

PROCEDURE

***FOR OBTAINING LICENCE BY
AN***

ASSOCIATION NOT FOR PROFIT

***UNDER SECTION 42 OF THE
COMPANIES ORDINANCE, 1984***

ITS INCORPORATION

***AS A COMPANY
LIMITED BY GUARANTEE***

&

SECP

***RENEWAL OF ITS
LICENCE***

A Non-Profit Organization may be registered under the provisions of the Companies Ordinance, 1984 (the Ordinance). Any such organization is required to obtain licence under section 42 of the Ordinance read with rule 6 of the Companies (General Provisions and Forms) Rules, 1985 (the Rules) from the Securities and Exchange Commission of Pakistan (the Commission), prior to its registration as a company limited by guarantee. The licence is issued for a definite period of five (5) years, renewable for further term (s) of five (5) years, each. The procedure for obtaining licence, subsequent registration of such Association, and thereafter renewal of its licence, is provided hereafter:

AVAILABILITY OF NAME

The first step is to seek the availability of the proposed name for the company *online* through eServices.

(All information of eServices are available at the web portal at <http://www.secp.gov.pk/eServices/index.asp>)

OR apply *offline* to any one of the Company Registration Offices (CROs) of the Commission.

(Addresses of CROs are provided in the Promoters guide placed at the Commission's website at <http://www.secp.gov.pk/Guides/PromotersGuideEnglish-new.pdf>)

For *offline*, an application is to be made to the Company Registration Office alongwith the original Bank challan of Rs. 200/-, paid as application fee, in the authorized branches of MCB Bank Limited or alongwith a Bank Draft/ Pay Order of the same amount, drawn in favour of the "Securities and Exchange Commission of Pakistan".

APPLICATION FOR GRANT OF LICENCE

An application by the promoters or members of an association desirous of obtaining a licence under section 42, containing the subject: “Application for Grant of Licence under section 42 to M/s ‘..... Foundation’ (Proposed)”, is submitted and addressed to:

**The Chairman,
Securities and Exchange Commission of Pakistan,
63-Jinnah Avenue,
NIC Building, Blue Area,
Islamabad**

The following information/documents are required to be submitted alongwith the application:

- 1** Original Bank challan of Rs. 5,000/-, paid as application fee, in the authorized branches of MCB Bank Limited or a Bank Draft/Pay Order of the same amount, drawn in favour of the Securities and Exchange Commission of Pakistan.
- 2** Copy of letter that the proposed name is availability. [\(Please see Step-1 above for reference\)](#)
- 3** Three (3) printed copies of Memorandum and Articles of Association.

{Specimen of Memorandum and Articles of Association is placed on the Commission’s website at:

http://www.secp.gov.pk/MemoAndArticle/PDF/Spec_MemArticles.pdf

- 4** A list of promoters of the association with their occupations and addresses;
[\[Format at Annex-I\]](#)
- 5** A list containing the names of companies, associations and other institutions in which the promoters of the proposed association hold any office stating the office held in each case; [\[Format at Annex-II\]](#)
- 6** A declaration by a person of the effect that he has scrutinized the application and the accompanying documents, and that he is satisfied that the same are drawn up in conformity with the provisions of the Ordinance and fulfill the conditions for the grant of licence laid therein and these rules;
[\[Format at Annex-III\]](#)
- 7** An undertaking on the stamp paper of appropriate value from each promoter to the effect that they have sufficient skills, expertise and resources for the attainment of object of the proposed company. Moreover, the said undertaking should indicate that each promoter shall contribute a reasonable amount but not less than Rs. 500,000/- as start up donation.
[\[Format at Annex-IV\]](#)
- 9** An estimate of the future annual income and expenditure of the proposed company, specifying the sources of income and objects

of expenditure. The statement should also reflect the aforesaid startup donation of the each subscriber. [\[Format at Annex-V\]](#)

10 A brief statement of the work proposed to be done after incorporation as a company OR already done as an existing form, if any.

