

**Renewal of Deemed Futures Broker Licenses expiring on November 14, 2018**

This is with reference to PMEX's circular No. PMEX/MKT,BD&CSS/2018/08 dated March 19, 2018.

As communicated in above circular, a futures broker whose certificate of broker registration was valid on November 15, 2017 was deemed to have been licensed as a futures broker till November 14, 2018, unless suspended or cancelled by Securities & Exchange Commission of Pakistan (SECP).

Recently, SECP has issued Futures Brokers (Licensing and Operations) Regulations, 2018 through SRO 1164(I)/2018 dated September 25, 2018, which prescribe requirements for licensing of new futures brokers as well as renewal thereof.

Under Regulation No. 9 of Futures Brokers (Licensing and Operations) Regulations, 2018, all licensed futures broker of PMEX are required to apply for the renewal of license.

To apply for renewal, a deemed licensed broker has to submit to PMEX the following documents:

1. Form of application for renewal of license as futures broker duly filled in and signed by Chief Executive as per Form C of Regulations (Appendix A)
2. Certified true copies of the documents specified in Annexure AI of Regulations being first time renewal application thereunder (Appendix B)
3. Original receipt of bank for the futures broker license renewal fee of Rs. 50,000

All brokers are advised to submit the above documents to PMEX at their earliest so that PMEX may forward the same to the SECP prior to expiry of license. Please note that under section 123(10) of Futures Market Act, 2016 (Act), if a deemed license broker applies to be licensed as futures broker under the Act within one year of commencement of Part IV of the Act i.e. November 14, 2018, he shall be deemed to have been so licensed until the license applied for is granted or until notice in writing of the refusal of SECP is served on the Company.

It is important to emphasize that under Regulation 11(3)(f), failing to apply for renewal of license before its expiry would result in cancellation of license and suspension of trading rights; and a fresh license would have to applied for thereafter. It is further clarified that no individual or single member company is allowed to undertake futures broker activity.

For further information and assistance, please call our Customer Support Services by phone on 021-111-623-623 and 0300-8213-324 or by email at [support@pmex.com.pk](mailto:support@pmex.com.pk).

Best regards,



Ejaz Ali shah  
Managing Director

Appendix A

**FORM OF APPLICATION FOR RENEWAL OF LICENSE AS A FUTURES BROKER  
[TO BE PRINTED ON LETTERHEAD OF FUTURES BROKER]**

Date: \_\_\_\_\_


To  
The Securities and Exchange Commission of Pakistan,  
Islamabad.

Dear Sir,

1. We, \_\_\_\_\_ (Name of the futures broker), being member of **Pakistan Mercantile Exchange Limited** hereby apply for the renewal of the license of futures broker under section 52 of the Futures Market Act, 2016.
2. The existing license is due to expire on **November 14, 2018**
3. Original receipt of the bank for **Rs. 50,000** being the renewal fee is enclosed.
4. Certified true copies of all the documents specified in Annexure AI of the Futures Brokers (Licensing and Operations) Regulations, 2018 are enclosed.
5. It is requested that the license be renewed for a period of one year.

Yours faithfully,

\_\_\_\_\_  
Signature of the Chief Executive of Futures Broker

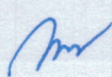


Appendix B

Annexure – AI of Futures Brokers (Licensing and Operations) Regulations, 2018

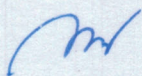
Information and Documents to be provided along with application for license as a futures broker

1 General and business information	Attached / Not Applicable
1.1 A. Brief history of applicant containing name of the applicant, date and place of its incorporation and date of commencement of business	
B. In respect of sponsors, directors and senior management officers: names, contact details, group structure, length of experience as futures broker	
1.2 Address of the registered office of the applicant (postal address, postal code, telephone No., fax No.)	
1.3 Mailing address of the applicant (postal address, postal code, telephone No., fax No., Email address of the concerned officer of the applicant)	
1.4 Percentage of capital, each sponsor has/proposes to contribute in the company	
1.5 Name of the futures exchange of which the applicant is a TRE certificate holder, along with the TRE Certificate number	
1.6 Details of any outstanding legal proceedings initiated by the Commission or any other regulatory authority against: applicant, directors, or Senior management officers	
1.7 Details in case the applicant or any of sponsors, directors, major shareholders or senior management officers has been declared insolvent or bankrupt, or declared defaulter by any authority	
1.8 Details of any penal actions taken during the last three years by the Commission or any other regulatory authority against applicant, sponsors, directors, major shareholders, or senior management officers	
1.9 In case any associated company of the applicant is already licensed under the Securities Act, 2015 or the Futures Market Act, 2016 the following details shall be provided, namely: <ul style="list-style-type: none"> <li>- Name of such associated company;</li> <li>- Details of warning notices, if any, issued to such associated company by the Commission;</li> <li>- Details of legal proceedings, if any, initiated against such associated company by the Commission or any other regulatory authority; and</li> <li>- Penal action, if any, taken against such associated company by the Commission during the last three years.</li> </ul>	
<b>2 Details of infrastructural facilities</b>	
2.1 Computer systems installed: <ul style="list-style-type: none"> <li>- hardware configurations</li> <li>- software used</li> </ul>	
2.2 Data processing capacity: <ul style="list-style-type: none"> <li>- available infrastructure (computers and other electronic equipment used for data processing and communication);</li> <li>- available manpower</li> <li>- office space (mention extent of area in square feet available)</li> </ul>	
<b>3 Other Information</b>	
3.1 Details of all pending disputes in which the applicant is a party as follows: <ul style="list-style-type: none"> <li>- Name of the party</li> <li>- Name and place of court / tribunal where dispute is pending</li> <li>- Amount involved</li> </ul>	



