



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
Company Law Division  
(Corporatization and Compliance Department)

No. CLD/RD/CO.516/2016 - 3056

December 2, 2016

CIRCULAR NO. 38 /2016

**Subject: Relaxation regarding payment of cash dividends through electronic mode by listed companies**

The provisions of Section 242 of the Companies Ordinance, 2016 (the "Ordinance") 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.

2. Proviso to Section 242 of the Ordinance provides that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend, as per their direction.

3. Second Proviso to Section 242 of the Ordinance provides 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.

4. A number of listed companies have approached the Securities and Exchange Commission of Pakistan (the "Commission") that they are facing difficulty in compliance with the aforementioned requirement as a number of shareholders have not provided bank account details or the bank account details earlier provided by the shareholders are on old pattern which does not enable electronic credit.

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

6. Keeping in view the mandatory requirements of the provisions of section 242 of the Ordinance, all listed companies are advised to approach their shareholders for obtaining electronic dividend mandate and update their bank account records as all dividend payments after March 31, 2017 shall be paid through electronic mode only.

*Bushra*  
2/12/16

(Bushra Aslam)

Executive Director (CCD)

Distribution:

1. Chief Executive Officer, Pakistan Stock Exchange, Karachi
2. Chief Executives of all Listed Companies.
3. The Institute of Chartered Accountants of Pakistan, Karachi.
4. The Institute of Cost & Management Accountants of Pakistan, Karachi.
5. The Institute of Corporate Secretaries of Pakistan, Karachi.
6. Federation of Pakistan Chambers of Commerce and Industry, Karachi.
7. All Company Registration Offices.
8. Official website for information.
9. Office copy.

☒ 6th Floor, NIC Building, Jinnah Avenue, Islamabad

PABX # 9207091-4 Fax: 051- 9100448

Email: [Bushra.aslam@secp.gov.pk](mailto:Bushra.aslam@secp.gov.pk) website: [www.secp.gov.pk](http://www.secp.gov.pk)

