



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

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PSBA/Notice-222

August 05, 2025

NOTICE FOR MEMBERS

DRAFT AMENDMENTS TO THE RESEARCH ANALYST REGULATIONS, 2015

This is in reference to the notification S.R.O.____ (1)/2025 dated August 04, 2025 (attached), whereby the comments have been invited by the SECP:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **August 15, 2025**, so that a consolidated response is submitted to the authorities for their consideration.

Sd
Akber Ali
Officer - Secretariat

Copy to:

1. PSBA Website

Government of Pakistan
Securities and Exchange Commission of Pakistan

Islamabad, the 4th August, 2025

NOTIFICATION

S.R.O. _____(I)/2025.- The following draft amendments to the Research Analyst Regulations, 2015, proposed to be made by Securities and Exchange Commission of Pakistan in exercise of the powers conferred by clause (q) of sub-section (2) of section 169 of the Securities Act, 2015 (III of 2015), are hereby published for the information of all persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received by the Commission within fourteen days from the date of placement of the draft amendments on the website of the Commission may be taken into consideration, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

- (1) before regulation 1, the following heading shall be inserted, namely: -
“CHAPTER I
PRELIMINARY”;
- (2) in regulation 2, -
 - (a) before clause (a) the following new sub-regulation (1) shall be inserted, namely:-

“(1) In these regulations, unless there is anything repugnant in the subject or context, –”;
 - (b) for clause (b) the following shall be substituted, namely: -

“(b) **“Close relative”** means the spouse(s), lineal ascendant(s) and descendant(s);”;

- (c) after clause (c), the following new clause (ca) shall be inserted, namely: -

“(ca) **“head of research”** means a person, by whatever name called, who is responsible for the overall function and operations related to research services at the management level of a research analyst which is a body corporate;”;

- (d) the clause (d) shall be omitted;

- (e) after clause (d), the following new clauses shall be added, namely: -

“(da) **“individual”** means any natural person granted a certificate of registration under these regulations;

(db) **“persons associated with research analyst”** includes any officer, employee or any other staff of a research analyst irrespective of the nature of association with the research analyst who is engaged in providing research services.

Explanation. - All client and public facing persons by whatever name called, shall be deemed to be persons associated with research analyst, but shall not include persons who discharge clerical or office administrative functions where there is no connection with research services and they have no client contact;

(dc) **“target date”** means a date on which the predicted future price of a specific listed security or public offer will be achieved;”

(dd) **“target price”** means a predicted future price of a specific listed security or public offer; ”;

(f) for clause (e), the following shall be substituted, namely: -

“(e) “**public appearance**” means any participation in a conference call, audio call, video call, seminar, forum (including interactive and non-interactive electronic forum, electronic communication and social media communication), radio, television, internet, web, print media broadcast, authoring a print media article, or other public speaking activity in which a research service is provided concerning listed securities or public offer, providing a basis for investment decision;”;

(g) for clause (f), the following shall be substituted, namely: -

“(f) “**research analyst**” means a natural person or body corporate, by whatever name called, who is engaged in providing research services;”;

(h) the clause (g) shall be omitted;

(i) for clause (h), the following shall be substituted, namely: -

“(h) “**research report**” means written communication in any form that includes research services concerning listed securities or public offer, providing a basis for investment decision but does not include the following communications: -

- (a). comments on general trends in the securities market;
- (b). commentaries on economic, political or market conditions;
- (c). periodic reports or other communications prepared for unit holders of mutual funds or collective investment schemes;
- (d). internal communications that are not given to current or prospective clients;
- (e). communications that constitute offer documents or prospectus that are circulated under a specific law;

- (f). statistical summaries of financial data of the companies;
 - (g). general commentary relating to the past performance of a sector or the broad-based index; and
 - (h). any other communication which the Commission may specify from time to time;”;
- (j) after clause (h), as amended above, the following new clause shall be added, namely:-
- “(ha) **“research services”** include provision of the following services to a person, group of persons, or general public:
- (i) making 'buy/sell/hold' recommendation;
 - (ii) giving price target;
 - (iii) stop loss target;
 - (iv) providing opinion to influence buy/sell/hold decisions;
 - (v) recommending a portfolio that includes listed securities;
 - (vi) providing trading signals based on technical analysis; or
 - (vii) any other service as specified by the Commission; and”;
- (k) in clause (i) for the expression “includes the issuer or company”, the expression “means an issuer” shall be substituted;
- (l) the clauses (j) and (k) shall be omitted;
- (m) in sub-regulation (2) the expression “all other” shall be omitted and after the expression “the Act” the expression, “and any administered legislation” shall be added;

- (3) after regulation 2, the following heading shall be inserted, namely: -

**“CHAPTER II
REGISTRATION REQUIREMENTS OF RESEARCH
ANALYSTS”;**

- (4) after the insertion of above heading, the following new regulations shall be inserted, namely: -

“2A. Prohibition. — No natural person or body corporate shall act as a research analyst unless it is registered as a research analyst by the Commission under these regulations:

Provided that persons associated with research analyst shall be deemed registered under these regulations:

Provided further that securities brokers shall be deemed registered under these regulations subject to submission of information as per Annexure - I.

