

Checklist – Documents Required for SECP Licensing from New Broker

4.1	SECP certified copy of: 1. True copy of Memorandum and articles of association with PMEX related clause 2. Certificate of incorporation	
4.2	SECP certificate copies of: 1. Latest certified true copy of Form A 2. Latest certified true copy of Forms 28 and 29 subsequent to latest Form A 3. Form 3 and 27 (only where applicable)	
4.3	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. latest unaudited quarterly accounts and unaudited half yearly accounts. (Not applicable for new company). Net worth should not be less than Rs. 10 million	
4.4	Copies of documents evidencing compliance with the financial resource requirements specified in the Futures Brokers (Licensing and Operations) Regulations, 2018	
4.5	Following documents of sponsors, directors and senior management officers: 1. CV in prescribed format (format attached) 2. Attested copies of educational certificates 3. Attested copies of experience certificates 4. Two recent colored photographs 5. Attested copies of CNIC/Passport 6. Evidence of name on Active Taxpayers List (ATL) 7. Undertaking in the name of deponent along with copies of the CNIC of witnesses (format attached) 8. Copy of FCM and PMR Certificates, issued by IFMP to CEO 9. Undertaking of CEO on letterhead (format attached)	
4.6	Undertaking 4.6 of Annexure A-1 & Regulation 4(1)(o) of Futures Brokers (Licensing and Operations) Regulation, 2018 (in case of corporate sponsor) (format attached)	
4.7	Undertaking 4.7 of Annexure A-1 & Regulation 4(1)(o) of Futures Brokers (Licensing and Operations) Regulation, 2018 (format attached)	
4.8	List of shareholders having 10% or more. If they are engaged in any other business then details of all such businesses along with name and address of businesses	
4.9	Information of sponsors, major shareholders, directors and senior management officer (format attached)	
4.10	List of all bank accounts with branch address on letterhead Further, statement of one bank account for one year duly signed and stamped by bank's branch manager	
4.11	Details of the affiliation and outsourcing contracts, if any	
4.12	Prior-permission of the SECP to undertake the futures broker (only new cases)	
4.13	Any other information / document as required by the Commission	
4.14	Paid Challan of SECP Fee (Rs. 100,000 for new cases)	
4.15	Application form A-I for License as a Futures Broker (as per Regulations 6(1) of Futures Brokers (Licensing and Operations) Regulation, 2018 (format attached)	
4.16	Information of Annexure A-1 on company's letterhead (format attached)	
4.17	Undertaking section 52(2)(d) and (f) of Futures Market Act, 2016	

[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: _____

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

UNDERTAKING

[Required under Clause 4.6 of Annexure A-I & Reg. 4(1)(o) of Futures Brokers (Licensing and Operations) Regulations, 2018.]

We, the undersigned, are the sponsors of M/s. _____ holder of **TRE Certificate No. ___** of Pakistan Mercantile Exchange Limited.

We hereby confirm that we will inform the Securities and Exchange Commission of Pakistan in case of any change in the sponsors or majority shareholders of company.

We further confirm that ultimate beneficial owners of the company have not been convicted in any predicate offences provided under Anti-Money Laundering Act, 2010 (VII of 2010), Anti-Terrorist Act 1997 (XXVII of 2010) or any other criminal offence.

Name of Directors	Father/Husband Name	CNIC No.	Signatures
1.			
2.			
3.			

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

[To be attested by Oath Commissioner]

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

UNDERTAKING

[Required under Clause 4.7 of Annexure A-I & Reg. 4(1)(o) of Futures Brokers (Licensing and Operations) Regulations, 2018.]

We hereby confirm that the M/s. _____, holding TRE Certificate No. ___ of Pakistan Mercantile Exchange, 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, and

We further confirm that ultimate beneficial owners of the company have not been convicted in any predicate offences provided under Anti-Money Laundering Act, 2010 (VII of 2010), Anti-Terrorist Act 1997 (XXVII of 2010) or any other criminal offence.

