



SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN

**GUIDE ON LICENSING OF
ASSOCIATION WITH
CHARITABLE AND NOT FOR
PROFIT OBJECTS COMPANIES
UNDER SECTION 42
OF COMPANIES
ACT, 2017**

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I. INTRODUCTION: -

Section 42 Companies are associations of members/promoters formed as limited companies with the purpose to serve the public with specific focus on any or multiple objectives listed below:

- i). promoting commerce;
- ii). art;
- iii). science;
- iv). religion;
- v). health;
- vi). education;
- vii). research;
- viii). sports;
- ix). environmental protection;
- x). social welfare, charity; or
- xi). any other useful objectives

Such companies are not for profit and therefore are prohibited to pay dividends to the company's members.

II. HOW TO ACHIEVE THE PURPOSE OF SERVING THE PUBLIC: -

Contribution to the welfare of the community can be achieved via:

1. Providing donations to the licensed section 42, not for profit organization – anyone can provide donations, list of licensed entities is published on webpage of the Commission for ease of reference; or
2. Setting up a section 42 company for the specific purpose(s).

III. SETTING UP A COMPANY UNDER SECTION 42:-

i). Steps involved to Set up a section 42 Company: -

- i). Define the objective
- ii). Find promoters at least three.
- iii). Prerequisites for the position of Chief Executive Officer/Director
- iv). Reserve name of the Company.
- v). Seek License from SECP
- vi). Incorporate the Company
- vii). Register company with the respective provincial Charity Commission

ii). Setting up of charitable Objects

When setting up a company, applicants are required to ensure that the proposed objects are clearly defined. This means specifying the outcomes of the proposed company aims to achieve, outlining how these outcomes will be accomplished, and identifying the beneficiaries of these outcomes. It is important to use precise language to convey this information effectively. A set of standard clauses of different sectors is attached as Annexure-A to this guide book.

iii). Finding promoters:

A section 42 company must have at least 3 promoters.

At least three promoters/directors including CEO must have qualifications equivalent to a graduate degree or higher, along with management experience.

Proposed promoters must meet the fit and proper criteria (FPT) as outlined in Regulation 101 of the Companies Regulations, 2024. All the promoters and/or directors must be active tax payers. Fitness and propriety will be assessed by considering all relevant factors, including, but not limited to, integrity, track record, qualifications, experience, solvency, and financial soundness. To assess the FPT, an exchange of information with internal and external stakeholders, including the State Bank of Pakistan, is conducted.

iv). Prerequisites for the position of Chief Executive Officer/Director/Promoters.

The chief executive must have adequate relevant experience in proposed Objects. Where an association applies for a license for the promotion of multiple objects, and the proposed Chief Executive Officer (CEO) does not have relevant experience in proposed objects it shall have at least one promoter or director in each field of the proposed objects who possesses adequate experience in that field so that all promoters or directors collectively have sufficient experience related to each object.

For example, if a proposed company, ABC Foundation, aims to provide services in the following areas:

1. Environmental protection
2. Provision of health-related services,
3. Provision of services in the education sector,

At least one director including CEO must have adequate relevant experience in health, environment protection and education sector and at least three promoters or directors including CEO must have qualifications equivalent to a graduate degree or higher, along with management experience.

v). Reserve name of the Company.

The applicant selects a name that Commensurate with the company's Principle object and complies with the requirements outlined in the Companies Act, along with the applicable Rules and Regulations.

A Complete Guide book/User manual and videos for user Registration and reservation of proposed Company name can be accessed vide below links: -

<https://www.secp.gov.pk/media-center/guide-books/general-guide-books/>

<https://www.secp.gov.pk/media-center/videos/>

vi). Seek License from SECP

One of the promoters, being authorised representative of the applicant, or the applicant through a consultant or authorized registered intermediary can submit application to SECP for seeking license for a section 42 company.

A Section 42 company can be set up with or without share capital. If the company has share capital, it's important to know that membership is not open to the public and cannot be transferred like shares in other private or public companies. The income and profits of the company are used only to support its goals and cannot be given out as dividends, bonuses, or profits to members or their close relatives.

If the company is closed or dissolved, any remaining assets after settling debts will not be distributed among the members. Instead, these assets will be given to another Section 42 company with similar goals, following the rules set by the Income Tax Ordinance, 2001, and informing the Securities and Exchange Commission of Pakistan.

Additionally, a member's rights and privileges cannot be passed on to others and will end if the member dies or otherwise stops being a member

An existing not-for-profit organization registered under any other law can also obtain a license to operate as a Section 42 company by transferring its assets and liabilities to the new entity. The conversion of the existing entity to a section 42 company will only be allowed if there are no legal restrictions or failure to meet any requirements under the law governing the existing entity's dissolution or takeover

Documents required in case of fresh application for a new entity and for existing entity registered under any other law are as follows: -

vii). Fresh Applicant

An entity that is not registered under any other law is termed as a fresh applicant. For fresh applicant following documents are to be submitted:

- a) Application to the Commission on a specified format App-3 (the application) Application is attached as Annexure-B to this Guide book.
- b) Original paid Challan of non-refundable fee specified in Seventh Schedule of the Act i.e. Rs. 150,000;
- c) Copy of national identity card (NIC)/ NICOP/valid passport (in case of foreigner) of each promoter, proposed directors, proposed chief executive officer and all witness of affidavits/authority letter;
- d) Curriculum vitae of each promoter, proposed directors and proposed chief executive officer as per Annexure-C of this Guidebook along with copy of highest qualification degree and evidence of experience of all proposed promoters/CEO. The CV should clearly state the current occupational status.
- e) An affidavit on stamp paper of requisite value duly attested from Oath Commissioner and witnessed from each promoter, proposed directors and proposed chief executive officer as per Annexure-D to this Guidebook;
- f) A copy of the draft memorandum and articles of association as per Table F (Annexure E to this guide book) of the First Schedule to the Companies Act 2017;

- g) A letter of authority on stamp paper of requisite value duly notarised and witnessed as per Annexure-F to this guide book by all the promoters in favor of either one of them or an authorized intermediary.
- h) Board resolution of a company or body corporate in favour of formation of section 42 company in case the promoter is a company or body corporate.
- i) Approval of concerned authority in favour of formation of section 42 company in case the promoter is State owned enterprise or a public sector Company.
- j) A No Objection Certificate (NOC) from the concerned authority, in the case that the promoter is Government servant, confirming that the employer has no objection to the individual assuming the role of a promoter in the company

viii). Existing entity registers under any other law

For entities already registered under other laws, the following documents must be submitted. However, entities registered under international law (INGO) should register with the Ministry of Interior, not SECP.