[\[Format at Annex-VI\]](#)

11 Power of Attorney (Authority Letter) on Stamp Paper of appropriate value made by all the promoters in favour of a person to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc., in the documents and also to collect licence. [\[Format at Annex-VII\]](#)

12 Bio data of all promoters. [\[Format at Annex-VIII\]](#)

13 Affidavit on Stamp Paper of appropriate value duly attested by an Oath Commissioner made by all the promoters affirming that they are not defaulters of loans etc. [\[Format at Annex-IX\]](#)

14 Affidavit on Stamp Paper of appropriate value duly attested by an Oath Commissioner affirming contents of the Application. [\[Format at Annex-X\]](#)

15 If the association is already in existence, a copy each of the audited balance-sheet, income and expenditure account and the annual report on the working of the association for the financial year immediately preceding the date of the application.

Please Note: *Please Note:*

A copy of application alongwith its enclosures are also required to be forwarded by the applicant to the Company Registration Office concerned.

(Addresses of CROs are provided in the Promoters guide placed at the Commission's website at

<http://www.secp.gov.pk/Guides/PromotersGuideEnglish-new.pdf>

Important Important

- ⇒ An association is allowed for the promotion of only one object, instead of multiple objects, falling within the ambit of section 42 of the Ordinance.
- ⇒ There must be at least 3 subscribers/ members/promoters of the company and who must have sufficient skills, expertise and resources for the attainment of the single object of the proposed company.
- ⇒ Each promoter shall contribute a reasonable amount but not less than Rs.500,000/- as start up donation.
- ⇒ All conditions of licence shall be mentioned in the Memorandum of Association of the company.

{Please see Clauses IV to IX of the specimen of Memorandum and Articles of Association which is placed on the Commission's website at:

http://www.secp.gov.pk/MemoAndArticle/PDF/Spec_MemArticles.pdf

The Commission on being satisfied, after such enquiry and obtaining such further information, as it may consider necessary, that it shall be in the public interest so to do, may grant the licence applied for, subject to such conditions as it may deem fit to impose.

REGISTRATION OF ASSOCIATION AS A COMPANY LIMITED BY GUARANTEE

After obtaining licence from the Commission, the Association must be incorporated under provisions of the Ordinance, within a period of three months from the date of the licence.

The procedure for the incorporation of Associations is provided in the Promoters Guide.

(Please visit the Commission's website at

<http://www.secp.gov.pk/Guides/PromotersGuideEnglish-new.pdf>

RENEWAL OF LICENCE

The licence is issued for a definite period of five (5) years, renewable for further term(s) of five (5) years, each, on an application to be submitted to the Commission, three months before the expiration of period of licence by the association alongwith the following documents:

- a. Copies of annual audited accounts for the last five (5) years.
- b. Certificate from concerned registrar regarding compliance with provisions of the Ordinance and the Rules.
- c. Attested copy of latest annual return/Form-B filed with the concerned registrar.
- d. List and complete profile of existing Chief Executive and Directors of the company.
- e. Affidavit by Chief Executive and all directors affirming that they are not defaulters of loans, etc.
- f. List of existing members with their occupations, residential addresses, contact numbers and copies of their CNICs.

- g. Brief statement of the work done by the association during the last three years;
- h. Details of the amount of donations and grants received during last five (5) years duly certified by the Chartered Accountants that funds/donations was/were received through banking channel, and details of the donors.

The Commission on being satisfied of the past corporate behaviour of the company, after such enquiry and obtaining such further information, as it may consider necessary, that it shall be in the public interest so to do, may renew the licence for further period of five years, subject to such conditions as it may deem fit to impose.

DISCLAIMER

The aforesaid procedure has been provided with the intention to create an awareness of the concept of the relevant matters. However, the procedure does not tell everything and the opinions or legal interpretations referred therein are circumstantial and may vary under different situations. If the reader is in doubt or dealing with any specific condition, it is recommended to refer to the Companies Ordinance, 1984 and allied laws or consult an adviser for seeking professional advice.