2B. Application and procedure for registration. (1) An application for registration as a research analyst shall be made to the Commission as per Annexure - I along with all the documents specified therein and receipt evidencing payment of non-refundable fee of such amount as specified in Schedule - I.

(2) The Commission, while considering the application for registration, may require the applicant to furnish such further information or clarification as it deems appropriate.

(3) Any subsequent change in the information provided to the Commission at the time of filing of application under sub-regulation (1) shall be intimated to the Commission within seven working days from the date of such change.

2C. Grant of certificate of registration. – (1) The Commission on being satisfied that the applicant is eligible for registration may grant a certificate of registration to the applicant as per Annexure - II subject to such additional conditions as it may deem fit to impose.

(2) The certificate of registration granted under these regulations shall be valid till it is suspended or cancelled by the Commission.

2D. Refusal of registration. – The Commission may refuse the registration if in its opinion such applicant does not fulfill the requirements specified under these regulations or where the Commission after taking into account the facts, is of the view that it is not in the public interest or in the interest of the capital market to grant certificate of registration:

Provided that the Commission shall provide an opportunity of hearing before refusal of registration.

2E. Suspension or cancellation of registration. – (1) A research analyst may voluntarily request the cancellation of its registration by surrendering its certificate of registration to the Commission.

(2) The Commission may on its own or on request of a research analyst or on receipt of any complaint, after providing an opportunity of hearing may suspend or cancel the registration of a research analyst.

(3) A research analyst shall be held responsible for the liabilities and obligations arising out of any such act leading to suspension or cancellation of registration.

(4) Where proceedings for suspension or cancellation of registration have been initiated, the research analyst shall not be permitted to act as a research analyst.”;

- (5) For regulation 3, the following shall be substituted, namely: -

“3. Qualification, experience and certification requirement. - (1) An individual research analyst and persons associated with research analyst shall have the following minimum qualifications, at all times:

- (a). 16 years of education with bachelor’s or master’s degree in finance, accountancy, business management, statistics, commerce, economics or law from an educational institution recognized by the Higher Education Commission of Pakistan;
- (b). two years of relevant experience in the research department of a company operating in the financial sector or capital market; or
- (c). membership of a body of professional accountants as explained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 or professional qualification in investment management or financial risk management from a globally recognized institution as specified in Schedule - II.

(2) An individual research analyst and persons associated with research analyst shall obtain such mandatory certification(s) for research analysts as specified by the Commission from time to time.

(3) A head of research shall have the following minimum qualifications, at all times:

- (a) 16 years of education with bachelor’s or master’s degree in finance, accountancy, business management, statistics, commerce, economics or law from an educational institution recognized by the Higher Education Commission of Pakistan; or

- (b) membership of a body of professional accountants as explained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 or professional qualification in investment management or financial risk management from a globally recognized institution as specified in Schedule - II.

(4) A head of research shall have minimum five years of relevant experience in the research department of a company operating in the financial sector or capital market.”;

- (6) after regulation 3, the following heading shall be inserted, namely: -

“CHAPTER III

MANAGEMENT OF CONFLICTS OF INTEREST AND DISCLOSURE REQUIREMENTS”;

- (7) After the above-mentioned amendments for regulation 4, the following shall be substituted, namely: -

“4. Establishing Policies and Procedures.- (1) A research analyst shall have written internal policies and control procedures governing the following matters:

- (i). trading activities of persons associated with research analyst are subject to a formal approval process;
- (ii). addressing actual or potential conflict of interest arising from dealings or trading in securities of the subject company;
- (iii). promoting objective and reliable research that reflects the unbiased and independent view of the research analyst; and
- (iv). preventing the use of the research report and public appearance to manipulate the securities market.

