



Securities and Exchange Commission of Pakistan  
COMPANY LAW DIVISION  
(Registration Department)  
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No. CLD/RD/602(1)2004 / 1071A

Islamabad, the July 1, 2010

**CIRCULAR NO. 12 / 2010**

**Subject: Re-launching of Companies Easy Exit Scheme (CEES)**

The Securities and Exchange Commission of Pakistan, on continuous demand from various quarters, has decided to re-launch the scheme known as Companies Easy Exit Scheme (CEES). The Scheme provides an opportunity to the dormant private and non-listed public companies, having no assets or liabilities and not carrying on business, to take advantage of the exit route and get their names struck off the register of companies in terms of Section 439 of the Companies Ordinance, 1984 (the 'Ordinance'), after fulfillment of the specified formalities. It may be mentioned that a scheme in the like manner was first introduced by the Commission in the year 2002 which was re-launched second time in the year 2004 and again re-launched third time in the year 2007. The Scheme and its easy-to-follow procedure attracted for deregistration of 2,860 companies in the first phase; 1,519 companies in the second phase; and 1,656 companies in the third phase. The salient features of the fourth phase of the scheme commencing from 1<sup>st</sup> July, 2010, are as under:-

- (a) The scheme shall be operative for a period of three months i.e. from 1<sup>st</sup> July, 2010 to 30<sup>th</sup> September, 2010.
- (b) The companies neither having any business nor any assets or liabilities shall be eligible to make application under the scheme, to get their names struck off the register of companies in terms of section 439 of the Ordinance. Format of the application is provided as Annexure-I.
- (c) The scheme shall be applicable to private and non-listed public companies. However, the scheme shall not apply to the following companies:
  - i. Listed Companies,
  - ii. Foreign Companies,
  - iii. Companies formed under licensing regime,
  - iv. Companies which have any assets and liabilities or are carrying on any business and are in operation;
  - v. Companies which have liabilities outstanding in relation to any loan(s) obtained from the banks / financial institutions, taxes, utility charges, or any obligations towards government departments or private parties;
  - vi. Companies having outstanding secured loans;

- vii. Companies against which investigations, enquiries or inspections are either pending or are in the process of initiation or if completed, there is prosecution pending in the court or the competent authority, as the case may be, arising out of such investigations, enquiries or inspections;
- viii. Companies against which any matter is pending before the court of law;
- ix. Companies having dispute regarding management or shareholding;
- x. Companies regarding which filing of documents have been stayed by any court or any competent authority;
- xi. Companies found involved in illegalities before or after the launch of scheme;
- xii. Housing and real estate development or real estate marketing companies or companies involved in soliciting public deposits and repayment thereof or delivery of promised goods or services there against is yet not completed.


(c) The application fee shall be charged as under:-

Scheme Period	Private Limited Companies	Non-listed Public Companies
From 1 <sup>st</sup> July, 2010 to 31 <sup>st</sup> July, 2010	Rs.5,000	Rs. 7,500
From 1 <sup>st</sup> August, 2010 to 31 <sup>st</sup> August, 2010	Rs.7,500	Rs. 10,000
From 1 <sup>st</sup> September, 2010 to 30 <sup>th</sup> September, 2010	Rs.10,000	Rs. 12,500

- (d) The application shall be supported with a resolution of the shareholders of the company. In case of resolution passed with simple majority, view point of the dissenting shareholders shall also be furnished.
- (e) Majority of the directors including chief executive of the company shall also furnish a declaration / indemnity duly verified by an affidavit administered before the Class I Magistrate/ Oath Commissioner / Notary Public that company has no assets or liabilities and that it is not carrying on any business or any operation; and that it has no liabilities outstanding in relation to any loan(s) obtained from the banks / financial institutions, taxes, utility charges, or any obligations towards government departments or private parties, and they indemnify to pay any claim if any complaint comes to surface. The format of declaration/indemnity is given as Annexure-II.
- (f) Auditors' certificate, on the format given as Annexure -III, shall be furnished in the case of a non-listed public company; a private company which is subsidiary of any public company; and a private company having paid up capital of three million rupees or more.
- (g) On receipt of sufficient number of applications or at each month end, notices will be published in Official Gazette in terms of section 439(3) of the

Ordinance inviting any objection from possibly interested parties against such striking the company name off the register of companies within three months of the notice. Such notices would also be placed on website of the Commission for information of the general public.