- a) An application to the Commission on a specified format App-3 (Annexure-B) along with following supporting documents through an authorized promoter, Consultant or authorized intermediary.
- b) Original Challan/evidencing of payment of non-refundable fee of Rs. 150,000/- as specified in Seventh Schedule of the Act;
- c) Copy of national identity card (NIC)/ NICOP/valid passport (in case of foreigner) of each promoter, proposed directors, proposed chief executive officer and all witness of affidavits/authority letter;
- d) Curriculum vitae of each promoter, proposed directors and proposed chief executive officer as per Annexure-C along with Copies of highest qualification degree and experience certificates of all proposed promoters/CEO. The CV should clearly state the current occupational status.
- e) An affidavit on stamp paper of requisite value duly attested from Oath Commissioner and witnessed by each promoter, proposed directors and proposed chief executive officer as per Annexure-D;
- f) A copy of the draft memorandum and articles of association as per Table F (Annexure-E of this guide book) of the First Schedule to the Act;
- g) A letter of authority on stamp paper of requisite value duly notarised and witnessed as per Annexure-F by all the promoters in favor of either one of them or an authorized intermediary;
- h) A copy of the audited balance sheet, income and expenditure account and the annual report on the working of the association for the financial year immediately preceding the date of the application;
- i) Copy of certificate of registration or any document evidencing registration under any other law, duly certified by relevant registering authority;
- j) Resolution of all existing members for the proposed change of status along with names of proposed members of the section 42 company being formed;

- k) list of members of the existing entity/association, duly certified by relevant registration authority;
- l) latest copy of its constitution or charter or statute, duly certified by relevant registration authority;
- m) list of all pending disputes among the members and pending court cases filed by or against the existing entity/association with brief description thereof, if any.
- n) Approval of concerned authority in favour of formation of section 42 company in case the promoter is State owned enterprise or a public sector Company.
- k) Board resolution of a company or body corporate in favour of formation of section 42 company in case the promoter is a company or body corporate.
- l) Approval of concerned authority in favour of formation of section 42 company in case the promoter is State owned enterprise or a public sector Company.
- m) A No Objection Certificate (NOC) from the concerned authority, in the case that the promoter is currently Government servant, confirming that the employer has no objection to the individual assuming the role of a promoter in the company
- o) Copy of Revocation letter from existing registering authority in case the dissolution process of existing entity is not available under the current framework.

ix). Additional requirements for foreign nationals

In case of foreign national sponsors, director and Chief Executive following additional documents shall be annexed with the application

- i. Copy of Valid passport of proposed foreign national sponsors, director and Chief executive officer
- ii. Biodata form(s) of foreign subscriber(s) as per standard format available at: -
secp.gov.pk/document/bio-data-for-foreigner/?wpdmdl=41966&refresh=668e6042b367b1720606786

Please note that License to the proposed company shall be granted once the security clearance of foreign national from Ministry of Interior is obtained.

x). Incorporate the Company

Within ninety (90) days from the date of issuance of the license, the promoters must incorporate the proposed company. If they fail to do so, the company license shall be deemed cancelled and will need to submit a new application for the issuance of a fresh license.

A Complete Guide book/User manual and videos for registration of a Company can be accessible at following links: -

<https://www.secp.gov.pk/media-center/guide-books/general-guide-books/>
<https://www.secp.gov.pk/media-center/videos/>

xi). Registration of Large Companies with the respective provincial Charity Commission or Pakistan centre for Philanthropy (PCP).

Large section 42 companies required to submit evidence of registration with the Pakistan Centre for Philanthropy (PCP) or the respective charity commission to the Commission within six months of their registration with SECP.

The above requirement shall not apply on Companies holding valid license issued by SECP for other licensed activities.

IV. POST INCORPORATION COMPLIANCE REQUIREMENTS WITH SECP: -

i). Immediate filing requirements

Company is required to file following documents immediately after its incorporation.

| S. No. | Statutory Compliance | Reporting Document and time period of reporting |
|---------------|--|--|
| 01 | Appointment of Legal advisor under the Companies (Appointment of Legal Advisors) Act, 1974. | Form-09 within 15 days from the date of appointment of Legal Advisor along-with copy of Bar Council certificate and schedule-I and II. |
| 02 | Appointment of Company Secretary under section 194 of the Act read with Regulation 52 of Companies Regulation 2024 | Form-09 within 15 days from the date of appointment of Company Secretary. |
| 03 | Declaration of Compliance with the Provisions of Section 123a of the Companies Act, 2017 | Form-19 within fifteen days from the receipt of declaration received under sub-regulation (2) or (3) of Companies Regulations, 2024. |

ii). Take Over Compliance: -

Where an existing entity is converted into a Section 42 company, the existing trust must be dissolved within ninety days of the company's incorporation. Evidence of the dissolution must be submitted to the Commission, along with an auditor's certificate confirming the completion of the takeover process, within thirty days of the dissolution. Failure to do so will result in the initiation of the license revocation process, leading to the striking off of the company's name.

In the case of existing societies registered under the Societies Act, conversion to a Section 42 company will only be permitted upon the dissolution of the existing society, in accordance with the provisions of the Societies Act. The assets of the society shall not be transferred to the Section 42 company; instead, they must be transferred to another society as provided under the Societies Act. A dissolution or revocation letter must be filed along with the licensing application.

iii). Annual Compliance Requirements: -

| S. No. | Statutory Compliance | Reporting Document and time period of reporting |
|--------|---|--|
| 01 | Company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every financial year within a period of one hundred and twenty days following the close of its financial year. | Form-A within 30 days from the date Annual General meeting and where no such meeting is held or if held is not concluded, on the last day of calendar year. |
| 02 | Appoint of auditor under section 246 of the Act and holding of election of directors on the date of first annual general meeting and subsequently on expiry of term of office of directors mentioned in section 161 of the Act. | Form-09 along with auditor consent and in case of appointment of new Chief Executive' prior approval of Commission within 15 days from the date of appointment/election. |

| | | |
|-----------|---|--|
| 03 | Filing of Audited Financial statements along- with Directors Report under section 233 and 226 of the Act. | Within thirty days from the date of Annual General Meeting |
| 04 | Declaration of Compliance with the Provisions of Section 123a of the Companies Act, 2017 | Form-19 within thirty days of the date of Annual General meeting. |
| 05 | Change in CEO. App 3A for prior approval of CEO is attached as Annexure-G ; is required to be filed along with copy of highest educational degree, board resolution with attendance sheet, Copy of CNIC and experience certificates of the proposed CEO. | No change in CEO can take place unless prior approval from commission has been granted upon application. Please note that change does not include re-appointment. Please also note that approval of foreign national CEO shall only be granted upon receipt of prior security clearance from Ministry of Interior. |
| 06 | Change in object of the Company | Amendment addition or deletion in the object clause of Memorandum shall only be made with the prior approval of Commission. |