(2) A research analyst shall have in place appropriate mechanisms to ensure independence of its research services from its other business activities.”;

(8) for regulation 5, the following shall be substituted, namely: -

“5. Restrictions on Research Analyst Compensation and Conduct of Business.- (1) A research analyst shall ensure that compensation of the persons associated with research analyst is neither determined nor based on any other service(s) that the research analyst is offering. This includes bonus, salary or any other form of compensation.

(2) Persons associated with research analyst shall not be subject to the supervision or control by virtue of reporting or review of performance of any employee of its non-research departments, and no personnel engaged in providing non-research services may have any influence or control over the compensatory evaluation of research analyst.

(3) A research analyst and persons associated with research analyst shall not provide any promise or assurance of favorable review in its research report to a company or industry or sector or group of companies or business group as consideration to commence or influence a business relationship or for the receipt of compensation or other benefits.

(4) A research analyst shall furnish to the Commission information and reports in the manner as may be required by the Commission from time to time.

(5) A research analyst, persons associated with research analyst and their close relatives shall not deal or trade directly or indirectly in the security of the subject company contrary to the given recommendation unless the target price is achieved:

Provided that such persons may deal or trade contrary to the given recommendation before achievement of the target price only when a revised research report or public appearance is disseminated through the same medium of communication.

(6) It shall be the responsibility of the research analyst to ensure that no persons associated with the research analyst give conflicting advice to the person, group of persons or general public.

(7) A research analyst shall obtain an annual undertaking from its persons associated with research analyst duly signed by them demonstrating compliance with these regulations and Code of Communication as per Annexure - III.

(8) A research analyst and persons associated with research analyst shall not provide any assurance of returns.”;

(7) for regulation 6, the following shall be substituted, namely: -

“6. Limitations on publication of research reports and restrictions on public appearances.- (1) A research analyst shall not submit a research report to the subject company before its publication.

(2) A research analyst and persons associated with research analyst shall not issue research report(s) or make public appearance(s) regarding a subject company for which the research analyst acted as a corporate advisor, underwriter or lead manager in a public offer from the date of its appointment till a period of 25 days from the date of completion of such offering.”;

(9) for regulation 7, the following shall be substituted, namely: -

“7. Content in research reports and public appearances.- (1) A research analyst shall ensure that its recommendations are supported by relevant data and analysis forming the basis for the research report and public appearance.

(2) A research analyst shall ensure that facts in the research report and public appearance are based on reliable information and the source of such information is disclosed.

(3) A research analyst shall not predict the outcome of matters pending before the court of law or speculate on the basis of possible outcomes of such matters.

(4) A research analyst shall define the terms used in making recommendations and these terms shall be used consistently.

(5) A research analyst shall clearly disclose the target price and target date for all its research services.

(6) A research analyst shall disclose in the research report and public appearance the valuation methods used to determine the target price.

(7) A research analyst shall disclose in the research report and public appearance the risk that may impede achievement of the target price.

(8) A research analyst that employs a rating system shall clearly define in each research report and public appearance the meaning of each rating in the system, and any benchmarks on which a rating is based.”;

(10) for regulation 8, the following shall be substituted, namely: -

“8. Disclosures in research reports and public appearances.- (1) A research analyst and persons associated with research analyst shall disclose the following in research reports and public appearances:

- (i). if the research analyst or persons associated with research analyst or their close relative has any financial interest in the securities of the subject company and the nature of such interest, including shareholding in the subject company at the date of issuance of the research report or making public appearance;
- (ii). if the research analyst or persons associated with research analyst or their close relative is currently serving or has served in the past three years as a director or officer of the subject company;
- (iii). if the research analyst or persons associated with research analyst or their close relative received compensation from the subject company in the previous 12 months;
- (iv). if the subject company currently is, or during the 12-month period preceding the date of publication or distribution of the research report was a client of the research analyst;
- (v). if the research analyst has managed or co-managed a public offering or any takeover, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months;
- (vi). if the research analyst expects to receive or intends to seek compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the next three months;
- (vii). if the research analyst is issuing research report or making public appearance on any of its associated companies;

- (viii). any other material conflict of interest of the research analyst that the research analyst knows or has reason to know at the date of the publication of a research report or making public appearance; and
- (ix). extent of use of artificial intelligence tools in its research report or public appearance.

(2) The disclosures under sub-regulation (1) shall not be required to be made to the extent that they would reveal material non-public information regarding specific potential corporate advisory, brokerage or underwriting service transactions of the subject company.”;

- (11) for regulation 9, the following shall be substituted, namely: -

“9. Distribution of Research Service. – (1) A research service shall not be provided selectively to internal trading personnel or a particular client or class of clients in advance of other clients that are entitled to receive the research service.

