
5. MEETING WITH COMMISSIONER SECURITIES MARKET DIVISION - SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
6. MEETING WITH CHAIRMAN NATIONAL ASSEMBLY'S STANDING COMMITTEE FOR LAW & JUSTICE
7. MEETING WITH BOARD OF INVESTMENT
8. MEETING WITH COMPETITION COMMISSION OF PAKISTAN
9. CENTRALIZED KYC ORGANIZATION REGIME
10. COLLECTION OF CAPITAL GAIN TAX
11. ZAKAT REPOSITORY SYSTEM
12. TRADING FEE (LAGA)
13. OFFERING OF TRIBUTE TO MEN WHO WERE MARTYRED & INJURED IN THE ATTACK ON THE EXCHANGE

2ND PUBLICATION

PAKISTAN STOCK BROKERS ASSOCIATION

QUARTERLY NEWS LETTER

THE ISSUE

OCTOBER-DECEMBER 2020

In This Issue:

4. CHAIRMAN'S GREETINGS
5. GONG CEREMONY ON LAUNCHING OF ETF
6. AWARENESS SESSION ON ANTI MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM (AM/CFI) REGULATORY REQUIREMENTS
7. SESSION ON ETHICAL DECISION MAKING (EDM) FRAMEWORK
8. MEETING WITH COMMISSIONER SECURITIES MARKET DIVISION (SMD) AND HD TEAM
9. WEBINAR ON SUSPICIOUS TRANSACTION REPORTING
10. JOINT MEETING WITH PSX, CDC, AND NCCPL
11. TAX AWARENESS SESSION
12. LAUNCHING OF PSRA WEBSITE
13. MEETING WITH CHIEF EXECUTIVE OFFICER - RUSHNI HOMES (A SOCIAL CONTRIBUTION PROJECT OF CREDENCE GROUP)
14. MEETING WITH THE MANAGEMENT OF PAKISTAN STOCK EXCHANGE
15. AMENDMENTS IN NCCPL CMO REGULATIONS 2017
16. WEBINAR ON UNDERSTANDING THE CRITERIA ON MARGIN ELIGIBLE SECURITIES
17. AMENDMENTS IN NCCPL REGULATIONS PERTAINING TO MARGIN FINANCING SYSTEM

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3RD PUBLICATION

QUARTERLY NEWSLETTER

JAN-MAR 2021

1. MEETING WITH PROMINENT ASSOCIATIONS OF PAKISTAN AND OTHER CAPITAL MARKET ENTITIES
2. MEETING WITH PAKISTAN STOCK EXCHANGE, NATIONAL CLEARING COMPANY AND CENTRAL DEPOSITORY COMPANY
3. MEETING WITH NATIONAL ASSEMBLY'S STANDING COMMITTEE FOR LAW AND JUSTICE
4. MEETING WITH BOKARA - SIKANDRA REGIONAL POLICY - REGIONAL BUREAU OF INVESTMENT
5. CONSULTATIVE SESSION ON PROFESSIONAL CLEARING MEMBER MODEL
6. ONLINE WORKSHOP ON REGULATORY CHANGE MANAGEMENT
7. MEETING WITH INSTITUTE OF BUSINESS ADMINISTRATION
8. SMS ALERT TO THE CLIENTS
9. DISCUSSION ON OFF-MARKET OR NEGOTIATED DEAL MARKET TRANSACTIONS
10. MEETING WITH NATIONAL CLEARING COMPANY OF PAKISTAN AND ICDNYO IN RESPECT OF AML COMPLIANCE SOLUTION
11. AWARENESS SESSION ON BROKER FIDUCIARY DUTY (BFR) BY PACBA
12. AWARENESS SESSION ON GUIDELINES ON ANTI MONEY LAUNDERING, COUNTERING FINANCING OF TERRORISM AND PROLIFERATION FINANCING SUPPLY THE SANCTIONS (CFT/CFI)
13. SECOND CONSULTATIVE SESSION ON PROFESSIONAL CLEARING MEMBER MODEL
14. MEETING WITH INSTITUTE OF FINANCIAL MARKETS OF PAKISTAN (IFPM)
15. HARA BHANA PAKISTAN CAMPAIGN
16. CASH RECEIPT REPORTING FOR RS. 25,000 AND ABOVE
17. JOINT SESSION WITH CDC ON PCN FOR KARACHI BASED TREE HOLDERS



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4TH PUBLICATION

APRIL-JUNE 2021

in this issue

1. JOINT SESSION WITH THE PAKISTAN CLEARING AND SETTLING COMPANY
2. JOINT SESSION ON PROFESSIONAL CLEARING MEMBER MODEL WITH CENTRAL DEPOSITORY COMPANY (CDC)
3. CHANGE IN KYC REQUIREMENTS OF EXISTING MEMBER (BFR)
4. FINANCIAL EDUCATION/INVESTMENT RECOMMENDATION LETTER
5. FEDERAL BUDGET PROPOSALS FOR 2021 (FISDAS AND INCL)
6. DISCUSSION ON PENDING CLEARING MEMBER CASE
7. ANNOUNCEMENT BY SEC ACT 1997 TO ESTABLISH INDEPENDENT CAPITAL MARKET TRIBUNAL
8. INTRODUCTION OF COMPLIANCE MANUAL
9. REPRESENTATION WITH CHAIRMAN ANOMALY RESOLUTION COMMITTEE (ART)
10. MEETING WITH DIRECTOR GENERAL OF INVESTMENT ADMINISTRATION (DIA)
11. MEETING WITH DR. SAMBAT FARAN - FINANCE MINISTER OF PAKISTAN
12. MEETING WITH DR. FARUQI YASIN - LAW MINISTER OF PAKISTAN
13. MEETING WITH DR. HUSSAIN AHMED HANIF COMMISSIONER OF PAKISTAN
14. FEDERAL BUDGET 2021-2022
15. MEETING WITH NATIONAL CLEARING COMPANY OF PAKISTAN (NCCPL)
16. MEETING WITH PAKISTAN STOCK EXCHANGE (PSX) RE NEW CLEARING SYSTEM
17. SESSION WITH PSX, SECPL, AND CDC FOR TRADING AND CLEARING MEMBERS WITH SUBJECT TO THE SERVICES TO BE PROVIDED TO TRADING ONLY MEMBERS OF PSX

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PICTORIAL HIGHLIGHTS











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