A guide regarding filing of annual return, annual accounts and any change in particulars of officers can be accessed at below links: -

<https://www.secp.gov.pk/company-formation/running-a-company/annual-returns/>

<https://www.secp.gov.pk/company-formation/running-a-company/accounts/>

<https://www.secp.gov.pk/company-formation/running-a-company/change-in-company/>

V. CLASSIFICATION OF SECTION 42 COMPANIES.

classification of section 42 Companies shall be: -

- a. **Small Companies:** - Annual revenue upto rupees fifty million.
- b. **Medium Companies:** - Companies with annual revenue greater than rupees fifty million but not exceeding two hundred million.
- c. **Large Companies:** - Annual revenue greater than rupees two hundred million.

Statutory auditor of small companies shall be QCR rated; for medium and large companies the auditor should be Audit oversight board (AOB) certified and in addition medium and large section 42 companies shall obtain PCP certification every three years. Intimation of the same to be provided to the commission within six months of the PCP certification date. The preparation of financial statements and the related disclosures would be in accordance with IFRS and Schedule 3 of the Companies At 2017.

Medium and large-sized Section 42 companies shall have at least one female director on their board, while small-sized Section 42 companies are encouraged to appoint a female director. Provided, however, that this condition shall not apply at the time of issuance of the license.

VI. INFORMATION TO BE PLACED BY A SECTION 42 COMPANY ON ITS WEBSITE: -

The company shall maintain its website with the information as per **Annexure-H** to this Guide book.

VII. EXIT FROM SECTION 42

i). **Voluntary Surrender of License:** -

The Company may apply to the Commission for voluntary surrender of license along with reasons for the same and the Commission may revoke the license if it deems it expedient. Upon revocation of license, the company shall follow the procedure specified in sub regulation (4), (5), (6) and (7) of regulation 102 of Companies Regulations, 2024 (the Regulations) and provisions of section 43 of the Act.

ii). **Revocation of license:** -

where the promoters, directors or chief executive officer of the company do not comply with any of the conditions imposed by the, Regulations or are disqualified under regulation 101 at any time or have violated any provision of the regulations or of the Act, the Commission may, after giving a notice in writing and an opportunity of being heard, revoke the license. Upon revocation of license, the company shall follow the procedure specified

in sub regulation (4), (5), (6) and (7) of regulation 102 of Companies Regulations, 2024 (the Regulations) and provisions of section 43 of the Act. After revocation of the license by the Commission, the company shall cease to enjoy the exemptions and privileges conferred upon it by virtue of license granted under section 42 of the Act.

The Companies Act, 2017 and Companies Regulations 2024 can be accessed from **www.secp.gov.pk**

ANNEXURE-A

| Sr. No | Nomenclature | Standardized Object |
|--------|---|--|
| 1 | General - Charitable/Philanthropic activities | <ol style="list-style-type: none"> 1) To distribute ration, food and clothes to the poor, needy, destitute and persons suffering from catastrophes, natural calamities/tragedies, accidents etc., irrespective of cast and creed and religion. 2) To provide donations and financial help (other than loan) to the poor, needy and the destitute, for alleviation of their standard of life. 3) To provide free or at subsidized rates, books and stationary items to the students of poor families irrespective of cast creed and religion. 4) To provide scholarships to students and grant aid including supply of books, stipends, medals, prizes, grants, awards, medicines, educational career support, bursaries and other incentives for purposes of advancement of knowledge, education and literacy. |
| 2 | Health related services/activities | <ol style="list-style-type: none"> 1) To aid, assist, set up, maintain, administer and run hospitals, nursing homes, mother and child care centres, clinics, dispensaries, immunization and vaccination centres and places of medical aid, convalescent homes, family planning centres, X-ray clinics, radio therapy centres, pathological and clinical laboratories, blood banks, eye banks or other centres connected with the care of the human body, both in urban and rural areas subject to approval/permission, NOC, if any, from relevant authorities/government departments, etc. 2) To provide free or at subsidized rates medicines, laboratory tests facilities or assistive devices to the poor, needy, crippled or disabled persons or to provide financial help to them (other than loan) for their laboratory tests, medicines or assistive devices etc., irrespective of cast creed and religion. |

| | | |
|---|-------------------------------|--|
| 3 | Education | 1) To establish, manage, maintain, own, administer, promote and subsidize educational institutions, computer literacy centres, schools, colleges, institutions for study and research, centres of learning, reading rooms, and other institutions for basic education, adult literacy, advanced studies and other educational fora with the permission of competent authority but not to act as a degree awarding institute. |
| 4 | Special Education activities | 1) To establish, own, maintain, erect, construct, furnish, equip, promote, organize, manage and run institutions for special education and to provide grants and facilities for education and training to the persons who are mute, deaf, dumb or blind, crippled or otherwise physically or mentally handicapped and to provide books, proper medical attendance, nursing, food, medicine, drugs and special appliances of educational, surgical, or other nature |
| 5 | Vocational training/Institute | 1) To establish promote, run, manage and maintain vocational educational and training and skills development institute in order to reduce unemployment, raise income, and improve the standard of living and enabling the unemployed people to get quality jobs and to earn their livings through such hands-on career development skills. 2) To work for employable skills development and capability enhancement of the youth for improving their quality of life, including developing, building and enhancing their skills to attain self-sufficiency |
| 6 | Research related activities | 1) To undertake steps for promotion of research and to make available key knowledge tools such as a well-equipped library; database and electronic connectivity, a website for research publications and interaction; to organize and set up a think tank; and to enable discussion/dialogue for promoting quality research. |
| 7 | Islamic Religious activities | 1) To promote the values of Islam and in view thereof to initiate research, analytical study, seminars, talks and discussions and to promote public awareness, education and understanding of Islamic ideology, economic system and philosophy and to encourage research scholars, specialists, experts, writers, speakers, thinkers for free intellectual interaction and to develop consensus and understanding in vital Islamic issues, but not to act as or establish, run or manage Deeni Madrassa. |
| 8 | Masajid & Madaris | 1) To promote the values of Islam by establishing, running or manage Deeni Madrassa and/or Masajid |

