



THE CENTRAL DEPOSITORIES ACT, 1997



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SCHEDULE.
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THE CENTRAL DEPOSITORIES ACT, 1997

ACT NO. XIX OF 1997

An Act to make provision for the establishment and operation of book-entry systems for the transfer of securities by central depository companies

WHEREAS it is expedient to make provisions for the establishment and operation of book-entry systems for the transfer of securities by central depository companies;

It is hereby enacted as follows:—

1. Short title and commencement.—(1) This Act may be called the Central Depositories Act, 1997.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. Definitions.— In this Act, unless there is anything repugnant in the subject or context,—

(1) "access" in relation to the central depository system maintained by a central depository, means the placing of information on that system or the retrieval of information therefrom;

(2) "account" means an account maintained by a central depository in the name of an account-holder so as to record the title of the account-holder to any book-entry securities entered in such account;

(3) "account-holder" means a person who opens and maintains an account with a central depository and operates such account;

(4) "Authority" means the Corporate Law Authority constituted under section 11 of the Companies Ordinance, 1984, ([XLVII of 1984](#)).

(5) "book-entry security", in relation to a central depository, means a security which is transferable by book-entry in the central depository register pursuant to a declaration made by the central depository under sub-section (6) of section 4 and which is—

(a) in the case of security transferable by registration, registered in the name of the central depository or issued to the central depository pursuant to section 14; or

(b) in the case of a security transferable by delivery or endorsement, deposited with or transferred by endorsement to the central depository;

(6) "central depository" means a central depository as defined in clause (cc) of section 2 of the Securities and Exchange Ordinance, 1969, ([XVII of 1969](#)). and registered with the Authority under section 32-A of that Ordinance;

(7) "central depository register" means a computerized electronic register maintained by a central depository in respect of book-entry securities;

(8) "central depository system" means central depository system established under section 4;

(9) "debenture" means a debenture as defined in clause (12) of sub-section (1) of section 2 of the Companies Ordinance, 1984, ([XLVII of 1984](#)). and includes a debenture issued by an issuer other than a company;

(10) "document evidencing title" includes,—

(a) in the case of any security which is not a Government security, the shares certificate, debentures certificate, modaraba certificate or any other certificate representing the security; and

(b) in the case of any security which is a Government security, such document or other evidence of title thereto as a central depository may require;

(11) "eligible pledgee" means any person who, in accordance with the regulations, is recognised by a central depository as eligible for the purpose of receiving any pledge of book-entry securities;

(12) "handling", with its grammatical variations and cognate expressions, in relation to a book-entry security, means the transfer of a book-entry security by electronic or similar means, the pledging of a book-entry security in accordance with section 12 or the withdrawal from the central depository system of the security represented by the book-entry security;

(13) "information" includes data recorded in a form which can be processed by equipment operating automatically in response to instructions given for a particular purpose;

(14) "issuer" means any person, the Federal Government or a Provincial Government who or which has issued or proposes to issue any security;

(15) "jumbo certificates" means one or more consolidated certificates of the securities of one kind or class issued by an issuer which are registered in the name of a central depository;

(16) "member" means a member as defined in clause (21) of sub-section (1) of section 2 of the Companies Ordinance, 1984, ([XLVII of 1984](#)). and includes the registered owner of any equity security of an issuer which is established under any other law;

(17) "participant" means—

- (a) an account-holder who is a member of a stock exchange; and
- (b) any other account-holder who meets the qualifications of a participant prescribed in the regulations:

Provided that such account holders—

- (i) perform services for sub-account-holders in accordance with the terms of an agreement entered into between the central depository and each of the participants;
- (ii) transfer any securities to the central depository to the credit of any sub-accounts under their respective accounts; and
- (iii) handle, on behalf of sub-account holders, the book-entry securities in the sub-accounts under their respective accounts;

(18) "prescribed" means prescribed by regulations made under this Act;

(19) "record" includes, in addition to a record in writing,—

- (a) any photograph;
- (b) any disc, tape, sound-track or other device in which sounds or other data (not being visual images) are embodied so as to be capable (with or without the aid of some other instrument or machine) of being reproduced therefrom in audible or readable form; and