	<ul style="list-style-type: none"> <li>- Pending since</li> <li>- Date of last hearing</li> <li>- Decision at last hearing</li> </ul>	
3.2	List of civil and criminal offenses in which the applicant or any of the sponsors, directors, or senior management officer has remained involved during the last three years	
3.3	Any other information considered relevant to the business of the futures brokers	
3.4	Any significant awards or recognition, collective grievances against the applicant	
<b>4</b>	<b>List of documents to be provided along with application</b>	
4.1	CRO certified copies of following: <ul style="list-style-type: none"> <li>- Memorandum and Articles of Association</li> <li>- Certificate of Incorporation</li> <li>- Certificate of Commencement of Business (where applicable)</li> </ul>	
4.2	CRO certified copies of Form A, Form 3, Form 27, Form 28, Form 29	
4.3	Audited accounts for the last three years, and latest half-yearly and quarterly accounts, where applicable.	
4.4	Copies of documents evidencing compliance with the financial resource requirements specified in the Futures Brokers (Licensing and Operations) Regulations, 2018.	
4.5	Profile of the applicant and information of its sponsors, senior management officers and directors as per the <b>attached format</b> along with fit and proper related documents	
4.6	An <b>undertaking</b> from the directors of the applicant and sponsoring company, if any, that they will inform the Commission in case of any change in the sponsors or majority shareholders, if any, of the sponsoring company.	
4.7	An <b>undertaking</b> that the applicant, its directors, sponsors, and senior management officers are in compliance with all the requirements for grant of a license under the Futures Brokers (Licensing and Operations) Regulations, 2018.	
4.8	Names, addresses and particulars of any business carried on by each person holding 10% or more in the share capital of the applicant	
4.9	Pattern of shareholding, identifying separately the sponsors and shares held by the sponsors	
4.10	Bank details along with bank statement of the applicant since its inception duly signed and stamped by bank manager.	
4.11	Details of the affiliation and outsourcing contracts, if any.	
4.12	Prior-permission of SECP to undertake the futures broker activity under Regulation 5 of Futures Brokers (Licensing and Operations) Regulations.	
4.13	Any other information / document as required by the Commission.	

Note: In case any of the above documents/information have already been submitted to the Commission, the applicant may only provide an undertaking that there is no change in the earlier submitted document/information.



**Information to be provided by individual sponsors, directors and senior management officers of the**  
\_\_\_\_\_ (name of futures broker)

<b>1.</b>	<b>Curriculum Vitae / Resume containing:</b>		
a)	Name:		
b)	Father or Husband's Name:		
c)	CNIC No. (attach copy):		
d)	Latest photograph:		
e)	Nationality:		
f)	Age:		
g)	<b>Contact details</b>		
	(i) Residential Address:		
	(ii) Business Address:		
	(iii) Telephone No.:		
	(iv) Mobile No.:		
	(v) Fax No.:		
	(vi) Email:		
h)	National Tax No.:		
i)	Present Occupation:		
j)	<b>Qualification(s)</b>		
	(i) Academic:		
	(ii) Professional:		
k)	Experience: (Positions held during the last 10 years along with name and address of company/ institution) information to be provided on the following sample format*		
	<b>SN</b>	<b>Name and Address of the Organization</b>	<b>Designation</b>
	1.		
	2.		
	3.		
<b>2.</b>	<p><b>1. Nature of directorship</b>      <input type="checkbox"/> Executive      <input type="checkbox"/> Non-executive</p> <p><b>2. Status of directorship</b>      <input type="checkbox"/> Nominee Director      <input type="checkbox"/> Independent Director      <input type="checkbox"/> Elected Director</p> <p>Number of shares subscribed or held: _____</p> <p>Nominated by (Nominating entity): _____</p>		
<b>3.</b>	Names of companies, firms and other organizations of which the person is presently a director, partner, office-holder or major shareholder (Information to be provided on the following sample format*)		
	<b>SN</b>	<b>Name and Address of the Organization</b>	<b>Designation</b>
	1.		
	2.		
	3.		
<b>4.</b>	Name of any persons on the board of (name of futures broker) who are related to the applicant		

\*Use additional sheet wherever required.

Signatures: \_\_\_\_\_  
Date: \_\_\_\_\_

