
The Financial Markets Association of Pakistan

BY-LAWS

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THE FINANCIAL MARKETS ASSOCIATION OF PAKISTAN

PREAMBLE

The Financial Markets Association of Pakistan was formed in 1997, is a non-commercial, non-profit and self-financed organization of dealers of financial instruments. Recently Foreign Exchange Rates Committee (FERC) was merged into FMAP. FMAP in its role as SRO with a mandate from State Bank of Pakistan will work towards achieving the tasks elaborated in the Mission Statement.

The members of the association are drawn from Dealing Room staff of all Scheduled Banks, NBFCs and FX/MM Interbank Brokerage Houses. FMAP has more than 285 members who elect the governing body annually. FMAP is affiliated with “Association Comsite Internationale – Paris”, like other similar national associations across the world.

FMAP’s MISSION STATEMENT

“To be regarded within the financial market fraternity, regulators, and banking community as the leading association representing the interest of Financial Markets and to actively promote the educational, professional, ethical, and social interest of the Financial Markets and the Banking industry.”

Detailed with this mission are specific objectives stated as:

- a) To function as the principal interface with the regulators on various issues those impact the functioning of these markets.
- b) To accredit/monitor Interbank Brokerage business under approved criteria in consultation with SBP.
- c) To undertake developmental activities, such as, introduction of Benchmark Rates and new financial and Derivatives Instruments, Bond Index etc.
- d) To provide training and development support to dealers and support personnel at member institutions.
- e) To adopt/develop international standard practices and a Code of Conduct in the above fields of activity.
- f) To devise, develop and adopt standardized Best Practices in the Market.
- g) To function as an arbitrator for disputes resolution, if any, between member institutions.
- h) To develop standardized sets of documentation.
- i) To assume any other relevant role facilitating smooth and orderly functioning of the Banking Industry and Financial Markets.



- j) Working in conjunction with, and assisting and cooperating with other individuals, groups, associations, corporations, government officials and agencies to effectuate any and all of the foregoing objectives.
- k) Conducting any and all lawful activities that may be necessary, useful, or desirable for the furtherance of accomplishment of the foregoing purposes. FMAP seeks to achieve these objectives by establishing specific working groups.

FMAP is consulted by the State Bank of Pakistan on Government Securities and Money Market and also that on the Foreign Exchange Markets. This provides FMAP an ideal platform to air market views to the Central Bank of the country. FMAP also conducts seminars, training programs and symposia to facilitate the achievement of its stated objectives.

ARTICLE I

MEMBERSHIP

1. Membership shall be limited to individuals who are in sympathy with the purposes of the association. Membership shall be open to, but not specifically limited to, any individual who is employed by a bank, or financial institution of a banking nature, and is directly involved in the decision making related to or trading of Foreign Exchange, Money Markets or related instruments, or who acts as a broker in those markets. There will be following classifications of membership:
 - a) National
 - b) International
 - c) Associate
 - d) Honorary
2. Members shall consist of:
 - a) **National Members** shall be individuals who are currently working as Foreign Exchange/Money Market Dealers or Staff of the Treasury Front Office of Scheduled Banks, Development Finance Institutions, NBFCs, such individuals shall have working experience of at least one-year.
 - b) The **International Members** shall possess all of the following qualifications:
 - (i) Must have been actively engaged internationally or locally in Foreign Exchange and/or Money Markets or have been the persons responsible for the management supervision and direction of such Trading Operations in their current profession;
 - (ii) Currently must be carrying on their activities in a Scheduled Bank in above capacity,
 - (iii) Must have been so occupied for a minimum of five years at any time during their professional career in a Scheduled Bank;
 - (iv) However, if an office bearer ceases to be an International Member but is eligible for National Member, the office bearer would continue the office till the next elections.



c) **Associate Members** shall not carry any voting rights nor shall be appointed or elected as members of the Executive Committee or Office Bearer of a Committee or the Board. However they may participate in the activities of the Association and receive notices and publications and may act ONLY as observers at any General Meeting of the Association.

d) **Honorary Members** shall be individuals whom the Executive Committee of the Association wishes to honour as persons eminence in foreign exchange and related fields (not otherwise eligible for membership) and those who have rendered or are expected to render services to the Association.

