

Checklist - Documents Required for New TRE Certificate

Documents
1. Prior-permission of the SECP to undertake the futures broker
2. Completed TREC application form duly signed and stamped as per format
3. Attested copy of: <ul style="list-style-type: none"> a) Memorandum and Articles of Association with PMEX related clause b) Certificate of Incorporation c) Latest Forms A (Not applicable for new company) d) All Forms 28 and 29 subsequent to latest Form A e) Form 3 (where applicable)
4. Financial statements of last three years audited by an Auditor from a list maintained by ICAP on its official website (https://icap.org.pk/) having satisfactory QCR rating. Net worth should not be less than Rs. 10 million, latest unaudited quarterly accounts and unaudited half yearly accounts.
5. Latest filed income tax return of company, (Not applicable for new company)
6. Following documents of sponsors, directors and senior management officers: <ul style="list-style-type: none"> a) CV in prescribed as per format b) Attested copies of educational certificates c) Attested copies of experience certificates d) Two recent colored photographs e) Attested copy of CNIC/Passport f) Evidence of name on Active Taxpayers List (ATL) g) Undertaking on prescribed format stamp paper as per format h) Copy of FCM and PMR Certificates, issued by IFMP to CEO i) Undertaking of CEO on letterhead as per format
7. Information of sponsors, major shareholders, directors and Senior Management Officer as per format
8. Identification of sponsors on company letter head
9. Certified copy of Board Resolution authorizing chief executive to apply for PMEX TREC as per format
10. Reference letter from principal bank
11. Company profile
12. Pay Order / Demand Draft Payable to “Pakistan Mercantile Exchange Limited” <ul style="list-style-type: none"> a) Rs. 3,500,000 (for Universal TRE Certificate) b) Rs. 1,000,000 (for Commodity Specific TRE Certificate) c) Rs. 100,000 (1st year annual subscription fee on pro-rata basis) d) Rs. 25,000 (Application Processing Fee for New TREC)

For further information and assistance, please feel free to contact our Customer Support Services by phone on 021-111-11-7639 or by email at support@pmex.com.pk

[To be printed on company's letterhead]

Application for PMEX Trading Right Entitlement Certificate (TREC)

The Board of Directors

Date:

Pakistan Mercantile Exchange Limited
Karachi, Pakistan

Dear Sir/Madam,

We, M/s. _____ with Registered
Office at _____ wish to
apply for: (Please check one)

.. Universal TREC

.. Commodity Specific TREC (Please specify commodity _____).

of the Pakistan Mercantile Exchange Limited.

We have read and understood the Memorandum and Articles of Association of PMEX, Futures Market Act, 2016, Futures Brokers (Licensing and Operations) Regulations, 2018 and PMEX Rule Book and hereby agree to unconditionally abide by the same. We further undertake to abide by the Articles, Rules and Regulations of the Pakistan Mercantile Exchange Limited that may be framed, amended and adopted, from time to time.

The desired particulars are given in the attached form and are true and accurate to the best of our knowledge.

Yours faithfully,

Signature of Chief Executive

Seal of Company

Name: _____

CNIC No. _____

PARTICULARS OF APPLICANT

- 1) Full Name (Block Letters): _____
- 2) Registered Address: _____
- 3) Telephone (s): _____
- 4) Fax: _____
- 5) E-Mail: _____

a) Incorporated: On _____ No _____

- Pvt. Ltd.
- Public Ltd. Listed
- Public Ltd. Unlisted

b) Names of Directors:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____
- 7) _____

c) Name of Chief Executive: _____

- 1) Educational Qualification: _____
 - 2) Years of Business: _____
 - 3) Experience: _____
- (Please attach Curriculum Vitae)

d) Brief Profile of Company: _____
(Use separate sheets if required) _____

6) NTN No. of Applicant: _____

7) If Applicant is a Member of Stock Exchange/ Trade Body, please give details.

- a) Stock Exchange: _____
- b) Trade Body/Chamber: _____

8) If CEO or any director of the Company is a TREC Holder or is a director of a company which is a TREC Holder of Stock Exchange / Member of Trade Body give details:

- a) Stock Exchange: _____
- b) Trade Body: _____

9) Are you registered with SECP as Broker/Agent? YES / NO

10) Principal Bank of the Applicant: Name _____

Account Number _____

Branch/Address _____

(Please enclose Reference Letter from Principal Bank) _____

11) Net worth of the Applicant in PKR _____

12) Any other relevant information which the applicant may desire to furnish (Use separate sheets if required) _____

Any misstatement or misrepresentation or suppression of facts in connection with this application or breach of any undertaking or conditions of admission entails rejection of the application or suspension/expulsion of TREC.

We hereby state that the above-mentioned particulars and Annexures hereto are true, correct and complete to the best of our knowledge and information. We also state that no relevant material fact has been suppressed.

