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PART I

Acts, Ordinances, President's Orders and Regulations

SENATE SECRETARIAT

*Islamabad, the 14th June, 1994*

The following Acts of Majlis-e-Shoora (Parliament) received the assent of the President on the 8th June, 1994, and are hereby published for general information :—

*An Act further to amend the Securities and Exchange Ordinance, 1969*

WHEREAS it is expedient further to amend the Securities and Exchange Ordinance, 1969 (XVII of 1969), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Securities and Exchange (Amendment) Act, 1994.

(2) It shall come into force at once.

2. **Amendment of section 2, Ordinance XVII of 1969.**—In the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereinafter referred to as the said Ordinance, in section 2,—

(i) after clause (a), the following new clause shall be inserted, namely:—

“(aa) “asset management company” means a company which offers investment schemes under trust deeds and issues redeemable securities.”; and

(ii) after clause (c), the following new clause shall be inserted, namely:—

“(cc) “central depository” means a company formed to establish and operate a system for the central handling of securities, whether or not listed on a stock exchange, whereby such securities are deposited with and held in custody by, or registered in the name of, the company as a nominee for the depositors and dealings in respect of such securities are effected by means of entries in securities accounts without the physical delivery of scrips.”.

3. **Amendment of section 32, Ordinance XVII of 1969.**—In the said Ordinance, for section 32 the following shall be substituted, namely:—

“32. *Regulation of business of asset management companies, investment advisers and investment companies.*—The business of asset management companies, investment advisers and investment companies shall be regulated in such manner as may be prescribed.”.

4. **Insertion of new sections 32A and 32B, Ordinance XVII of 1969.**—In the said Ordinance, after section 32, substituted as aforesaid, the following new sections shall be inserted, namely:—

“32A. *Regulation of central depository companies.*—(1) No company shall function as a central depository company unless it is

incorporated under the Companies Ordinance, 1984 (XLVII of 1984), and is registered with the Authority in the manner and on payment of such fee as may be prescribed.

(2) A certificate of registration granted under this section shall be valid for one year and shall be renewable on payment of such fee as may be prescribed.

(3) No application for registration shall be refused except after giving the applicant an opportunity of being heard.

(4) Where the Authority is of the opinion that a central depository company has contravened any provision, or has otherwise neglected or failed to comply with any requirement of this Ordinance or the rules, the Authority may suspend the registration for a specified period or cancel the registration of such company :

Provided that the registration shall not be suspended or cancelled except after giving the central depository company a notice to show cause.”.

“32B. *Registration of credit rating companies.*—(1) No company shall function as a credit rating company unless it is incorporated under the Companies Ordinance, 1984 (XLVII of 1984), and is registered with the Authority in the manner and on payment of such fee as may be prescribed.

(2) A certificate of registration granted under this section shall be valid for one year and shall be renewable on payment of such fee as may be prescribed.

(3) No application for registration shall be refused except after giving the applicant an opportunity of being heard.

(4) Where the Authority is of the opinion that a credit rating company has contravened any provision, or has otherwise neglected or failed to comply with any requirement of this Ordinance or the rules, the Authority may suspend the registration for a specified period or cancel the registration of such company :

Provided that the registration shall not be suspended or cancelled except after giving the credit rating company a notice to show cause.”.