| | | |
|----|---|---|
| 9 | Women Empowerment | 1) To work for the cause of women empowerment that helps in boosting the status of women through literacy, education, training and awareness; to strive for eradication of all forms of exploitation and discrimination against women |
| 10 | Social Infrastructure and Human Resource Development | 1) To work for development of human resources, promotion of social and economic well-being of the masses, improvement of social status, social mobilization for prosperous society, and elimination of gender discrimination particularly in the rural areas of Pakistan |
| 11 | Arts, Sciences and Literature activities | 1) To promote and foster study in arts, sciences, literature and to give literary, arts and sciences awards, scholarships and prizes for its encouragement |
| 12 | Culture and heritage activities | 1) To undertake, aid, support, assist, promote, manage, research and encourage projects or programmes concerned or dealing with the restoration, conservation, revitalization, preservation and reuse of architectural structures, buildings, forts, palaces, mausoleums, monuments, mosques, places of historical or cultural significance, archaeological sites, town squares, markets, gardens and parks in Pakistan |
| 13 | Environment Protection & Climate Change | 1) To work for the protection, conservation, rehabilitation and improvement of the environment, in particular climate change mitigation, education, international understanding and development cooperation; to work for the prevention and control of every kind of pollution; to create awareness about environmental risks and concerns in the country and the benefits associated with the developmental projects addressing environmental challenges and to provide assistance to individuals, local groups, in understanding environmental issues; to raise awareness and educate the public in particular through seminars, workshops, campaigns |
| 14 | Sports related activities | 1) To promote and develop centres for sports and sporting activities and encourage talent thereto and through them endeavour to bring about national integration and provide fields, grounds and other facilities and amenities including coaching and training facilities in developed and developing areas of the country and to promote and organize activities such as, trekking, mountaineering, hunting, archery, camping, fishing, rock climbing and other outdoor sports, subject to |

*Relevant education and experience have to be substantiated by provided requisite duly attested certificates.

ANNEXURE-B

THE COMPANIES ACT, 2017
THE COMPANIES REGULATIONS, 2024
[Section 42 and Regulation 97 & 30]

APPLICATION FOR GRANT OF LICENSE UNDER SECTION 42 OF THE ACT

PART-I

(To be completed by the applicant in block letters.)

1. Fee Payment
Details

1.1 Challan
No

1.2 Challan Amount
(Rs.)

PART-II

2.1 Proposed Name of the association

Name

2.2 Whether the association is already registered -

Yes

No

If yes, state the following:

i. Name of existing registered
entity

ii. Entity registered as

(State whether society, trust, etc.)

iii. Registration authority

iv. Status of existing entity
after incorporation of
proposed company

a. Take over by proposed company

b. Closure of existing entity

2.3 Particulars of promoters/proposed directors/proposed CEO:

| Name and surname (present and former) in full | CNIC/NICOP (in case of Pakistani national) or Passport No (in case of foreigner) | *Incorporation/ Registration Number | Nationality (with former nationality and nationality of the origin, if different) | Occupation | Residential address/ registered office address (in case of a subscriber other than a natural person) | NTN (in case of director, where applicable) | Designation (Director/ Subscriber/ CEO) Please specify | Nature of directorship (appointed, nominee/ independent/ other) | Name of entity nominating the director** | No of shares subscribed, only in case of company having share capital |
|---|--|-------------------------------------|---|------------|--|---|--|---|--|---|
| | | | | | | | | | | |
| | | | | | | | | | | |

Applicable to subscribers other than natural persons

**applicable in case of nominee director

2.4 Details of donation by promoters and other persons:

| S# | Funds/donations | Name of donor | CNIC No./passport No. (in case of foreign national) of donor and Registration No. | Amount |
|-----|---|---------------|---|--------|
| 1. | Donations and grant - Local (if any) | | | |
| i. | In cash | | | |
| | | | | |
| ii. | In kind | | | |
| | | | | |
| 2. | Donations and Grants - Foreign (if any)* | | | |
| i. | In cash | | | |
| | | | | |
| ii. | In kind | | | |
| | | | | |
| 9 | | | | |
| 3. | Members' donations - Start-up (mandatory) | | | |
| i. | | | | |
| ii. | | | | |

| | | | | |
|------|---|--|--|--|
| i. | | | | |
| ii. | | | | |
| iii. | | | | |
| iv. | | | | |
| 4. | Others | | | |
| v. | | | | |
| vi. | | | | |
| vii. | | | | |
| 5 | Detail of assets and liabilities in case of takeover as per latest audited financial statements | | | |
| (i) | Total assets | | | |
| (ii) | Total liabilities | | | |

Note: minimum required start-up donation shall be in the form of cash only to be deposited through proper banking channel

*Attach letters of consent/letters of intent/letters of commitment in support of above statement

2.5 Declaration by the applicant

I do hereby solemnly and sincerely declare that:

a) I have been authorized as declarant by the promoters;

b) all the requirements of the Companies Act, 2017, and the Companies Regulations, 2024 have been complied with;

c) I make solemn declaration conscientiously believing the same to be true.

PART-III

3.1 Signature

this

3.2 Name of Authorized Promoter/ authorized representative

3.4 Contact details of the applicant, i.e. address, email and cell No. etc.

Address:

Email:

Cell No.