Name _____ Designation _____ Signature: _____ Date: _____	Name _____ Designation _____ Signature: _____ Date: _____
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Witnesses	Witnesses
Name:	Name:
Signature:	Signature:
CNIC No:	CNIC No:

[To be attested by Oath Commissioner]

[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 letterhead]

Form – A-I

FORM OF APPLICATION FOR LICENCE AS A FUTURES BROKER

[see Regulation 6(1)]

To

The Securities and Exchange Commission of Pakistan,
Islamabad.

Dear Sir,

1. We (Name of the company) hereby apply for license of futures broker, being member of (name of futures exchange) hereby apply for license of future broker under section 51 of the Futures Market Act, 2016.
2. Certified true copies of all the documents specified in Annexure A of the Futures Brokers (Licensing and Operations) Regulations, 2018 are enclosed.
3. Original receipt of the bank for the fee of Rs.1,00,000 being the licensing fee is enclosed.

Yours faithfully,

Signature of the Chief Executive

Date_____

Information/Documents for License as a Futures Broker

1. General and Business Information

1.1

A. History of Applicant

Name	Date of incorporation	Place of incorporation	Date of Commencement of Business (if applicable)

B. Details of Sponsors

SN	Name	Education Qualification	Experience No. of Years	Holding Parentage
1				

Details of Directors

SN	Name	Education Qualification	Experience No. of Years
1			
2			

Details of Senior Management Officer

SN	Name	Education Qualification	Experience No. of Years	Designation
1				CEO
2				Compliance Officer

1.2 Address of Registered Office

Postal Address	Postal Code	Telephone No.	Fax No.

1.3 Mailing Address

Postal Address	Postal Code	Telephone No.	Fax No.	Email Address

1.4 Shareholding pattern

Please attach shareholding pattern.

1.5 Name of the Futures Exchange of which the Applicant is a TRE Certificate Holder

Pakistan Mercantile Exchange Limited	TREC No.
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1.6 Details of outstanding legal proceedings, if any, initiated against the applicant, its directors or senior management officers by the Commission or any other regulatory authority

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1.7 Details in case the applicant, its sponsors, directors, major shareholders or senior management officers have been declared insolvent or bankrupt, or declared defaulter by any authority.

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1.8 Details of penal actions, if any, taken against the applicant, its sponsors, directors, major shareholders or senior management officers during the last three years by the Commission or any other regulatory authority.

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1.9 In case any associated company of the applicant is already licensed under the Securities Act, 2015 or the Futures Market Act, 2016

Name of associated company	Details of any warning notices issued by the Commission	Details of any legal proceedings initiated by the Commission or any other regulatory authority	Details of any penal action taken by the Commission during the last three years

2. DETAILS OF INFRASTRUCTURAL FACILITIES

2.1 Computer systems installed:

Hardware Configurations	Software Used

2.2 Data processing capacity:

Available infrastructure (computers and other electronic equipment used for data processing and communication)	Available Manpower	Office Space (Area in Square Feet Available)

3. OTHER INFORMATION:

3.1 Details of all pending disputes in which the applicant is a party:

Party Name	Nature of Dispute	Name and place of court / tribunal	Amount involved	Pending since	Date of last hearing	Decision at last hearing

3.2 List of civil and criminal offenses in which the applicant or any of its sponsors, directors or senior management officer has remained involved during the last three years:

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3.3 Any other information considered relevant to the business of the futures brokers.

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3.4 Any significant awards or recognition, collective grievances against the applicant.

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Signatures of Chief Executive Officer: _____

Name of Chief Executive Officer: _____

Date: _____

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

UNDERTAKING

[Required under Section 52(2)(d) and (f) of Futures Market Act, 2016]

I hereby confirm that the M/S. _____, holding TRE Certificate No. ___ of Pakistan Mercantile Exchange, the Applicant:

1. Has specified premises under clause (b) of sub-section (1) of Section 51 of the Futures Market Act, 2016 that are suitable for keeping records or other documents. The details/specified location is as under;

{XXXXXXXXXXXXXXXXXX}.

2. Complies with the condition prescribed in relation to anti-money laundering and counter financing of terrorism under the applicable laws; and.

Name of the authorized signatory by BoD : _____

Designation: _____

Signature: _____

Date: _____

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

Verification by
Oath Commissioner