



Securities and Exchange Commission of Pakistan

Company Law Division
Registration Department

No.CLD/RD/CO-42/17/2005

Islamabad, February 27, 2009

Circular No. 4/2009

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, 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 (iii) of para 4 of the said Circular is substituted as under:

“(iii) 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 company. It should also be indicated therein that each promoter shall contribute an amount being not less than Rs. 200,000/- as start up donation which shall be deposited in the company’s account within a period of six months from the date of its incorporation. The amount so contributed shall be used for the attainment of the company’s object and shall not be refundable, directly or indirectly, through any means. The said amount shall also be reflected in the statement of the estimate of future annual income and expenditure of the proposed company.”

(b) The following additional clause i. in sub-para (vi) of para 4 is inserted:

“i. A detailed report with regard to the performance of the association for achieving its aims and objects during the preceding four years, preceding the date on which application is made, duly evaluated and certified by Pakistan Centre for Philanthropy (a company set up under section 42 of the Ordinance).”



(Nazir Ahmed Shaheen)
Executive Director (Registration)

Distribution:

1. Chief Executives of all Associations.
2. The Institute of Chartered Accountants of Pakistan, Karachi.
3. The Institute of Cost and Management Accountants of Pakistan, Karachi.
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