Day

Month

Year

3.5 Date

| | |
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| | | | |
|--|--|--|--|

Enclosures:

1. Copy of national identity card (NIC)/ NICOP/valid passport (in case of foreigner) of each promoter, proposed directors and proposed chief executive officer;
2. Curriculum vitae of each promoter, proposed directors and proposed chief executive officer
as per **Appendix-A to this Application** along with a copy of the highest qualification degree and evidence of experience of all proposed promoters/CEO. The CV should clearly state the current occupational status”;
3. An affidavit by each promoter, proposed directors and proposed chief executive officer as per Appendix-B to this Application;
4. A copy of the draft memorandum and articles of association as per Table F of the First Schedule to the Act;
5. A letter of authority on stamp paper of requisite value as per Appendix-C to this application by all the promoters in favor of either one of them or an authorized intermediary to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc., in the documents and also to collect license;
6. Copy of availability of name letter issued by the registrar indicating that the proposed name is available;
- 6a. A board resolution to act as promoter of a Section 42 company, if the promoter is a company or body corporate.
- 6b. Approval of concerned authority to act as promoter of a Section 42 company in case the promoter is State owned enterprise or a public sector Company.
- 6c. A No Objection Certificate (NOC) from the employer(s), in the case that the promoter is currently employed, confirming that the employer has no objection to the individual assuming the role of a promoter in the company.
7. If the association is already registered under any other law for the time being in force, the following shall also be annexed with the application:
 - i. a copy of the audited balance sheet, income and expenditure account and the annual report on the working of the association for the financial year immediately preceding the date of the application;
 - ii. copy of certificate of registration or any document evidencing registration under any other law, duly certified by relevant authority;
 - iii. resolution of all existing members for the proposed change of status along with names of proposed members of the section 42 company being formed;
 - iv. list of members of the association, duly certified by relevant authority;
 - v. latest copy of its constitution or charter or statute, duly certified by relevant authority;
 - vi. list of all pending disputes among the members and pending court cases filed by or against the association with brief description thereof, if any.
 - vii. Copy of Revocation letter from existing registering authority in case the dissolution process of existing entity is not available under the current framework.
8. Original challan or other evidence of payment of fee specified in Seventh Schedule of the Act (not applicable in case of online filing)

ANNEXURE-C

THE COMPANIES ACT, 2017

THE COMPANIES REGULATIONS, 2024

[Regulation 97]

Information to be provided by promoters, proposed directors/directors, proposed chief executive officer/chief executive officer of the Company

1 Profile

| | | |
|-------|--|--|
| 1.1 | Name in Full including former name: | |
| 1.2 | Nationality | |
| 1.3 | NIC No. or Passport No (in case of foreign national) | |
| 1.5 | Contact details: | |
| 1.5.1 | Residential Address | |
| 1.5.2 | Business Address | |
| 1.5.3 | Telephone Number | |
| 1.5.4 | Mobile Number | |
| 1.5.5 | Fax Number | |
| 1.5.6 | Email address | |
| 1.6 | Academic and Professional Qualifications | |
| 1.7 | Status | Promote <input type="checkbox"/> |
| 1.7 | | Director <input type="checkbox"/> Chief Executive Officer <input type="checkbox"/> |

2 Experience Detail:

| S# | Name of organization | Designation | Work responsibilities related to objects of proposed company (mention reference of clause number of draft MoA) | From (period latest to old) | To |
|----|----------------------|-------------|--|-----------------------------|----|
| | | | | | |
| | | | | | |
| | | | | | |

Note: If needed, separate extra sheets can be used for each item

ANNEXURE-D

THE COMPANIES ACT, 2017

THE COMPANIES REGULATIONS, 2024

[Regulation 97]

AFFIDAVIT / UNDERTAKING

I, Mr./Miss./Mrs. (name of promoter/member/proposed director/director/proposed chief executive officer/chief executive officer) son/daughter/wife of (father/husband name), resident of _____ and holding NIC/Passport No_____, do hereby state on solemn affirmation as under that I:-

- (a) am eligible to act as (promoter/member/director/chief executive officer) of M/s._____ (proposed) according to fit and proper criteria specified in the Regulations;
- (b) have sufficient skills, expertise and resources for the attainment of object of the association/company;
- (c) shall contribute a reasonable amount but not less than Rs.200,000/- as startup donation to the association/company. The same shall be deposited in the company's account within a period of six months of its incorporation which shall be used for the attainment of its object(s) and shall not be refundable to the promoters, directly or indirectly;
- (d) shall ensure that the funds raised shall be spent for objects of the association/company and for other ancillary purposes;
- (e) am fully aware of the affairs of the association/company; and
- (f) am fully aware of the contents of application for grant of license under these Regulations and whatsoever stated in the application and accompanied documents is true and correct and nothing has been concealed in the application.

Deponent

Signature:_____

Dated:_____

Witness to the above:

Signature:_____

Name:_____

NIC:_____

Address:_____



[To be filed on stamp paper of requisite value duly verified by an Oath Commissioner]

ANNEXURE-E

**MEMORANDUM AND ARTICLES OF ASSOCIATION OF
A COMPANY LICENCED UNDER SECTION 42**

[A company set up under Section 42 of the Companies Act, 2017]

**MEMORANDUM OF ASSOCIATION
OF**

ABC

- I. The name of the company is “ABC”.
- II. The registered office of the company will be situated in the Province of -----.
- III. The objects for which the company is established, are as follows
(1) -----.
- IV. In order to achieve its object, the company shall exercise the following powers:
 - (1) To appeal, solicit or accept contributions, donations, grants and gifts, in cash or in kind, from lawful sources and to apply the same or income thereof for the objects of the company.
 - (2) To open and operate bank accounts in the name of the company and to draw, make, accept, endorse, execute and issue promissory notes, bills, cheques and other instruments.
 - (3) To acquire, alter, improve, charge, take on lease, exchange, hire, sell, let or otherwise dispose of any movable or immovable property and any rights and privileges whatsoever for any of the objects or purposes specified herein above. Provided that the company shall not undertake the business of real estate or housing schemes.
 - (4) To borrow or raise money, with or without security, required for the purposes of the company upon such terms and in such manner as may be determined by the company for the promotion of its objects.
 - (5) To mortgage the assets of the company and / or render guarantee for the performance of any contract made, discharge of any obligation incurred or repayment of any moneys borrowed by the company.
 - (6) To purchase, sell, exchange, take on lease, hire or otherwise acquire lands, construct, maintain or alter any building and any other moveable or immovable properties or any right or privileges necessary or convenient for the use and purposes of the company.
 - (7) To nominate delegates and advisors to represent the company at conferences, government bodies and other gatherings.
 - (8) To co-operate with other charitable trusts, societies, associations, institutions or companies formed for all or any of these objects and statutory authorities operating for similar purposes and to exchange information and advice with them.
 - (9) To pay out of the funds of the company the costs, charges and expenses of and incidental to the formation and registration of the company.