Dated: _____

Signature of Chief Executive

Name

Seal of Company

CV Format

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

1.	Curriculum Vitae / Resume containing:			
a)	Name:			
b)	Father or Husband's Name:			
c)	CNIC No. (attach copy):			
d)	Latest photograph:			
e)	Nationality:			
f)	Age:			
g)	Contact details			
	(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)	Qualification(s)			
	(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*			
	SN	Name and Address of the Organization	Designation	Period (From – Till)
	1.			
	2.			
2.	<p>1. Nature of directorship <input type="checkbox"/> Executive <input type="checkbox"/> Non-executive</p> <p>2. Status of directorship <input type="checkbox"/> Nominee <input type="checkbox"/> Independent <input type="checkbox"/> Elected Director</p> <p> <input type="checkbox"/> Director <input type="checkbox"/> Director <input type="checkbox"/></p> <p>Number of shares subscribed or held: _____</p> <p>Nominated by (Nominating entity): _____</p>			
3.	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*)			
	SN	Name and Address of the Organization	Designation	Period (From – Till)
	1.			
	2.			
4.	Name of any persons on the board of (name of futures broker) who are related to the applicant			

*Use additional sheet wherever required.

Signatures: _____

[On a non-judicial E-stamp paper of Rs. 100 issued in the name of deponent]

UNDERTAKING

[Requirements of Futures Brokers (Licensing and Operations) Regulations, 2018]

I, _____ s/o/w/o/d/o _____
holding CNIC No. _____ being _____
[Chief Executive Officer / Senior Management Officer / Director / Sponsor / Major Shareholders] of M/s. _____

(Company), holder of TRE
Certificate No. _____ of Pakistan Mercantile Exchange Limited [PMEX] confirm that:

1. There are no outstanding legal proceedings initiated by Securities and Exchange Commission of Pakistan [SECP] or any other regulatory authority against the Company or the deponent [1.6].
2. The Company or the deponent has not been declared insolvent or bankrupt, or declared defaulter by any authority or court of law [1.7].
3. No penal action has been taken against the Company or the deponent during the last three years by SECP or any other regulatory authority [1.8].
4. There are no disputes pending before a court or tribunal in which the Company is a party [3.1].
5. There are no civil or criminal offences in which the Company or the deponent has remained involved during last three years [3.2].
6. There is no other information in possession of the deponent which may be considered relevant to the business of the Company as a futures broker [3.3].
7. There are no significant awards, recognition, or collective grievances against the Company [3.4].
8. SECP will be informed of any change in the sponsors or majority shareholders of corporate sponsor of the Company [4.6].
9. The deponent has not been adjudged as an insolvent or has not been suspended payment of debts or compounded liabilities with its/his creditors.
10. The deponent has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a financial institution including banking company, a Development Financial Institution or a Non- Banking Financial Company.
11. The deponent and companies, firms, sole proprietorship etc. where the deponent is a chief executive, director (other than nominee director), owner or partner etc., has/have no overdue payment to any customer, financial institution, securities exchange, futures exchange, clearing house, central depository and / or defaulted in payment of any taxes in the individual capacity or as a proprietary concern or any partnership firm or as director in any private unlisted and listed company.
12. The deponent has not been a director and/or chief executive of any company or body corporate which has defaulted in payment of Government duties/taxes/cess or has misused customer securities/contracts.
13. The deponent is a tax payer and his name is borne on the Active Tax Payers List regularly published by Federal Board of Revenue. (Shall not be applicable in the case of foreign nationals)
14. The deponent complies with the fit and proper criteria prescribed in Futures Brokers (Licensing and Operations) Regulations, 2018 including minimum educational qualification and required years of

prescribed experience for being [Chief Executive Officer / Senior Management Officer / Director / Sponsor / Major Shareholders] of the Company. In case of any non-compliance coming to my knowledge, the deponent will immediately communicate the same to the SECP through Futures Exchange.