- (h) In case any objection is received, the registrar concerned shall examine the issue in detail and decide the acceptance or rejection of the application after giving proper notice and opportunity of hearing to the applicant company and the objecting party. A proper procedure shall be conveyed to the registrars for dealing with the applications.
- (i) If no objection is received and registrar is satisfied that the company is really not in operation and has no assets or liabilities, at the expiration of the three months time mentioned in the notice under section 439 (3) of the Ordinance, the registrar shall strike off the name of the company from the register, and shall publish notice thereof in the Official Gazette in terms of section 439(5) of the Ordinance, and, on the publication in the Official Gazette of this notice, the company shall be dissolved: Provided that the liability criminal, civil or otherwise (if any) of every director, officer, liquidator and member of the company shall continue and may be enforced as if the company had not been dissolved: Provided further that nothing in this scheme shall affect the powers of the Court to wind up a company the name of which has been struck off the register.
- (j) In case the objections are accepted and the applications are turned down, the companies and parties concerned shall be informed accordingly

  
(Muhammad Siddique)  
Registrar of Companies

**Distribution:**

1. The President, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi-75600.
2. The President, Institute of Cost & Management Accountants of Pakistan, Gulshan-e-Iqbal, Karachi- 75300.
3. The President, Institute of Corporate Secretaries of Pakistan, 683-C, Allama Iqbal Road, Off: Tariq Road, Block 2, PECHS, Karachi.
4. The President, Federation of Pakistan Chambers of Commerce and Industry, Shahrah-e-Firdousi, Main Clifton, Karachi.
5. The President, All Chambers of Commerce & Industry.
6. All Pakistan Newspapers Association of Pakistan, Karachi,
7. All Company Registration Offices,
8. Official Website for information.

LETTER HEAD OF COMPANY

No.

Date

To,

The Additional/Joint/Deputy/ Assistant Registrar  
Company Registration Office,  
.....(City) .....

Subject: APPLICATION FOR STRICKING OF NAME OF COMPANY UNDER SECTION 439 OF THE COMPANIES ORDINANCE, 1984.

Dear Sir,

Please refer to "Companies Easy Exit Scheme" announced vide circular No. \_\_\_\_ / 2010 dated \_\_\_\_\_.

2. The Company after carefully considering all aspects has duly resolved in its Meeting of Shareholders held on \_\_\_\_\_ to make an application seeking striking the name of our company off the register of companies under section 439 of the Companies Ordinance, 1984. The resolution has been passed unanimously / with simple majority (strike out the part not applicable).

3. Now, therefore, the undersigned requests to take action to strike the name of the company off the register of the companies. We furnish the following details and documents for considering the application.

i) Shareholders' resolution dated \_\_\_\_\_ as per Annexure-.

(In case of resolution passed with simple majority, view point of dissenting shareholders is attached.)

ii) Declaration/Indemnity by majority of Directors including Chief Executive, duly verified by an Affidavit as per Annexure- .

iii) Auditors' certificate as per Annexure- . (Applicable in case of a non-listed public company, a private company which is subsidiary of any public company; and a private company having paid up capital of three million rupees or more)

Yours faithfully,

( )  
Name & Signatures  
Chief Executive / Director

On Stamp Paper of Requisite Value  
DECLARATION/ INDEMNITY

We, the following directors/ chief executive of M/s.....  
(the 'Company') do hereby solemnly affirm and state as follows:-

1. That the Company has ..... (number) directors including chief executive and we form a majority of the board of directors of the Company;
2. That a resolution has been passed by the shareholders of the company in their general meeting, held on .. (date) ... to furnish application seeking striking off the name of company from the register of the companies under section 439 of the Companies Ordinance, 1984.
3. That the resolution has been passed unanimously / with simple majority (strike out the part not applicable). [In case of resolution passed with simple majority, view point of dissenting shareholders is attached separately.]
4. That the Company has no assets and liabilities;
5. That the Company is not carrying on any business or any operation;
6. That the Company has no liabilities outstanding in relation to any loan(s) obtained from the banks, financial institutions, taxes, utility charges, or any obligations towards government departments or private parties;
7. That neither any case is pending against the company before any court of law nor is any investigation, enquiry or prosecution pending against the company before any competent authority;
8. That in case of any loss(es) to any person or any valid claim from any person, if any, arising out of the striking off the name of the Company from the register of companies, we hereby undertake in writing:
  - (a) to pay and settle all lawful claims arising out of the striking off the name of the Company.
  - (b) to indemnify any person for any such losses that may arise pursuant to striking off the name of the Company.
  - (c) to settle all lawful claims and liabilities which have not come to our notice at this stage, even after the name of the Company has been struck off in terms of Section 439 of the Companies Ordinance, 1984.
9. That we are fully aware of the fact that in case we make any false statement about any of the above matters, we shall be liable for civil as well as criminal consequences.
10. That the contents of the application and whatever stated above are true and correct according to our best knowledge and belief.

**Deponents**

(Signed with names, father/husband's names,  
designations, residential addresses and CNIC numbers)

Place :

Date :

Verified/Attested by  
Class-I Magistrate/Oath Commissioner /Notary Public  
Seal of Attesting Officer

Auditors' Certificate

We have examined the books and record of M/s. ....  
(the 'Company') and have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of this certificate and after due verification thereof, we certify that:

- a. the Company has no assets and liabilities;
- b. the Company is not carrying on any business or any operation; and
- c. the Company has no liabilities outstanding in relation to any loan(s) obtained from the banks / financial institutions, taxes, utility charges, or any obligations towards government departments or private parties.

Place:

Date:

(Signature with name of Auditors)