(2) Any person located outside Pakistan engaged in providing research service in respect of securities listed or proposed to be listed on a stock exchange in Pakistan shall enter into an agreement with a research analyst registered under these regulations.”;

- (12) for regulation 10, the following shall be substituted, namely: -

“10. General Responsibilities.- (1) A research analyst shall act in a fiduciary capacity towards its clients.

(2) The disclosures under these regulations shall be complete, timely, clear, concise, specific and made in a prominent manner so that investors obtain the full benefit of the information provided.

(3) A research analyst which is a body corporate shall maintain a functional website containing the following details:

- (i). company profile;

- (ii). Registration related details;
- (iii). Contact details;
- (iv). Profiles of persons associated with research analyst;
- (v). list of covered scrips and sectors;
- (vi). Grievance redressal mechanism;
- (vii). Extent of use of artificial intelligence tools;
- (viii). Compensation and reporting structure of persons associated with research analyst; and
- (ix). Policies and procedures for disseminating research report and making public appearance.

(4) A research analyst and persons associated with research analyst shall comply to the Code of Communication as per Annexure – III.

(5) A research analyst shall take all reasonable measures to redress clients' grievances promptly but not later than thirty days of receipt thereof and when called upon by the Commission or the securities exchange or any other regulatory body to do so it shall redress the grievances of clients within the time specified.

(6) A research analyst which a body corporate shall designate or employ a head of research and minimum two persons associated with research analyst.”;

(13) for regulation 11, the following shall be substituted, namely: -

“11. Maintenance of Records.- (1) A research analyst shall maintain the following records for a minimum period of five years:

- (i). rationale for arriving at research recommendations;
- (ii). list of clients;
- (iii). UINs of clients;
- (iv). research fee;
- (v). terms and conditions agreed with client;

- (vi). undertaking by persons associated with research analyst as per regulation 5(7);
- (vii). clients' grievances and redressal of such grievances; and
- (viii). records of research reports, public appearances including audio calls and oral communication.”;

(14) for regulation 12, the following shall be substituted, namely: -

“12. Compliance and Enforcement Mechanism for the Research Analyst.- (1) A research analyst shall:

- (a). establish compliance procedures on a regular basis to ensure that the procedures reflect current laws and provide adequate guidance to its persons associated with research analyst about what is permissible conduct;
- (b). continuously monitor and audit the effectiveness of compliance procedures and keep its persons associated with research analyst updated with any changes in these procedures; and
- (c). implement appropriate disciplinary sanctions for its persons associated with research analyst in case of violations.

(2) A research analyst which is a body corporate shall either designate or employ a compliance officer responsible for monitoring compliance of the research analyst with the applicable regulatory regime.”;

(15) after regulation 12, the following heading shall be inserted, namely: -

**“CHAPTER IV
PENALTY”;**

(16) after the aforementioned amendments for regulation 13, the following shall be substituted, namely: -

“13. Penalty. A research analyst and persons associated with research analyst who contravene any of the provisions of the Act or these regulations or circulars issued thereunder shall be dealt under the Act.

- (17) after regulation 13, the following new Annexures and Schedules shall be added namely:-

“Annexure – I

APPLICATION FOR REGISTRATION AS AN RESEARCH ANALYST
[INDIVIDUAL]

The Securities & Exchange Commission of Pakistan.

Dear Sir/Madam,

1. I hereby apply for registration as a Research Analyst
2. I hereby furnish the following information, -
 - a. Name (in block letters)
 - b. Father's/Husband's name (in block letters)
 - c. NICOP/CNIC/Passport Number (Attach Copy)
 - d. UIN
 - e. Contact Details:
 - i. Official address
 - ii. Residential address
 - iii. Land line number
 - iv. Cell number
 - v. Email
 - f. Academic qualification
 - g. Medium of dissemination of research reports, along with relevant email addresses, social media handles, etc.
 - h. Brief summary of type of services offered
 - i. Mandatory Certification by IFMP (attach certificate)
 - j. Details of any other licenses issued by SECP
 - k. Detailed resume
 - l. Details of grievance redressal mechanism
3. I hereby confirm that the statements made, and the information given by me are correct and that there are no facts which have been concealed.
4. I have read and understood the research analyst regulations and will ensure compliance therewith/ fulfill the obligation/ requirement under the law and will refrain from doing any prohibitory act.
5. I will notify SECP regarding any change in the information provided in the application within 7 days of such change.

6. I will comply with any other condition imposed by SECP.
7. Original paid bank challan evidencing payment of registration fee as specified in Schedule I of the Regulations is enclosed.