Honorary Members shall not have a right to vote or to become a Member of the Executive Committee of the Association. However they may participate in the activities of the Association and receive notices and publications, and may act ONLY as observers at any General Meeting of the Association.

Individual shall be elected and admitted as Honorary Member by a resolution of the Executive Committee.

3. The maximum number of subscribing members of the Association shall be unlimited.
4. All classification of members will pay annual subscription fee at the beginning of calendar year as decided by the Executive Committee from time to time.
5. A person fulfilling criteria for membership of a class may become member of Association in that class, if he/she is proposed by an International Member and seconded either by an International or National Member. Executive Committee reserves the right to refuse any such membership after assigning due reason for such refusal, to be ratified in the next General Meeting. The Executive Committee may from time to time determine the minimum and/ or maximum number of members to be admitted during any financial year and detailed application procedures for membership.
6. Every member shall be bound to further to the best of his ability the objects, interest and influence of the Association and shall observe all By-Laws contained herein contained and all By-Laws of the Association made pursuant to the powers in that behalf hereinafter contained.
7. Unless otherwise provided under the law, the Executive Committee at its absolute discretion may exclude any member from the Association after providing him the opportunity of being heard and on such exclusion such person shall forthwith cease to be a member of the Association and shall forfeit all claims to the return of money paid by him to the Association. The Executive Committee may from time to time develop a Code of Conduct and Ethics for members, which would become the basis for proceedings for exclusion of members, in addition to any breach of the provisions of these Articles.
8. The International and National Members shall be entitled to notice of meetings of / the Association and shall be entitled to vote at and take part in the deliberations at such meetings.



9. The term of membership of the Association in any class shall not extend beyond the life of the member. A subscribing member defaulting in payment of subscription due from him to the Association shall on such default cease to be a member of the Association, provided the Executive Committee at its discretion may restore the membership on payment of the subscription due together with any penalty determined by the Executive Committee and provided the member gives satisfactory explanation for such default.

ARTICLE II

GENERAL MEETING

1. A general meeting shall be held within eighteen months from the date of registration of the Association and thereafter once at least in every calendar year within a period of six months following the close of its financial year and not more than fifteen months after holding of the last preceding annual general meeting at such time and place as may be decided by the elected Executive Committee.
2. The Executive Committee shall at any time as deemed fit proceed to call an Extraordinary General Meeting and/or on the requisition of not less than twenty-five voting members.
3. Any requisition made by the members as aforesaid must state the objects of the / meeting proposed to be called, must be signed by the persons concerned and delivered at the registered office of the Association.
4. On receipt of the requisition, the Executive Committee shall forthwith proceed to call an Extraordinary General Meeting. If the Executive Committee does not proceed to cause a meeting to be called within twenty-one days from the date of the receipt of requisition, the persons or a majority of them may themselves call a meeting.

ARTICLE III

PROCEEDINGS AT GENERAL MEETINGS

1. At least twenty-one day's notice is required for convening every General Meeting, ordinary or extraordinary. The notice should specify the place, the day, the hour of the meeting and in case of any special business, the general nature of such business, shall be conveyed to the members entitled to notice in the manner hereinafter mentioned or in such other manner as determined by the members in General Meeting applicable thereafter to all subsequent meetings. Non receipt of notice by any member entitled shall not invalidate proceedings at any general meetings.
2. The ordinary business shall be the new/existing membership issues, consideration and adoption of accounts, balance sheet and the report of the auditors, the election of the members of the Executive Committee, electing and fixing of remuneration of auditors, all other business shall be deemed special whether transacted at an ordinary meeting or at any extraordinary meeting.



3. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. At least twenty-five percent of the total members entitled to vote present shall be the quorum for a general meeting.
4. If within an hour from the time appointed for the meeting, a quorum is not present at the meeting it shall stand adjourned for the same day in the next week at the same time and place. If at the adjourned meeting so planned for again the quorum is not present within half an hour from the time appointed for the meeting, the members having the right to vote and present shall be the quorum.
5. The President of the Executive Committee shall preside as chairman at every General Meeting.
6. If at any meeting, the President of the Executive Committee is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairperson, the Executive Committee shall choose one of the office bearers to be the chairperson of the meeting. If no office bearer is willing to take the chair, the members present shall choose one of the voting members to be the Chairperson of the meeting.
7. The Chairperson may with the consent of the office bearers adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice of an adjourned meeting or of the business to be transacted at such meeting.
8. At any general meeting, a resolution put to the vote shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by one or more members and unless a poll is so demanded, a declaration by the Chairperson that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or loss, and an entry to that effect in the book of proceedings of the Association shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against the resolution.
9. If a poll is duly demanded, it shall be taken in such manner as the Chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
10. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

ARTICLE IV

VOTES OF MEMBERS

1. Either on a show of hands or on a poll every International and National member present in person shall have one vote. The Associate/Honorary Members shall not be entitled to vote but shall be provided notice of membership and allowed to attend meetings.



2. No member shall be entitled to vote at any meeting unless all subscriptions and other dues payable by him in respect of his membership in the Association have been paid.
3. The person presiding the Executive Committee, at the taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll with the exception of election, whereas Chairman Election committee would be the sole judge.

ARTICLE V

THE GOVERNING EXECUTIVE COMMITTEE

1. The number of members of the governing Executive Committee (also referred in the articles, as the Executive Committee) shall be nine.
2. The nine members of the Executive Committee shall be a President, Secretary, Assistant Secretary, Treasurer and five members:

Mr. _____	-	President
Mr. _____	-	Secretary
Mr. _____	-	Assistant Secretary
Mr. _____	-	Treasurer
Mr. _____	-	Member
Mr. _____	-	Member
Mr. _____	-	Member
Mr. _____	-	Member
Mr. _____	-	Member
3. Powers, Duties and Qualifications:
 - a) **President:** The President shall preside at all meetings of the members of the Executive Committee, shall be responsible for general supervision of the affairs of the Association and shall keep the Executive Committee duly informed about the activities of the Association. The President shall serve as Chairman of the Executive Committee. As such he shall not vote on matters before the Executive Committee except when necessary to break a tie vote.
 - b) **Secretary:** The Secretary shall act as secretary of all meetings of the members of the Executive Committee, and shall keep the minutes of all such meetings. In the absence of the President, the Secretary shall also perform the duties of the President. The Secretary shall also keep the records of the Association as well as handle all correspondence deemed necessary, including the dissemination of appropriate information to the general membership. The Secretary shall be responsible for the giving and serving of all notices of the Association and shall perform all the duties customarily incidental to the office of the Secretary.



- c) **Assistant Secretary:** The Assistant Secretary shall have such powers and duties as may be assigned to him by the Executive Committee. In the absence of the Secretary, the Assistant Secretary shall perform the duties of the Secretary. A candidate for Assistant Secretary must meet the same qualifications as a candidate for Secretary.
- d) **Treasurer:** The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements of the funds of the Association and shall account for all dues and all moneys disbursed at least once a year at the annual meeting and at any other time deemed appropriate by the Executive Committee.
- e) **Executive Members:** Executive members will participate in the decisions taken at the Executive Committee meetings. They can be assigned any other responsibility by the Executive Committee.
- f) The qualification of four Office Bearers (a-d) of the Executive Committee shall be International Membership of the Association for the past 2 consecutive years. While members on the committee can be either National/International Members.