LIST OF PROMOTERS

OF M/S _____

(PROPOSED)

[Section 42 and rule 6(2)(b)]

<u>Name of Promoter</u>	<u>Occupation</u>	<u>Address</u>

Signatures: _____

Name: _____

[To be signed by the person presenting documents]

OFFICES HELD BY PROMOTERS OF

M/S

(PROPOSED)

IN OTHER COMPANIES, ASSOCIATIONS, AND INSTITUTIONS, ETC.

[Section 42 and rule 6(2)(d)]

<u>Name of Promoter</u>	<u>Office(s) Held</u>	<u>Name(s) of other companies /associations/ institutions</u>

Signatures: _____

Name: _____

[To be signed by the person presenting documents]

**DECLARATION OF COMPLIANCE
WITH THE REQUIREMENTS OF THE COMPANIES ORDINANCE, 1984
AND THE COMPANIES (GENERAL PROVISIONS AND FORMS) RULES, 1985**

[Section 42 and rule 6(2)(c)]

I, son/daughter/widow of
..... do solemnly and sincerely declare:-

- i) that I [am an Advocate entitled to appear before a High Court / Supreme Court / a Chartered Accountant / a Cost and Management Accountant practicing in Pakistan and am engaged in the formation of the proposed association, namely, /] am a person named in the Articles of Association as a director/officer of the proposed association, namely,; and
- ii) that I have scrutinized the application and the accompanying documents, and that I am satisfied that the same are drawn up in conformity with the provisions of the Ordinance and fulfill the conditions for the grant of licence laid therein and the Companies (General Provisions and Forms) Rules, 1985.

Signature:

Full Name (in Block Letters),
Designation, NIC Number,
and Full Address

Date:

Place:

Witness to the signature:

Signature:

Full Name, Father's/ Husband's
Name (in Block Letters)
NIC Number, Occupation and Full Address



Note: To be made on stamp paper of requisite amount duly verified by an oath Commissioner

UNDERTAKING

I, _____, Son of _____,
resident of _____, subscriber of
_____ (Proposed), do hereby undertake on oath that:

- (i) I have sufficient skills, expertise and resources for the attainment of single object of _____ (Proposed); and
- (ii) I shall contribute a reasonable amount but not less than **Rs.500,000/-** as start up donation to _____ (Proposed).

Signature:

Full Name (in Block Letters),
Designation, NIC Number,
and Full Address

Date:

Place:

Witness to the signature:

Signature:
Full Name, Father's/ Husband's
Name (in Block Letters)
NIC Number, Occupation
Full Address



Note: To be made on stamp paper of requisite amount duly verified by Oath Commissioner

Estimated Future Annual Income and Expenditure Statement

of

(Proposed)

[Section 42 and rule 6(2)(f)]

(Amounts in Pak Rupees)

INCOME	Year 1	Year 2	Year 3
Local donations and grants	0,000,000	0,000,000	0,000,000
Member's Contribution	0,000,000	0000,000	0,000,000
Subscription Fee	000,000	000,000	0,000,000
Total	0,000,000	0,000,000	0,000,000
EXPENDITURE	Year 1	Year 2	Year 3
Registration and Legal fee	000,000	0	0
Health related projects	000,000	000,000	000,000
<p>Note: This object may be different from company to company. The objects as mentioned in the Memorandum of Association of your proposed company may be inserted here instead of this object.</p>			
Education	0,000,000	0,000,000	0,000,000
<p>Note: as above</p>			
Social services	000,000	0,000,000	0,000,000
<p>Note: as above</p>			
Administrative and operational expenditures	000,000	000,000	000,000
Total Expenditures	0,000,000	0,000,000	0,000,000
Income over Expenditures			
Surplus (if any)			

Signature _____

Name _____

**BRIEF STATEMENT OF THE WORK ALREADY DONE BY THE
ASSOCIATION OR PROPOSED TO BE DONE AFTER ITS BEING
GRANTED THE LICENCE AND REGISTRATION UNDER SECTION 42
OF THE COMPANIES ORDINANCE, 1984**

M/s. _____ **(Proposed).**

[Required under Rule 6(2)(g) of the Companies (General Provisions
and Forms) Rules, 1985]

1. _____

2. _____

3. _____

Power of Attorney / Authority Letter

We, the following persons, being promoters / subscribers of the (proposed) company, namely, do hereby appoint and authorize Mr. / Ms son of resident of whose signatures are given below, to present us before the Securities and Exchange Commission of Pakistan to submit application/ papers for license under section 42 of the Companies Ordinance, 1984, and to make necessary amendments required by the SECP, to collect license, and to sign and give necessary explanation on our behalf in relation to the above and the allied matters.

