

March 16, 2023

ORIENTATION TRAINING ON SECP REVISED RULES AND REGULATIONS



TRAINING REPORT

Background

Compliance training is the process of ensuring that workers comprehend all of the pertinent laws, regulations, and internal policies that govern the operation of a business. Additionally, it guarantees that they are aware of how and why they must follow them in their job.

Effective training can provide workers with the direction they need to manage various circumstances and problems they may encounter by walking them through instances of how issues of ethics and compliance apply to their roles in the workplace. Effective regulatory training promotes staff success. They can function effectively with less guidance because they are aware of their duties and limitations. They are also aware of how to respond and what to do when faced with a novel circumstance that puts their ethical instruction to the test. Corporate and governmental compliance may not be the most interesting aspect of business, but it is necessary for the company to function. The numerous business policies, governmental policies, laws, and accreditation requirements can all be broken, which could result in the company paying fines, facing legal action, or even being charged with a crime. In order to fulfill the goals put forth by the organization's founders and executives, corporate compliance allows our business to run securely and effectively. The employees must abide by all rules and laws established by the federal, state, and municipal governments. This is known as regulatory compliance. Because both types of policies are subject to frequent change, it is crucial for the company to provide compliance training to all of its staff members, business partners, and even clients to ensure that everyone is aware of the laws and regulations it must abide by. Effective ethics and compliance training goes beyond the hiring process procedures. Employees should receive continuing workplace safety training that keeps them informed of new rules and policies.

Recognizing the importance of educating company members on relevant rules and regulations, HRDN organized a training session titled “Revised SECP Rules and Regulations at the IRM Complex on March 16, 2023”. The training was organized by HRDN in collaboration with SECP for organizations registered under section 42 Companies Act, 2017.



About SECP

On January 1st, 1999, the Securities and Exchange Commission of Pakistan (SECP), which was formed in accordance with the Securities and Exchange Commission of Pakistan Act 1997, began operations as a body corporate. The main responsibilities of SECP are to administer company law, regulate non-banking finance firms like leasing companies, investment banks, and mutual funds, as well as the securities market and institutions related to it, such as the Central Depository Company (CDC), Credit Rating Companies, and Modarabas (funds operating on the basis of Islamic economic principles). The establishment and licensing of businesses are one of the SECP's key responsibilities.

The training program was designed to equip concerned professionals with the necessary knowledge and skills to comply with the new regulatory requirements for the effective implementation of the necessary changes and trends in their organizations.

Training Objectives

The following are the objectives of the training;

- To familiarize participants with the new SECP rules and regulations and their implications for their organization
- To help participants understand the regulatory compliance requirements and procedures to ensure compliance with new rules
- To provide participants with the necessary knowledge and skills for effective implementation of the new rules and regulations in their organization

Participant's Profile

A total of 25 participants attended the training which included legal professionals, compliance officers and managers, finance and accounting professionals, and risk managers.

Venue and Date

The training program was organized by the Human Resource Development Network (HRDN) in collaboration with the Securities and Exchange Commission of Pakistan (SECP) at the IRM complex on March 16, 2023.

Proceedings

The training was formally initiated by the organizer, the CEO of HRDN who warmly welcomed all the participants and appreciated them for sparing their time to attend the session. After that, the CEO invited the guest speaker, Mr. Faisal Lateef Khawaja, the Assistant Registrar at SECP to inaugurate the session. The training began with an introductory session in which the guest speaker explained the training purpose along with the objectives and discussed the agenda. The training agenda included the following topics;

- Not for Profit Association/Foundation
- Sectoral Profile of NPOs
- NPO Sector – An Overview
- Regulatory Landscape of the NPO Sector
- Regulatory Mandate of SECP for NPOs
- STEPS for Grant of license
- Procedure for grant of a license.
- Conditions applicable to section 42 companies
- Latest Amendments in NPO Regulations, 2018
- Incorporation
- Post Incorporation Requirements
- Revocation of License
- Effects of Revocation of License
- Ultimate Beneficial Owner-UBO

