SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
COMPANY LAW DIVISION
Registration Department

No. CLD/RD/602(8)2009 - 591 1 Islamabad, the May 13, 2009

CIRCULAR NO. 17 OF 2009

Subject: **Re-launching of Companies Regularization Scheme**

The Companies Ordinance, 1984 (the Ordinance) provides for a number of statutory returns which the companies are required to file with the registrar within the specified period together with payment of prescribed amount of filing fee. Section 469 of the Ordinance particularly lays down that where any documents required or authorized by or under the provisions of the Ordinance to be filed or registered with the registrar within a specified period is presented after the expiry of such period, the registrar may, on payment of such additional fee as may be prescribed by the Securities and Exchanges Commission of Pakistan (the Commission) not exceeding three times the amount of specified fee, accept the same. And that the acceptance of the document by the registrar shall not absolve the defaulting company or other person concerned of any liability arising from the default, delay in filing or other failure to comply with the requirements of the Ordinance.

2. It has been noticed that a number of companies have defaulted in filing the statutory returns within the prescribed period and apart from other penalties for violating the specific provisions of the Ordinance, which include heavy amounts of fines and prosecution of the management leading to imprisonment of the defaulting directors/officers, are also liable to pay additional fee not exceeding three times the amount of the specified fee payable. It has been felt that most of the companies have become defaulters for fear of payment of heavy amount of additional filing fee, apart from other penalties. In order to provide the relief to the investor/ management of companies , Commission had launched an amnesty scheme namely, '**Companies Regularization Scheme**' (the Scheme) in year 2002, under which an opportunity was provided to the defaulter companies to file their overdue statutory returns, with one time additional fee, instead of three times additional fee, and also absolved such companies of liabilities arising from the default, delay in filing or other failure to comply with the requirements of the Ordinance. A large number of companies availed the benefits of the said scheme and got their defaults regularized.

3. The Commission is pleased to re-launch the 'Companies Regularization Scheme', the salient features of the Scheme are as under:-

(1) The companies taking benefit of the scheme shall be entitled to get their overdue returns and annual accounts accepted on payment of **normal filing fee without payment of any additional fee.**

(2) No cognizance of their default, delay in filing or other failure to file with requirements of the Ordinance shall be taken in respect of the returns/accounts filed under this scheme.

(3) The scheme would remain operative, for a period of forty-five days from 15th May, 2009 to 30th June, 2009, and shall apply to the defaults committed upto 31st Dec., 2008.

(4) The scheme would be applicable to non-listed public companies, private companies, associations not for profit under section 42, trade organizations, companies limited by guarantee under section 43 and foreign companies.

(5) The documents would be filed physically as it would be difficult to file series of returns through eServices. However, if a company has already filed its documents online, it would submit its overdue documents through eServices.

4. All the non-listed public companies, private companies, associations not for profit, trade organizations, companies limited by guarantee and foreign companies are advised in their own interest to avail of the opportunity of complete absolution from their guilt for violating the statutory provisions of the Ordinance, by filing the overdue returns/annual accounts as soon as possible but not later than 30th June, 2009. After the closure of the scheme, necessary legal action shall be initiated against the non-compliant companies.

(Nazir Ahmed Shaheen)
Executive Director (Registration)

Distribution:

1. The President, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi-75600.
2. The President, Institute of Cost & Management Accountants of Pakistan, Gulshan-e-Iqbal, Karachi- 75300.
3. The President, Federation of Pakistan Chambers of Commerce and Industry, Shahrah-e-Firdousi, Main Clifton, Karachi.
4. The President, All Chambers of Commerce & Industry.
5. All Companies Registration Offices.