15. The deponent and the Company are in compliance with all the requirements for grant of a license under the Futures Brokers (Licensing and Operations) Regulations, 2018 [4.7].
16. The deponent's Membership or licence or any Membership or licence of company in which the deponent was a director during the last three years has not been suspended/cancelled by the Commission, any other regulatory authority, any professional body, association or relevant entity e.g., the securities or futures exchange, central depository or clearing house.
17. No proceedings are pending with respect to the Company's winding up, insolvency or analogous relief.
18. The deponent has not been disqualified/ removed from the post of a key executive position of a company by the Commission or any other regulatory authority.
19. The deponent has not been convicted in any criminal offence or involved in any fraud / forgery, financial crimes, etc. in Pakistan or elsewhere. The deponent has not been subject to any pending proceeding leading to such a conviction and/or has not been concluded by any regulatory authority that it has been associated with any unauthorized financial activity including illegal brokerage business.
20. The deponent confirms that no investigation / enquiry / inspection, conducted under Section 138 & Section 139 of the Securities Act, 2015, Section 83 of the Futures Market Act, 2016, Section 29 of the Securities and Exchange Commission of Pakistan Act, 1997, Section 21 of the Securities and Exchange Ordinance, 1969, Section 256 or Section 257 of the Companies Act, 2017, has been concluded and disposal thereof against me or the Company by the Commission with material adverse findings or any settlement in civil / criminal proceedings particularly with regard to investments, financial matters / business, misconduct, fraud, formation or management of a corporate body etc. by any regulatory authorities (within or outside Pakistan), professional bodies or government bodies / agencies.
21. The deponent has not defaulted on settlement of a customer complaint where such complaint has been adjudicated by the Commission or the futures exchange.
22. No order has been passed restraining, prohibiting or debarring the deponent from dealing in futures contracts in the capital market or from accessing the capital market. Further, no penalty of Rs.500,000 or more has not been imposed on me by the Commission in the last three years, in respect of any laws administered by the Commission.
23. The deponent has never been penalized in the past for providing any false or misleading information either to the Commission or futures exchange.
24. The deponent has not been actively involved in the management of a company whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices.
25. The deponent is not ineligible under the Companies Act, 2017 or any other legislation from acting as a director.
26. The deponent has not entered into a plea bargain arrangement with the National Accountability Bureau.

27. No investigation is initiated by any Law Enforcement Agency against the deponent.

28. To the best of my knowledge:

- the Company and its sponsors do not have any controlling interest in any other company holding license as a futures broker
- the Chief Executive Officer does not hold such office in any other company
- No director or employee of the Company hold the position of a Director or any other position in any other company licensed as a futures broker.

Signature: _____

Name: _____

Designation: _____

[Chief Executive Officer / Senior Management Officer / Director / Sponsor / Major Shareholders]

Witnesses	Witnesses
Name:	Name:
Signature:	Signature:
CNIC No:	CNIC No:

Date: _____

Attested from Oath Commissioner

[To be printed on company's letterhead]

Customer Support Service
Pakistan Mercantile Exchange Limited
3B, 3rd Floor, Bahria Complex IV
Ch. Khalique-uz-Zaman Road, Gizri
Karachi

Dear Sir,

Compliance with Regulations 6(3) of Futures Brokers (Licensing and Operations) Regulations, 2018

As required under Regulations 6(3) of Futures Brokers (Licensing and Operations) Regulations, 2018 (Regulations), I hereby confirm on behalf of _____ (Applicant) that:

1. the contents of our application for license and supporting documents are in conformity with the Regulations;
2. we meet the requirements of the Futures Market Act, 2016 and the Regulations for the purposes of license under the Regulations;
3. the Company, its sponsors, directors and senior management officers are fit and proper persons as per the criteria specified in the Regulations;
4. we have arrangements for putting in place such trading, clearing and settlement, accounting and recording systems as are necessary for the purposes of our existing and anticipated operations of business;
5. we have written policies, procedures, systems and controls to resolve customer complaints, handle conflict management, monitor unethical conduct and market abuse, prevent money laundering and combat terrorist financing; and
6. the past track record of regulatory compliance of the Company, its sponsors, directors and senior management officers is satisfactory.

Sincerely,

CEO Name: _____

Signature: _____

Date: _____

[To be printed on company's letterhead]

Information of PMEX Broker

Name of PMEX Broker _____

TREC No. _____

SHAREHOLDERS							
SN	Name	CNIC #	Qualification	Experience (No. of Years)	Shares held	%	
1							
2							
3							
4							
5							
Total							100%

SPONSORS				
SN	Name	CNIC #	Qualification	Experience (No. of Years)
1				
2				
3				

DIRECTORS				
SN	Name	CNIC #	Qualification	Experience (No. of Years)
1				
2				
3				

SENIOR MANAGEMENT OFFICERS					
SN	Designation	Name	CNIC #	Qualification	Experience (No. of Years)
1	Chief Executive				
2	Compliance Officer				

Statutory Auditor	Date of ICAP QCR List	Year End	Net Worth

Signature of Compliance Officer _____

Date: _____

[To be printed on company's letterhead]

SPECIMEN BOARD RESOLUTION

Resolution of the Board of Directors of _____ (Name of the Company) passed on _____ (Date)

Resolved that Universal / Specific Commodity Trading Rights of Pakistan Mercantile Exchange Limited may be applied for.

Resolved that Mr./Ms. _____ Chief Executive Officer be and is hereby authorized to execute the application for Trading Rights of Pakistan Mercantile Exchange, sign undertakings and any other documents on behalf of Company, and to represent the Company before the Exchange for all matters relating to the application of Trading Rights of Exchange.

Company Secretary Signature: _____

Name: _____

Date: _____

Common Seal of the Company

Name of CEO	Specimen Signature