The training was divided into several sections that covered the essential knowledge of all the regulatory requirements for setting up a Not for Profit (NPO) Company. It also provided the targeted audience with guidance to ensure that their companies remain updated. The Trainer, Mr. Faisal explained the features that make up a Not for Profit Organization (NPO). As per the trainer, a private company is to be established as an organization either for advancing business, the arts, sciences, faith, health, education, study, sports, environmental preservation, social welfare, charitable giving, or any other worthwhile goal. Such a company plans to use the business's earnings and other revenue to further its goals; and forbids paying profits to the company's shareholders. After this session, the trainer discussed the sectoral profile of NPO including different classes of NPOs, the required laws for registration, and the number of registered organizations to date.



After that, Mr.Faisal elaborated on the regulatory framework for the NPO Sector followed by the regulatory mandate of SECP for NPOs.

According to the rules of SECP, any such foundation must acquire a permit in accordance with Section 42 of the Act of 2017 and Regulation 6 of the Companies (General Provisions and Forms) Regulations of 2018 (the "Rules") before being registered as a company with the SECP (the "Commission"). In this talk, the process for getting a permit and registering the charity as a corporation limited by guarantee will be covered. An in-depth discussion of the mandatory framework was conducted followed by a tea break. The training resumed after the tea break where the trainer elaborated on all the steps for the grant of a license. According to these steps, the people in charge of the foundation must send an application with the necessary appendices, either directly or through a properly authorized agent, if they want to be granted a license under Section 42. Moreover, according to section 42 of the Act, a license application may be submitted for the marketing of a single object or of a number of objects. Each subscriber, member, or supporter of the foundation must have the necessary resources, skills, and knowledge to help the planned business achieve its goals. There must be a minimum of three of these individuals. curriculum vitae for every supporter, proposed board member, and proposed CEO each subscriber or promoter must make a start-up contribution of Rs. 200 000. Within six months of the date of formation, the same must be placed in the company's account. a declaration signed by each supporter, proposed director, and proposed chief executive officer.

Mr.Faisal gave an in-depth explanation of all the conditions applicable to section 42 companies. He later discussed the latest amendments in NPO Regulations. As per the regulations,

- Requirements for license renewal have been eliminated.

Following instances where prior Commission permission was required have been eliminated:

- A subscriber, friend, or advocate resigns
- Directors and the CEO are appointed, reappointed, elected, and re-elected.
- Investment in related projects
- Modification of MoA and AoA

However, in order to register or modify the aforementioned modifications, the foundations must submit statutory forms to the relevant CROs. The business must also follow proviso a and b to sub-regulation 16 of Regulation 7 of the Regulations as most recently modified on November 29, 2021. The trainer further discussed the incorporation of the company. After obtaining a license from the Commission, the foundation, if it is not already a company registered with the Commission, must be incorporated under the provisions of the Companies Act, 2017 with one of the Company Registration Offices (CROs) of the Commission, within sixty (60) days of the date of issuance of such license.



The revocation of the license was also discussed and the trainer explained all the reasons for the license withdrawal along with the associated effects upon the withdrawal. Lastly, the trainer discussed that a company is required to keep track of the identities of its final beneficial owners in the manner, form, and timeframe required while obtaining the necessary declarations from its members.



Feedback

The effectiveness of the training program was assessed after the training exercise by collecting post-training feedback from the participants. The attendees were grateful to HRDN for making such informative training possible. According to participants, the training program was well-designed and very beneficial in giving them an understanding of the compliance regime. The training was concise and direct. Additionally, it gave a quick grip on the updated SECP laws and guidelines. The trainer received acclaim from the participants for efficiently delivering all the updates and instructions.

It was suggested by participants that HRDN hold compliance training workshops on a frequent basis because they offer a great opportunity to learn about any new rules and regulations that have been amended.

