



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the _____, 2008

NOTIFICATION

S.R.O. _____ 2008. In exercise of powers conferred by section 506A of the Companies Ordinance, 1984 (XLVII of 1984), the following draft Regulations are hereby published by the Securities and Exchange Commission of Pakistan for the information of all persons likely to be affected by these Regulations and notice is hereby given that objections and suggestions, if any, received within the next fourteen days will be taken into consideration

DRAFT GROUP COMPANIES REGISTRATION REGULATIONS, 2008

1. Short title and commencement.- (1) These Regulations shall be called the Group Companies Registration Regulations, 2008.

(2) They shall come into force at once.

2. Definitions.- (1) In these Regulations, unless there is anything repugnant in the subject or context,-

- (i) “Group” means a holding company and its subsidiaries registered with the Commission under Regulation 4 of these Regulations;
- (ii) “Ordinance” means the Companies Ordinance, 1984 (XLVII of 1984); and
- (iii) “Regulations” mean the Group Companies Registration Regulations, 2008.

(2) Words and expressions used but not defined in these Regulations shall have the same meaning as assigned to them in the Ordinance.

3. Application for registration as a Group. - A company incorporated in Pakistan which is desirous of forming a group with its subsidiary companies shall furnish an application for registration as a Group to the Commission along with the following documents namely, -

- (i) statement showing details of the holding company and its subsidiaries, their sponsors, directors and pattern of shareholding;
- (ii) affidavit by the directors of the holding company in the form attached as Annexure "A";
- (iii) resolution of the board of directors of the holding company and its subsidiaries for formation of a Group;
- (iv) original bank receipt evidencing the payment of application fee of [two hundred thousand] rupees; and
- (v) any other information required by the Commission.

4. Registration of a Group.- Where the Commission is satisfied with the application made under Regulation 3, it may register the holding company and its subsidiary companies as a Group in Form 1.

5. Alteration of certificate of registration.- Where the composition of a group changes, the Commission shall, on an application made by the holding company, alter the name of the holding company or its subsidiaries in the certificate of registration granted in Form 1.

6. Cancellation of registration of a Group.- The registration granted through Form 1 may be cancelled by the Commission if any company within the Group fails to comply with the requirements of these Regulations or any direction given by the Commission:

Provided that the Commission shall provide the holding company an opportunity of hearing before cancellation of registration of a Group.

7. Obligations of the holding company within a Group. - The holding company shall ensure,-

- (i) that the Group is in compliance with the requirements of the Code of Corporate Governance;
- (ii) that the Group is in compliance with the requirements of International Accounting Standards and International Financial Reporting Standards, as applicable in Pakistan;
- (iii) that transactions by any company within the Group with its associated companies and associated undertakings are carried out and recorded on an arm's length basis; and
- (iv) any other requirements specified by the Commission are complied with.

8. Application for designation as a Group.- The holding company within a Group may apply to the Commission for designation of the Group for the purpose of availing tax relief under sections 59AA and 59B of the Income Tax Ordinance, 2001.

(2) The Commission shall on being satisfied that the Group is in compliance with these Regulations issue a designation letter stating details of the shareholding structure between the holding company and its subsidiaries.

9. Penalty for contravention of the Regulations.- Whoever contravenes or fails to comply with any provision of these Regulations shall, in addition to any other liability under the Ordinance or the rules or regulations made thereunder, be punishable with fine which may extend to five hundred thousand rupees and, in the case of continuing failure, to a further fine, which may extend to ten thousand rupees for every day after the first during which the contravention continues.

FORM 1
[see Regulation 4]

**CERTIFICATE OF REGISTRATION
OF A GROUP COMPANY**

Islamabad, the _____ 20__.

The Securities and Exchange Commission of Pakistan having considered the application for registration as a Group by..... (Name of the holding company) and being satisfied with the said application, hereby registers (Name of the holding company) and its subsidiaries, namely(Name of all subsidiaries) as a Group in exercise of its powers under Regulation 4 of the Group Companies Registration Regulations, 2008.

Signature of the officer.

Seal

AFFIDAVIT

We, the directors of [Name of the holding company] do hereby, solemnly affirm and testify that the contents of the application for grant of approval to form a Group under the Group Companies Registration Regulations, 2008 are true and correct to the best of our knowledge and belief and nothing has been concealed therein.

DEPONENT(s)
(Signature)

The Deponent(s) is/are identified by me

Signature _____
ADVOCATE
(Name and Seal)

Solemnly affirmed before me on this _____ day of _____ at _____ by the Deponent(s) above named who is/are identified to me by _____, Advocate.

Signature _____
OATH COMMISSIONER FOR TAKING AFFIDAVIT
(Name and Seal)