



Securities and Exchange Commission of Pakistan

Company Law Division

Registration Department

No. CLD/RD/Co.42/17/2005- 4917

Islamabad, the 19th August, 2011

Circular No. 12/2011

Subject: CONDITIONS FOR GRANT OF LICENCE TO ASSOCIATIONS NOT FOR PROFIT UNDER SECTION 42 OF THE COMPANIES ORDINANCE, 1984

The Securities and Exchange Commission of Pakistan has partially modified its Circular No.29/2008 dated December 24, 2008 and Circular No.4/2009 dated February 27, 2009, pertaining to the conditions and requirements for grant of licence under section 42 of the Companies Ordinance, 1984, in the following manner:-

- (a) Sub para (i) of para 4 of the Circular No.29/2008 is deleted.
- (b) Sub para (iii) of para 4 of the Circular No.29/2008 (as amended vide para (a) of Circular No.4/2009) is substituted as under:

The promoters shall provide an undertaking to the effect that they have sufficient skills, expertise and resources for the attainment of object of the proposed association and they shall contribute a reasonable amount as start up donation having regard to the circumstances of the case.

- (c) Para 6 of Circular No.29/2008 is substituted as under:

The association shall be incorporated as a company under the provisions of the Companies Ordinance, 1984 within a period of three months from the date of the licence unless otherwise extended by the licencing authority in special circumstances on an application made for grant of such extension in time.

- (d) It has been decided that while processing a case for grant of licence to an association, CIB Reports of promoters shall be called from the State Bank of Pakistan and the persons whose CIB Reports show total overdue amounts exceeding Rs.300,000, shall not be allowed to act as promoters of the association.


(Nazir Ahmed Shaheen)
Executive Director (Registration)

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