- (10) To invest the surplus moneys of the company not immediately required, in such a manner as may from time to time be determined by the company.
 - (11) To create, establish, administer and manage funds including endowment fund conducive for the promotion of the objects of the company.
 - (12) To enter into agreements, contracts and arrangements with organizations, institutions, bodies and individuals for the purpose of carrying out the functions and activities of the company.
 - (13) To take such actions as are considered necessary to raise the status or to promote the efficiency of the company.
 - (14) To conduct, hold and arrange symposia, seminars, conferences, lectures, workshops and dialogue and to print, publish and prepare journals, magazines, books, circulars, reports, catalogues and other works relating to any of the objects of or to the work done by the company, subject to the permission, if required of the relevant authorities.
 - (15) To do all other such lawful acts and things as are incidental or conducive to the attainment of the above objects or any one of them.
- V. The company shall achieve the above said objects subject to the conditions specified in Companies Regulations, 2024 and any additional condition mentioned in the license.
- VI. The territories to which the object of the company shall extend are declared to include whole of Pakistan.
- VII. The liability of the members is limited.
- VIII. Every member of the company undertakes that he shall contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts or liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves an amount of Rs.200,000/- or such other amount as may be notified by the Commission.

In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Companies Act, 2017, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Ordinance, 2001 and under intimation to the Securities and Exchange Commission of Pakistan.

We, the several, persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of this memorandum of association.

| S. No. | Name and surname (present & former) in full (in Block Letters) | NIC No. (in case of foreigner, Passport No) | Father's/ Husband's Name in full | Nationality (ies) with any former Nationality | Occupation | Usual residential address in full or the registered/ principal office address for a subscriber other than natural person | Signatures |
|--------|--|---|----------------------------------|---|------------|--|------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |

Dated the day of Year

Witness to above signatures: (For the documents submitted in physical form)

| | |
|------------------------------|--|
| Signature | |
| Full Name (in Block Letters) | |
| Father's/ Husband's name | |
| Nationality | |
| Occupation | |
| NIC No. | |
| Usual residential address | |

[A company set up under Section 42 of the Companies Act, 2017]

**MEMORANDUM OF ASSOCIATION
OF
ABC**

1. In these Articles, unless the context or the subject matter otherwise requires:
 - (a) “the company” means “ABC”.
 - (b) “the office” means the registered office for the time being of the company.
 - (c) “the directors” mean the directors for the time being of the company.
 - (d) “the seal” means the common seal or official seal of the company as the case may be.
 - (e) “the Act” means the Companies Act, 2017.
 - (f) “the Commission” means the Securities and Exchange Commission of Pakistan.
 - (g) “the registrar” means the registrar of companies as defined in the Companies Act, 2017.
 - (h) “the register” means the register of the members to be kept in pursuant to section 119 of the Act.
 - (i) “chief executive” means the chief executive of the company.
 - (j) “secretary” means the company secretary of the company.
 - (k) “memorandum” means the memorandum of association of the company.
 - (l) “person” includes an individual, company, corporation and body corporate.
 - (m) “articles” means the articles of association of the company.
 - (n) “board” means the board of directors of the company.
 - (o) “year” used in the context of financial matters shall mean financial year of the company.
 - (p) Expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography and other modes of representing or reproducing words in visible form.
 - (q) Words importing the singular number include the plural number and vice versa and words importing the masculine gender include the feminine gender.
 - (r) Unless the context otherwise requires words or expressions contained in these Articles shall be of the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the company.

MEMBERSHIP

2. The number of members with which the company proposes to be registered are -----, but the minimum number of members shall not be, at any time, less than three (3). However, the directors may, from time to time, whenever the company or the business of the company requires, increase the number of members.
3. The company in general meeting may from time to time lay down the qualifications and conditions subject to which any person or class of persons shall be admitted to membership of the company.
4. The rights and privileges of a member shall not be transferable and shall cease on his death or otherwise ceasing to be a member.
5. The subscribers to the memorandum and such other persons as the directors shall admit to membership shall be members of the company.
6. One person shall have the right to hold one membership.

ADMISSION TO MEMBERSHIP

7. The application for seeking membership of the company shall be required to be seconded by an existing member whereupon the board of directors shall decide the matter of his admission as member or otherwise within ninety days of making of such application. No minor or lunatic shall be admitted as a member of the company.
8. Every person, upon applying for admission to membership, shall submit to the company an undertaking on the stamp paper of appropriate value that:
 - (a) I have not been associated with any money laundering or terrorist financing activities and neither have approved receipt of nor received such monies and likewise neither have approved disbursement of nor disbursed such monies in any manner for money laundering or terrorist financing purposes; and
 - (b) I have not been associated with any illegal banking business, deposit taking or financial dealings or any other illegal activities.
9. The board shall subject to the Articles, accept or reject any application for admission to membership. The board's decision shall be final and it shall not be liable to give any reasons thereof.

CESSATION / EXPULSION FROM MEMBERSHIP

10. A member renders himself liable to expulsion or suspension by the board if:
 - (a) he refuses or neglects to give effect to any decision of the board; or
 - (b) he infringes any of the regulations of the articles; or
 - (c) he is declared by a court of competent jurisdiction to have committed a fraud, or to be bankrupt, or to be insane or otherwise incompetent; or
 - (d) he is held by the Committee of the company to have been guilty of any act discreditable to a member of the company; or
 - (e) he is acting or is threatening to act in a manner prejudicial to the objects, interest or functioning of the company or any other institute, body corporate, society, association or institution in which the company has an interest.

11. The company in general meeting may, on an appeal of the aggrieved member and after giving an opportunity of hearing, annul or modify the decision of the board with regard to expulsion of the member by resolution supported by two-thirds majority. The person expelled shall be reinstated as a member from the date of the resolution of the general meeting annulling the decision of the board.
12. Termination of membership shall occur automatically:
 - (a) in the event of the death of a member; and
 - (b) in the event a member fails to pay any amount due by him to the company within three (3) months after such obligation has become due.

GENERAL MEETINGS AND PROCEEDINGS

ANNUAL GENERAL MEETING

13. A general meeting to be called annual general meeting, shall be held, in accordance with the provisions of Section 132, within sixteen months (16) months from the date of incorporation of the company and thereafter once at least in every calendar year within a period of four (4) months following the close of its financial year as may be determined by the directors.

OTHER GENERAL MEETINGS

14. All other meetings of the members of the company other than an annual general meeting shall be called "extraordinary general meetings".

EXTRAORDINARY GENERAL MEETINGS

15. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meeting shall also be called on such requisition(s), as is provided by section 133 of the Act.

NOTICE OF GENERAL MEETINGS

16. Twenty-one (21) days' notice at least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Act for the general meeting, to such persons as are, under the Act or the Articles of the company, entitled to receive such notices from the company but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

SPECIAL BUSINESS

17. All business that is transacted at an extra ordinary general meeting and that is transacted at an annual general meeting with the exception of the consideration of the financial statements and the reports of the director and auditors, the election of directors, the appointment of and the fixing of remuneration of the auditors shall be deemed special business.