ARTICLE VI

POWERS & DUTIES OF THE EXECUTIVE COMMITTEE

1. The business of the Association shall be managed by the Executive Committee who may pay all expenses incurred in setting up and registering the Association to run all affairs of the Association and may exercise all such powers of the Association as are not by the law or any statutory modification thereof for the time being in force, or by these articles required to be exercised by the Association in General Meeting, subject nevertheless to any regulation of these articles, to the provisions as may be prescribed by the Association in general meeting, shall invalidate any prior act of the Executive Committee which would have been valid if the regulation had not been made.
2. The Executive Committee shall have full control over all the affairs and property of the Association and shall exercise all powers of the Association they think fit and from time to time provide for the management and transaction of the affairs of the Association in any specified locality whether in Pakistan or abroad and for purposes thereof may establish local Executive Committee and agencies or make other appointments and delegate powers.
3. The Executive Committee may engage or dismiss all such officers and staff as they may consider necessary or expedient and may regulate their duties and fix their salaries.
4. The Executive Committee may from time to time make, vary and repeal the regulation and administration of the employees of the Association.



5. The Executive Committee shall duly comply with the provisions of the all Acts and of any/all statutory modifications thereof for the time being in force applicable to the Association.
6. The Executive Committee shall cause minutes to be made in books provided for the purpose :
 - a) Of all appointments of officers made by the Executive Committee.
 - b) Of the names of the members of the Executive Committee present at each meeting of the Executive Committee and of any sub-committee of the Executive Committee.
 - c) Of all resolutions and proceedings at all meetings of the Association and of the Executive Committee and of any committee of the Executive Committee.
7. The Executive Committee may appoint or dissolve, with majority vote, one or more sub-committees comprising of members from Executive Committee or general body of the Association for meeting specific objectives.
8. Every member of the Executive Committee present at any meeting of the Executive Committee or at any sub-committee of the Executive Committee shall sign his name in a book to be kept for the purpose.
9. The Executive Committee shall maintain one or more register(s) of members and members of the Executive Committee.

ARTICLE VII

TERMS & ELECTION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

1. At the first ordinary meeting of the Association all the members of the Executive Committee shall stand retired from office and thereafter all such members shall retire on the expiry of one year from the date of election unless the office bearer resigns earlier, becomes disqualified or ceases to hold office.
2. A member of the Executive Committee retiring as aforesaid shall be eligible for re-election, provided he will not continue as a member of the Executive Committee for more than two successive terms of one year each time at any time.
2. The qualification of four Office Bearers, i.e., President, Secretary, Assistant Secretary and Treasurer of the Executive Committee shall be International Membership of the Association for the past two consecutive years. While members on the committee can be either National/International Members.
3. A member may not seek election for two positions on the governing Executive Committee in any one election.
4. Only one member from each institution shall be eligible to contest the elections.
5. If at any meeting at which an election to replace retiring members of the Executive Committee takes place, and the place of the vacating members or any of them are not filled up, the meeting shall stand adjourned till one week at



the same time and place, and if, at the adjourned meeting, the places of the vacating members are not filled up again, then new notice of meeting will be served to complete the process.

6. Any vacancy arising due to any of the office bearers on leave, that vacancy would be filled amongst other office bearers. However if any vacancy arises for executive committee member, it would not be filled up.
7. If any vacancy arises in respect of any elected positions on permanent basis, that vacancy would be filled through re-election by calling extraordinary general meeting as per rules, provided that at least six-months are remaining in the tenure of the vacated positions.
8. The office of member of the Executive Committee shall be vacated if the member:
 - a) Ceases to be an International/National member of the Association.
 - b) Is found to be of unsound mind by a Court of competent jurisdiction; or
 - c) Is adjudged insolvent, or Accepts or holds any office of profit under the Association; or
 - d) Absents himself from three consecutive meetings of the Executive Committee or from all meetings of the Executive Committee or a continues period of three months, which ever is longer, without leave of absence from the Executive Committee; or
 - e) Is found to have a beneficial relationship or participation in the profits of any contract with the Association; or
 - f) Is punished by a competent Court in respect of an offense which under the law for the time being in force and cognizable.
9. An exception to the above would be in order if the concerned member of the Executive Committee is a director or member of any company or corporation which has entered into a contract with or done work for the Association but the member concerned has not voted in respect of any such contract or work, or if voted so, his vote was not counted for all related intent and purposes.
10. Provided further that if all members of the Executive Committee are disqualified from voting in respect of any such contract or work, the same shall be subject to approval or ratification of the Association in a general meeting