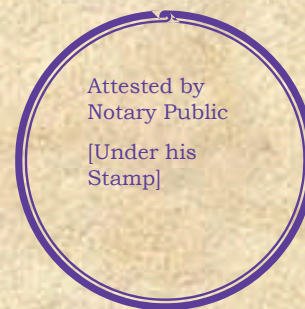
<u>Sr.</u>	<u>Name of Promoter</u>	<u>Signature</u>

Signature:
[Authorized Representative]
Full Name with NIC Number

Witness to the signatures:

Signature:
Full Name, NIC Number,
Father's/ Husband's Name,
Occupation and Full Address

Date: Place:



* TO BE MADE ON STAMP PAPER OF APPROPRIATE VALUE

BIO DATA

M/s. _____ ***Promoter/Subscriber of*** _____ ***(Proposed).***

Promoter's Name: _____

Nationality: _____

***NIC (Computerized)/
Passport No. (in case of for-
eigner)*** _____

Old NIC No. _____

National Tax Number: _____

Date of Birth / Age: _____

Father's/Husband's Name: _____

Postal Address: _____

Permanent Address: _____

Email / Telephone / Fax No. _____

Educational Qualifications: _____

Experience Detail:

a. Now working as (describing offices held presently and related work responsibilities):

b. Previous Experience relating to Main Object of the Association now being formed:

1. _____

2. _____

c. Other Experience:

1. _____

2. _____

Signature: _____

Name: _____

[To be signed by the promoter himself / herself or the authorized person presenting documents]

Note: If needed, the space for experience detail may be expanded or extra pages may be annexed.

AFFIDAVIT

I, Mr. _____ son of _____ resident of _____ and promoter of _____, do hereby, solemnly affirm and testify that the contents of the application for grant of licence under section 42 of the Companies Ordinance, 1984 to the proposed Association are true and correct to the best of my knowledge and belief and declare that:

- (a) I have not been associated with any illegal banking business, deposit taking or financial dealings;
- (b) I and the companies in which I am director or major shareholder have no overdue loans or installments outstanding towards banks or other financial institutions;
- (c) neither I nor companies in which I am a director or major shareholder have defaulted in paying taxes as on the date of application;
- (d) I have not been a sponsor, director or chief executive of a defaulting cooperative finance society or finance company;
- (e) I have never been convicted of fraud or breach of trust or of an offend involving moral turpitude or removed from services for misconduct;
- (f) I have neither been adjudged an insolvent nor have defaulted in making payments to my creditors; and
- (g) the funds raised shall be spent for objects of the proposed Foundation and for other lawful purposes.

DEPONENT

(Signature)

Dated: _____



To be made on stamp paper duly verified by an Oath Commissioner

AFFIDAVIT

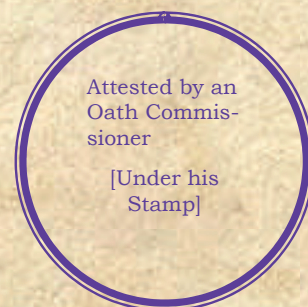
I, Mr. _____ son of _____, NIC number _____ resident of _____ and do hereby, solemnly affirm and testify that the contents of the application under section 42 of the Companies Ordinance, 1984 and annexed documents are true and correct to the best of my knowledge and belief and declare that:

1. I am promoter / subscriber / director / chief executive of M/s. _____ and fully aware of the affairs of the company particularly application under section 42 of the Companies Ordinance, 1984.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed in the application.

DEPONENT

(Signature)

Dated: _____



To be made on stamp paper duly verified by an oath Commissioner