QUORUM

18. No business shall be transacted at any general meeting unless a quorum of members representing not less than two (2) members or twenty-five percent of the total number of members of the company, whichever is greater, is present personally or through video-link at the time when the meeting proceeds to business-
- (a) in the case of company having share capital, unless the articles provide for a larger number, two members present personally, or through video-link who represent not less than twenty-five percent of the total voting power, either of their own account or as proxies.

EFFECT OF QUORUM NOT BEING PRESENT

19. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present in person or through video-link, being not less than two, shall be a quorum.

CHAIRMAN OF MEETING

20. The chairman of the board of directors, shall preside as chairman at every general meeting of the company, but if he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any of the directors present may be elected to be the chairman and if none of the directors present is willing to act as chairman, the members present shall choose one of their number to be the chairman.

ADJOURNMENT

21. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen (15) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

22. At any general meeting a resolution put to the vote to the meeting shall be decided on a show of hands and a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

CASTING VOTE

23. In the case of an equality of votes, the chairman of the meeting shall have and exercise a second or casting vote.

VOTES OF MEMBERS

24. (1) Votes may be given on any matter by the members either personally or through video-link or by proxy or by means of postal ballot.
(2) At any general meeting, the company shall transact such businesses only through postal ballot as may be notified by the Commission.

OBJECTION TO VOTE

25. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given and tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

MANAGEMENT AND ADMINISTRATION

26. There shall be, for the overall management of the company's affairs, a board of directors, which will be elected from amongst the members.
27. One term of the board of directors would be for three years.
28. No person shall be appointed as a director if he is ineligible to hold office of director of a company under section 153 of the Act.
29. No member / person shall hold more than one office in the company, such as those of Chief Executive / director or company secretary simultaneously.

FIRST DIRECTORS

30. The following subscribers of the memorandum of association shall be the first directors of the company, so, however, that the number of directors shall not in any case be less than that specified in section 154 and they shall hold office until the election of directors in the annual general meeting:

1. ----
2. ----
3. ----
4. ----

NUMBER OF DIRECTORS

31. The number of directors shall not be less than three (3). The directors of a company shall, subject to section 154, fix the number of elected directors of the company not later than thirty-five days before the convening of the general meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of a general meeting of the company such that the minimum number of directors shall not be, at any time, less than three (3). A retiring director shall be eligible for re-election.

PROCEDURE FOR ELECTION OF DIRECTORS

32. (i) The directors of the company shall be elected in accordance with provisions of sub-sections (1) to (4) of section 159 of the Act, in the following manner:
- (a) the directors of the company shall be elected by the members of the company in general meeting;
 - (b) each member shall have votes equal to the number of directors to be elected;
 - (c) a member may give all his votes to a single candidate or divide them, not being in fractions, between more than one of the candidates in such manner as he may choose; and
 - (d) the candidate who gets the highest number of votes shall be declared elected as director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of directors to be elected has been so elected.
- (ii) If the number of persons who offer themselves to be elected is not more than the number of directors fixed by the directors under sub-section (1) of section 159, all persons who offered themselves shall be deemed to have been elected as directors.

CASUAL VACANCY AND ALTERNATE OR SUBSTITUTE DIRECTORS

33. (a) Any casual vacancy occurring among the directors may be filled up by the directors within thirty days of the vacancy and the person so appointed shall hold office for the remainder of the term of director in whose place he is appointed.
- (b) An existing director may, with the approval of the board of directors, appoint an alternate director to act for him during his absence from Pakistan of not less than ninety days. The alternate director so appointed shall ipso facto vacate office if and when the director appointing him returns to Pakistan.
- (c) A person shall be eligible for appointment against casual vacancy or to act as alternate director only if he is a member and is not already a director of the company.

REMOVAL OF DIRECTOR

34. The company may remove a director through a resolution passed in a general meeting of members in accordance with section 163 of the Act.

CHAIRMAN OF THE BOARD

35. The directors may elect one of their members as the Chairman of the board. The Chairman of the board shall preside at all meetings of the board but, if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present in person or through video-link may choose one of their member to be chairman of the meeting.

DUTIES AND POWERS OF THE BOARD

36. The board shall conduct and manage all the business affairs of the company, exercise all the powers, authorities and discretion of the company, obtain or oppose the application by others for all concessions, grants, charters and legislative acts and authorization from any government or authority, enter into such contracts and do all such other things as may be necessary for carrying on the business of the company, except only such of them as under the statutes and Articles are expressly directed to be exercised by general meetings and (without in any way prejudicing or limiting the extent of such general powers) shall have the following special powers and duties:
- (a) To present to the general meeting of the company any matters which the directors feel are material to the company, its objects or interests or affecting the interests of members and make suitable recommendations regarding such matters.
 - (b) To regulate, through articles, the admission of members.
 - (c) To appoint, remove or suspend the legal advisors, bankers, or other officers on such terms and conditions as they shall think fit and as may be agreed upon.
 - (d) To determine the remuneration, terms and conditions and powers of such appointees and from time to time, revoke such appointments and name another person of similar status to such office except for the auditor in which case the relevant provisions of the Act shall be followed.
 - (e) To delegate, from time to time, to any such appointee all or any of the powers and authority of the board and to reconstitute, restrict or vary such delegations.
 - (f) To appoint any qualified person as a first auditor(s) subject to provisions of the Act;
 - (g) To agree upon and pay any expenses in connection with the company's objects and undertakings and pay all the expenses incidental to the formation and regulation of the company.
 - (h) To constitute from time to time committee(s) from among themselves or co-opt other persons for the purpose and delegate to them such functions and powers as the board may deem fit to carry out the objects of the company.
 - (i) Subject to the provisions of section 183 of the Act, the directors may exercise all the powers of the company to borrow and mortgage or charge its undertaking, property and assets (both present and future) or issue securities, whether outright security for any debt, liability or obligation of the company.