Closing Session

The trainer concluded the program by summarizing all the crucial topics covered in the sessions. The trainer commended the participants upon their successful completion of the training course and ask them to share their feedback regarding the program. The CEO, Robeela Bangash, delivered a vote of thanks in which she appreciated the efforts of the trainers and participants in completing an informative session and later distributed souvenirs at the end of the session.

Agenda

Time	Topic	Methodology
10:30 - 11:00	Registration	
11:10 - 11:40	Session 1 – Overview & Sectoral Profile of NPO	Interactive Presentation
11:40 - 12:00	Tea Break	
12:00 - 12:30	Session 2- Grant of License	Interactive Presentation
12:30 - 1:00	Session 3- Introduction & latest amendments to Section 42	Interactive Presentation
1:00 - 1:30	Session 4- Questions and Answer (Q/A)	Interactive Presentation
1:30- 2:30	Closing Session <ul style="list-style-type: none">○ Questions and Answers (Q/A)○ Participant's Feedback○ Souvenir Distribution○ Group Photo	
2:30 – 3:00	Lunch	



Attendance Sheet



Orientation Training on SECP Rules and Regulation

ATTENDANCE SHEET

Date: 16th March 2023

Sr.	Name	Designation	Organization	Contact	Signature
1	Mabreen Zahara	SPO	NRSP	0301-8567414	[Signature]
2	Imran Akram Khan	PO	NRSP	03319746676	[Signature]
3	Mishal Ahmad	PPAF AM-IA	PPAF	0331-5153263	[Signature]
4	Asum Masood	SME - IA	"	0313-9177369	[Signature]
5	Sulain Mustafa	ME - IA	"	03104086081	[Signature]
6	M. Rafique	Magistrate	CHIP	0333-5208223	[Signature]
7	Hadeem Ali	HR-Office	IRM	0313-5334110	[Signature]
8	Layy Ahamed	Assistant Manager Finance	ECI	0300-585089	[Signature]
9	Jumard J. Siddiqi	Manager	PPAF	0322-553335	[Signature]
10	Asmae Ahmed	Am	CBRSP	0245-8522214	[Signature]

1	Muhammad Idris	SPO - FBA	GBTI	0300-8597388	[Signature]
2	Muhammad Ajmal	Internal Auditor	CITI	0305-757005	[Signature]
3	Hanan Tanvir	Internal Auditor	GBTI	0833-1593147	[Signature]
4	M. Rizwan Farid	HEAD HR	PPAF	0300-2189002	[Signature]
5	Muhammad Farid	Sr. Mgr. HR	PPAF	0320-921626	[Signature]
6	M. Usman Butt	Sr. Manager Adm.	PPAF	0345-5104008	[Signature]
7	Schaib Majeed	Sr. Manager Proc.	PPAF	0306-0697111	[Signature]
8	M. Rasheed	Account Officer	CHIP	0331-5071474	[Signature]
09	Muhammad Jamil	Project Officer	IRM	03015368282	[Signature]
10	Mehran Amin	Corp. Secretary	BRSP	0300-8385791	[Signature]

1	Muhammad Hashim	Consultant	UPGI-	0345852157	[Signature]
2	Sardar Anam	SPO - IT	NRSP	0300-0404333	[Signature]
3	Amyal Wali	Program Manager	GBRSP	0346-9236070	[Signature]
4	Akram	CFO	BRSP		[Signature]
5	Syed Abdul Ali		BRSP		[Signature]
6	Umar Mukhtar	PO	PECP		[Signature]
7	Nasim Elahi	Manager Administration	ECT		[Signature]
8	Khaleel Tariq	Consultant			[Signature]

Sr.	Name	Designation	Organization	Contact	Signature
1.	Mahwish Tabassum	Assistant Registrar	SECP	03125272562	[Signature]
2.	Fazil Latif Khan	Joint Registrar	SECP	0333-4293577	[Signature]