

An association not-for-profit, which is to be registered as a company under the Companies Ordinance, 1984 shall obtain license under section 42 of the Ordinance read with rule 6 of the Companies (General Provisions and Forms) Rules, 1985 from the SECP and thereafter shall get registered as a company limited by guarantee.

Outline of the procedure for obtaining license under section 42 of the Companies Ordinance and subsequent registration is as follows.

Step 1 Availability of Name

The first step is to seek the availability of the proposed name for the company from Registrar of any Company Registration Office (CRO). For this purpose, an application is to be made addressed to Company Registration Office along with a copy of the original paid bank challan of Rs. 200/- in the authorized branches of Habib Bank Limited or a Bank Draft / Pay Order of the same amount drawn in favour of SECP.

Step 2 Application to SECP for grant of licence under section 42

The following documents are to be submitted with SECP.

- i. Application addressed to Chairman, SEC with Subject: Application for Grant of Licence under section 42 to M/s “..... Foundation” (Proposed)
- ii. A copy of the original paid Challan of Rs.5,000/- in the authorized branches of Habib Bank Limited or a Bank Draft / Pay Order drawn of the same amount in favour of SECP
- iii. Copy of letter of availability of name (as obtained from Registrar, (CRO) concerned)
- iv. Documents required under the Rules.
 - a. Three (3) printed copies of Memorandum and Articles of Association required under Rule 6(2)(a). Specimen of Memorandum and Articles of Association is available on SECP’s website;
 - b. list of promoters of the association with their occupations and addresses [Rule 6(2)(b)];
 - c. a declaration by a person specified in sub-rule (2) of rule 4 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 [Rule 6(2)(c)];
 - d. 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; [Rule 6(2)(d)];
 - e. 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; [Rule 6(2)(e)];
- f. an estimate of the future annual income and expenditure of the proposed company, specifying the sources of income and objects of expenditure; [Rule 6(2)(f)] and;
 - g. a brief statement of the work already done by the association or proposed to be done after its being granted the licence and registration. [Rule 6(2)(g)].
- v. Conditions of licence shall be mentioned in the Memorandum of Association as stated in Rule 6(4).
 - vi. 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 SECP on their behalf, and to make other amendments, additions, corrections etc in the documents and also to collect licence.
 - vii. Bio data of all promoters
 - viii. 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.
 - ix. Affidavit on Stamp Paper of appropriate value duly attested by an Oath Commissioner affirming contents of the Application. [Rule 30]
 - x. Copy of application to be forwarded by the applicant to the CRO concerned.

The SECP on being satisfied, after such enquiry and after 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.

Step 3 Registration of Association as a company limited by guarantee

After obtaining licence from the SECP, steps are taken for incorporation of the association under Companies Ordinance, 1984. The procedure for such incorporation is given in the Promoters guide as placed on the SECP's website.