ARTICLE VIII

PROCEEDINGS OF THE EXECUTIVE COMMITTEE

1. The Executive Committee may convene on (unless the nature of business requires emergency meeting) meet together on at least 7 (seven) days notice for dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it deems fit. Questions arising at any meeting of the Executive Committee shall be decided by a majority of votes. In case of any equality of votes the Chairman shall have a casting vote. A member of the Executive Committee may, and the Secretary, on the requisition of a member of the Executive Committee shall, at any time summon a meeting of the Executive Committee.



2. The quorum necessary for the transaction of the business of the Executive Committee may be fixed by the Executive Committee and, unless so fixed, shall be five.
3. The Executive Committee may delegate any of its powers to sub-committees consisting of such members of their association as deemed fit, and committees so formed shall in the exercise of powers so delegated conform to any regulations that may be imposed on them by the Executive Committee.
4. If at any meeting the Chairman is not present (i.e., President) within fifteen minutes after the time appointed for holding the same, the Secretary of the Association can officiate or the members present may choose one of their members to be the Chairman of the meeting.
5. The Office of the Member Executive Committee shall be vacated if the Member absents himself/herself from three consecutive meetings of the Executive Committee or a continuous period of three months, which ever is longer, without leave of absence from the Executive Committee.
6. A Sub-committee may meet and adjourn as the members of that sub-committee deem fit. Questions arising at any meeting shall be determined by majority of votes of the members and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
7. All acts done &/or any decisions taken at any meeting of the Executive Committee or a sub-committee of the Executive Committee or by any person acting as a member of the Executive Committee shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any member of the Executive Committee or of Sub-committee or persons acting as aforesaid or that one or more of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Executive Committee.
8. The Executive Committee shall provide a common seal for the purposes of the Association and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and Executive Committee shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by or under the authority of the Executive Committee or a Sub-committee of the Executive Committee and in presence of one member of the Executive Committee at least, who shall sign every instrument to which the seal is affixed in his presence.

ARTICLE IX

INCOME & PROPERTY HOW TO BE APPLIED

1. The income and property of the Association shall be applied solely towards the promotion of the objects of the Association as set forth in the by-laws and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise by way of profit to the members of the Association.
2. Provided that nothing herein shall prevent the payment in good faith of remuneration to any officer or employee of the Association, or other person in return for any services actually rendered to the Association.



3. Provided further that no member of the Governing Executive Committee of the Association shall be appointed to any office of the Association paid by fees, and no remuneration shall be paid by Association to any member of such Executive Committee except repayment of out-of- pocket expenses and loans and interest on money lent for premises demised to the Association.

