



**SECURITIES & EXCHANGE COMMISSION OF PAKISTAN
SPECIALISED COMPANIES DIVISION
(NBFC DEPARTMENT)**

Circular No: 15 of 2005

No. ID-SEC/NBFC-1/02/2005

Islamabad, September 19, 2005

Subject: Sale of Assets by Non-Banking Finance Companies ("NBFCs") to its Employees.

Attention is invited to Rule 7 (2) (b) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Circular 24 of 2003 dated October 8, 2003.

2. It has been observed that the NBFCs apply to the Commission for approval in case a vehicle or some other assets are being sold to an employee as per the company policy of the NBFC. It is hereby clarified that prior approval of the Commission in respect of assets sold to an employee including the Chief Executive Officer is not required provided it is allowed under the company policy / appointment letter / service manual of the NBFC which has been duly approved by the Board of Directors of the NBFC. In case the assets are sold to an employee including the Chief Executive Officer which are not part of the company policy / appointment letter / service manual of an NBFC duly approved by the Board of Directors prior written approval of the Commission is required.

3. Prior written approval of the Commission is, however, required in all instances where assets are being sold to a Director of the NBFC.

**(Salman Ali Shaikh)
Commissioner**

Distribution:

1. Chief Executives of all NBFCs.
2. Managing Directors of all Stock Exchanges.
3. The Chairman, Investment Banks Association of Pakistan.
4. The Chairman, Leasing Association of Pakistan.
5. The Chairman, Mutual Funds Association of Pakistan.
6. All Divisions of SEC
7. Media Consultant, SEC.
8. All CROs.