



Securities and Exchange Commission of Pakistan
Company Law Division
(Corporatization & Compliance Department)

CLD/CCD/PR(11)/2017

August 01, 2017

CIRCULAR NO. 18 /2017

Subject: RELAXATION REGARDING PAYMENT OF CASH DIVIDENDS THROUGH ELECTRONIC MODE BY LISTED COMPANIES

The provisions of Section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a company must be paid to its registered shareholders or to their order within such period and in such manner as may be specified. Further, the second Proviso of the said section states that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

2. The listed companies are facing difficulty to immediately comply with the provisions of section 242 of the Act and have approached the Commission for grant of some time to make arrangements for compliance with the provisions of the said section.

3. Accordingly, the Commission has decided to grant one time relaxation to all listed companies from the requirement of payment of cash dividend through electronic mode directly into the bank accounts of the shareholders till October 31, 2017. The listed companies shall continue to pay cash dividend to its shareholders as per previous arrangements till October 31, 2017.

4. Keeping in view the mandatory requirements of the provisions of section 242 of the Act, all listed companies are advised to approach their shareholders for obtaining electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 01, 2017 shall be paid through electronic mode only.

(Bushra Aslam)
Executive Director (CCD)

Distribution:

1. The Chief Executive Officer, Pakistan Stock Exchange Limited, Karachi
2. Chief Executives 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
5. The President, Institute of Corporate Secretaries of Pakistan, Karachi
6. The President, Federation of Pakistan Chambers of Commerce and Industry, Karachi
7. All Company Registration Offices, SECP
8. Official Website