Yours faithfully,

Signature _____
Date _____

Annexure – I

**APPLICATION FOR REGISTRATION AS AN RESEARCH ANALYST
[FOR OTHER THAN INDIVIDUAL]**

The Securities & Exchange Commission of Pakistan.

Dear Sir/Madam,

1. We hereby apply for registration as a Research Analyst
2. We hereby furnish the following information, -
 - a. Name
 - b. Registration No./CUIN/LLPIN (Attach copy of Registration certificate, in case of Firm)
 - c. Address of registered office
 - d. Registered office address, place of business and contact details:
 - i. Official address
 - ii. Land line number
 - iii. Cell number
 - iv. Email
 - e. Details of Compliance Officer:
 - i. Name
 - ii. NICOP/ Passport Number/CNIC
 - iii. Address
 - iv. Mobile/Landline Number
 - v. Email
 - f. Medium of dissemination of research reports, along with relevant email addresses, social media handles, etc.
 - g. Total number of persons associated with research analyst (along with status of mandatory certification)
 - h. Details of corporate website
 - i. Details of any existing or potential conflicts of interest
 - j. Details of any other licenses issued by SECP
3. We hereby confirm that the statements made, and the information given by me are correct and that there are no facts which have been concealed.
4. We have read and understood the research analyst regulations and will ensure compliance therewith/ fulfill the obligation/ requirement under the law and will refrain from doing any prohibitory act.
5. We will notify SECP regarding any change in the information provided in the application within 7 days of such change.
6. We will comply with any other condition imposed by SECP.
7. Original paid bank challan evidencing payment of registration fee as specified in Schedule I of the Regulations is enclosed.

Yours faithfully,

Signature of the applicant's chief executive officer, company secretary or chief financial officer duly authorized by the board of directors of the applicant through a resolution for signing and submission of this application.

Research Analyst Regulations, 2015

**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
LICENSING DEPARTMENT**

Registration No. _____

Islamabad, Dated: _____

CERTIFICATE OF REGISTRATION AS A RESEARCH ANALYST

The Securities and Exchange Commission of Pakistan, having considered the application for registration as a Research Analyst submitted by _____ (Name of the applicant) under the Research Analyst Regulations, 2015 (Regulations) and on being satisfied with the said application, hereby grants certificate of registration in the name of _____ (Name of the applicant) in exercise of powers conferred under these Regulations.

Approving Authority _____

Code of Communication

Information/ Disclosures for research reports and public appearances

The information/disclosures that the research reports and public appearances shall include the following:

- i. Name of the research analyst as registered with SECP, registered office address, SECP research analyst registration no., and logo/brand name/trade name of research analyst.
- ii. Information which is in unambiguous language. In this context, the following shall be ensured:
 - a. For buy recommendations: The terms "Buy," "Outperform," or "Overweight" shall be used to indicate a positive investment recommendation or expectation that the security will perform better than its peers or the market.
 - b. For hold recommendations: The terms "Hold," "Neutral," or "Market weight" shall be used to signify that the security is expected to perform in line with its peers or the market, with no clear upward or downward trend anticipated.
 - c. For sell recommendations: The terms "Sell," "Underperform," or "Underweight" shall be used to indicate a negative investment recommendation or expectation that the security will perform worse than its peers or the market.
- iii. Standard warning which states "Investment in securities market is subject to market risks. Read all the related documents carefully before investing." No addition or deletion of words shall be made to/from the standard warning.
- iv. Names of natural persons associated with preparing and publishing of research report and making public appearance.
- v. Clarify and distinguish between facts, opinions, and assumptions made or relied upon.

Schedule - I

Fees
[see Regulations 2B(1)]

Description of fee	Amount of fee (PKR)
Registration fee (for individual)	25,000
Registration fee (for other than individual)	100,000

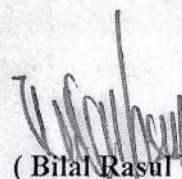
Schedule - II

Professional qualifications in investment management or financial risk management
[see Regulations 3]

Sr.	Institute	Certification
1	CFA Institute, USA	Chartered Financial Analyst
2	Global Association of Risk Professionals, USA	Financial Risk Manager
3	Professional Risk Managers' International Association, USA	Professional Risk Manager
4	Society of Actuaries, USA	Fellow of the Society of Actuaries
5	Institute and Faculty of Actuaries, UK	Fellow of Institute and Faculty of Actuaries

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[File No. SMD/SE/2(256)/2015]



(Bilal Rasul)
Secretary to the Commission