



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

No. EMD/MISC/82/2012

Wednesday, April 1, 2020

## **CIRCULAR NO. 10 of 2020**

**Subject: Regulatory Relief to dilute impact of Coronavirus (COVID-19) for corporate sector**

Considering the gravity of the pandemic Coronavirus (COVID-19) on the public health and the lockdown situation in the country, the companies are facing various difficulties while ensuring compliance with regulatory requirements related to communication with shareholders, holding general meetings and issuance of financial statements etc.

The Securities and Exchange Commission of Pakistan in discharge of its statutory responsibilities for beneficial regulation of corporate sector seeks to clarify as follows:

**i. Impact of general relaxation in holding annual general meetings on annual financial statements and filing deadline for first quarter financial statements:**

In view of Circular 06/2020 dated March 22, 2020 a thirty days general extension in holding annual general meeting (the "AGM") was provided to all companies facing difficulties in holding their annual general meetings for year ended December 31, 2019.

Now, the said extension is being simultaneously extended to listed companies under Section 223(2) of the Act, for laying their annual financial statements in the AGM. Moreover, SECP shall facilitate companies for grant of extension in filing of first quarter financial statements on application sent to SECP via email.

**ii. Requirement of disseminating information to shareholders through post:**

Pursuant to section 55 and section 223(6) of the Act, the companies can circulate the notices of general meetings and annual reports to members, by post or electronically. Further, the public companies which are already required under S.R.O 1196 (I)/2019 dated October 3, 2019 to post the notice of meeting on their website in English and Urdu language along with the annual financial statements can post the same at PUCAR system of Pakistan Stock Exchange Limited (for listed companies) and also publish the notice of meeting in one English & one Urdu language newspaper.

Companies should draw attention of members through public notice in print media and inform them about the electronic source from where notice, reports etc. may be accessed. Moreover, companies should also endeavor to disseminate the notices and reports to the members electronically via email addresses, WhatsApp numbers etc.

**iii. Filing of interim financial statements other than first quarter financial statements;**

The law does not provide for any relaxation in timeline for filing quarterly financial statements except for first quarter financial statements. However given the extraordinary circumstances, companies are advised to prioritize public safety, while ensuring corporate compliance, and the



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SECP shall give due consideration to all underling circumstances while enforcing regulatory compliance.

**iv. Requirement to hold a Board of Director ("BOD") meeting once in every quarter:**

The law does not provide for any specific relaxation in requirement of holding of BOD meeting once in every quarter. However, in terms of section 179 of the Act companies are encouraged to pass resolution by the directors through circulation. Given the extraordinary circumstances, companies are advised to prioritize public safety, while ensuring corporate compliance, and the SECP shall give due consideration to all underling circumstances while enforcing regulatory compliance.

**v. Companies to make necessary work arrangements for ensuring regulatory compliances:**

As safety of employees is priority of the companies during the coronavirus (COVIT-19) outbreak, therefore companies are encouraged to make necessary arrangements for the use of technology and related applications in order to enable them to work from home to meet the regulatory compliances.

**Abid Hussain**  
Executive Director  
Corporate Supervision Department

**Distribution to;**

1. Pakistan Stock Exchange
2. Chief executive officers of all listed companies
3. The President, Institute of Chartered Accountants of Pakistan, Karachi
4. The President, Institute of Cost & Management Accountants of Pakistan, Karachi.