



PAKISTAN STOCK BROKERS ASSOCIATION

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

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,
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Bilal Farooq Zardi
Secretary General

Ref: PSBA/S1120-02

November 18, 2020

MR. SHAUZAIB ALI
Commissioner SMD
Securities and Exchange Commission of Pakistan
Islamabad.

Subject: **COMMENTS ON SRO 1201 (I)/2020 DATED 6TH NOVEMBER, 2020**

Dear Sir,

This is with reference to the proposed amendments in Securities Exchanges (Licensing and Operations) Regulations, 2016 made recently, and our comments submitted thereto, we are pleased to note that our concerns have been given due consideration and further amendments have been proposed vide subject mentioned SRO.

However, we shall be grateful if the following two issues are also addressed:

1. The requirement to obtain clearance from the Commission on the fit and propriety of the directors prior to their appointment and election may please be removed. Elected directors should not be required for any clearance as it is shareholders' prerogative and taking clearance might jeopardize the entire electoral process.
2. Moreover, at any given point in time, the chief executive of the Securities Exchange should not be allowed to be part of the board of the other self-regulatory organizations by whatever name called.

We thank you for your kind consideration on the discussed issue in order to promote the fair representation on the board of the companies.

Regards,

Cc: **Mr. Bilal Rasul** - Secretary to the Commission - SECP
Mr. Salman Arshad - Additional Director - SECP