ARTICLE X

ACCOUNTS

1. The financial year of the Association shall be from 1st January to 31st December of each year.
2. The Executive Committee shall cause to be kept proper books of accounts.
3. The books of account shall be kept at the registered office of the Association or at such other places as the Executive Committee may determine and shall be open to inspection by members of the Executive Committee during business hours.
4. The Executive Committee shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Association or any of them shall be open to inspection by members not being members of the Executive Committee and no member not being a member of the Executive Committee shall have any right of inspecting any account or book or document of the Association except as conferred by law or authorized by the Executive Committee or by the Association in general meeting.
5. The income and expenditure shall show, arranged under the most convenient heads, the amount of gross income distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of establishment, salaries and other like matters and other heads of expense considered incidental to the Association's business.
6. Every item of expenditure fairly chargeable against the income of the year shall be brought into account so that a just balance of income and expenditure may be laid before the meeting and in case where any item of expenditure which may in fairness be distributed over several years has been incurred in one year the whole of such item shall be stated with addition of the reasons why only a portion of such expenditure is shown as charged for the year.
7. A balance sheet be made out in every year and laid before the Association in general meeting. The balance sheet shall be accompanied by a report of the Executive Committee as to the Association's affairs.
8. A balance sheet and report of the Executive Committee and of the auditors shall, twenty one days prior to the meeting, be sent to the persons entitled to receive notice of general meeting in the same manner in which notices are given hereunder and in the like period shall be open to inspection of all members of the Association at the registered office of the Association during business hours.



ARTICLE XI
CASH AND BANK

The Association shall operate an account in one or more scheduled banks in Pakistan. Executive Committee shall determine who will be authorized on association's behalf to sign cheques, bills, notes, receipts, acceptances, endorsements, releases, contracts and documents.

ARTICLE XII
LIMIT OF CONTRIBUTION BY MEMBERS

1. Every voting member of the Association under takes to contribute to the assets of the Association in the event of the same being wound up during the time he is a member, or one year afterwards, for payment towards the debts and liabilities of the Association contracted upto the date the member ceases to be a member, and of the cost, charges and expenses of the winding up of the Association, and for adjustment of the rights of the contributors amongst themselves, such amounts as may be required, not exceeding Rs. 1000/-.

ARTICLE XIII
GRANTS/DONATIONS TO ASSOCIATION

1. The Executive Committee is authorized to receive Grants/Donations from individuals/entities for furthering the objective of the association. Such Grants/Donations could only be made in name of the Association through a cross Cheque or in Kind and have to be logged-in the accounts of the Association and mentioned in Treasurer's Report to the Annual General Meeting.

ARTICLE XIV
AUDIT

Once at least in every year the accounts of the Association shall be examined and audited by a Chartered Accountant duly appointed by Association. Remuneration of the auditor shall be fixed by the Association in a general meeting except that the remuneration of any audit or appointed by the Executive Committee shall be fixed by the Executive Committee.

ARTICLE XV
NOTICE

1. Notice may be given by the association or the Executive Committee to any member either personally delivered in writing or by sending it by post to his registered address.
2. When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, shall be deemed to have been

effected at the time at which the letter would be delivered in the ordinary course of post.



ARTICLE XVI

DISTRIBUTION ON WINDING UP

If upon winding up or dissolution of the association there remains, after satisfaction of all its debts and liabilities, any property whatsoever the same shall not be paid or distributed among the members of the Association but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Association, subject to provisions of the prevailing law.

ARTICLE XVII

AMENDMENTS TO RULES

Any of the By-Laws of the Association may be amended, modified, repealed or substituted by means of Special Resolutions passed in the manner prescribed herein, after being duly approved by the General Body and concurred by the State Bank of Pakistan.

ARTICLE XVIII

INDEMNITY

The President, members of the Executive Committee, auditors and other officers for the time being of the Association and any trustees for the time being acting in relation to any of the affairs of the Association and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Association from and against all suits, proceedings, costs, charges, losses, damages, and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts except such (if any) as they shall incur or sustain by or through their own willful neglect or default respectively and no such person or officer or trustee shall be answerable for the acts, receipts, neglect or default of any other such persons, officers, or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any bankers or their persons with whom any money or effects belonging to the Association may be lodged or deposited or for any insufficiency or deficiency of any securities or investments upon which any moneys of the Association shall be invested, or for any other loss or damage due to any such causes as aforesaid or which may happen in or about the execution of their offices or trusts, unless the same shall happen through their own willful neglect or default.

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