PROCEEDINGS OF THE BOARD

37. The board shall meet at least once in each quarter of every year, subject thereto meetings of the board shall be held at such time as the directors shall think fit. All meetings of the board shall be held at the registered office of the company or at such other place as the board shall from time to time determine. The meetings of the board shall be called by the chairman on his own accord or at the request of the chief executive (or any three directors) by giving at least seven (7) days' notice to the members of the board.
38. At least one-third (1/3rd) of the total number of directors or two (2) directors whichever is higher, for the time being of the company, present personally or through video-link, shall constitute a quorum.
39. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director.
40. The directors shall cause records to be kept and minutes to be made in book or books with regard to-
 - (a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;
 - (b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and
 - (c) all orders made by the directors and committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately rendered into writing as part of the minute books according to the said regulations.

RESOLUTION THROUGH CIRCULATION

41. A resolution in writing signed by all directors for the time being entitled to receive notice of the meeting of directors or affirmed by them in writing shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

CHIEF EXECUTIVE

42. The directors may appoint a person to be the Chief Executive of the company and vest in him such powers and functions as they deem fit in relation to the management and administration of the affairs of the company subject to their general supervision and control. The Chief Executive, if not already a director, shall be deemed to be a director of the company and be entitled to all the rights and privileges and subject to

QUALIFICATION OF THE CHIEF EXECUTIVE

43. No person who is not eligible to become a director of the company under section 153 of the Act, shall be appointed or continue as the Chief Executive of the company.

REMOVAL OF CHIEF EXECUTIVE

44. The directors by passing resolution by not less than three-fourths of the total number of directors for the time being or the company may by a special resolution passed in a general meeting remove a chief executive before the expiry of his term in office.

MINUTE BOOKS

45. The directors shall cause records to be kept and minutes to be made in book or books with regard to-
- (a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;
 - (b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and
 - (c) all orders made by the directors and committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately recorded into writing and made part of the minute books according to the said regulations.

SECRETARY

46. The Secretary shall be responsible for all secretarial functions and shall ensure compliance with respect to requirements of the Act concerning the meetings and record of proceedings of the board, committees and the general meeting of members, review the applications for admission to membership and the recommendations accompanying the same to ensure that they are in the form prescribed, ensure that all notices required by these Articles or under the Act are duly sent and that all returns required under the Act are duly filed with concerned Company Registration Office.

COMMITTEES

47. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors.

CHAIRMAN OF COMMITTEE MEETINGS

48. A committee may elect a chairman of its meetings, but, if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of them to be the chairman of the meeting.

PROCEEDINGS OF COMMITTEE MEMBERS

49. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

VALIDITY OF DIRECTORS' ACTS

50. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

THE SEAL

51. The directors shall provide for the safe custody of the seal, which shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorized in that behalf by the directors, and two directors or one director and the Secretary of the company shall sign every instrument to which the seal shall be affixed.

FINANCES

52. The funds of the company shall be applied in defraying the expenses and shall be applicable in or towards the acquisition by purchase, lease or otherwise and furnishing and maintenance of suitable premises and assets for the use of the company and shall be subject to the general control and direction of the board.
53. No person, except persons duly authorized by the board and acting within the limits of the authority as conferred, shall have authority to sign any cheque or to enter into any contract so as thereby to impose any liability on the company or to pledge the assets of the company.

ACCOUNTS BOOKS OF ACCOUNT

54. The directors shall cause to be kept proper books of account as required under Section 220 of the Act so that such books of account shall be kept at the registered office or at such other place as the directors think fit as provided in the said section 220 and shall be open to inspection by the directors during business hours.

INSPECTION BY MEMBERS

55. The directors shall from time to time determine the time and places for inspection of the accounts and books of the company by the members not being directors, and no member (not being a director) shall have any right to inspect any account and book or papers of the company except as conferred by law or authorized by the directors or by the company in general meeting.

ANNUAL ACCOUNTS

56. The directors shall as required by section 223 of the Act cause to be prepared and to be laid before the company in annual general meeting such financial statements duly audited and reports of the auditors and the directors as are required under the Act.

COPY OF ACCOUNTS TO BE SENT TO MEMBERS

57. A copy of financial statements alongwith the reports of directors and auditors of the company shall, at least twenty-one (21) clear days before the holding of the general meeting, be sent to all the members and the persons entitled to receive notices of general meetings, in the manner in which notices are to be given as provided in section 55 of the Act.

AUDIT

58. Auditors shall be appointed and their duties regulated in accordance with Sections 246 to 249 of the Act.

NOTICE TO MEMBERS

59. Notice shall be given by the company to members and auditors of the company and other persons entitled to receive notice in accordance with section 55 of the Act.

INDEMNITY

60. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

SECRECY

61. Every director, secretary, auditor, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the company shall observe strict secrecy representing all transactions of the company, and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or the company in general meeting or by a court of law, and except so far as may be necessary in order to comply with any of the provisions herein contained.

WINDING UP

62. In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Act, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Ordinance, 2001 and under intimation to the Securities and Exchange Commission of Pakistan.
63. With regard to winding up, the company shall comply with the relevant provisions of the Act and the conditions of licence granted under section 42 of the Act or any directions contained in a revocation order passed by the Commission under the said section 42.

SUPPLEMENTARY PROVISIONS RELATING TO TAX

64. The company shall abide by and adhere to the following rules:
- (i) The company shall get its annual accounts audited from a firm of Chartered Accountants.
 - (ii) The company shall, in the event of its dissolution, after meeting all liabilities, transfer all its assets to an Institution, fund, trust, society or organization, which is an approved non-profit organization, and intimation of such transfer will be given to Commissioner, Federal Board of Revenue, within ninety days of the dissolution.
 - (iii) The company shall utilize its money, property or income or any part thereof, solely for promoting its objects.
 - (iv) The company shall not pay or transfer any portion of its money, property or income, directly by way of dividend, bonus or profit, to any of its members(s) or the relative or relatives of member or members.
 - (v) The company shall maintain its banks accounts with a scheduled bank or in a post office or national saving organization, National Bank of Pakistan or national commercialized banks.
 - (vi) The company shall regularly maintain its books of accounts in accordance with generally accepted accounting principles and permit their inspection to the interested members of the public, without any hindrance, at all reasonable times.
 - (vii) Without prejudice to the powers conferred on the Commission under section 42 of the Act, the association shall not change its memorandum and articles of association without approval of Commissioner, Income Tax, if it has been approved by him as a non-profit organization.
 - (viii) The company shall restrict the surpluses or monies validly set apart, excluding restricted funds, up to twenty five percent (25%) of the total income of the year. Provided that such surpluses or monies set apart are invested in Government Securities, a collective investment scheme authorized or registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, mutual funds, a real estate investment trust approved and authorized under Real Estate Investment Trust Regulations, 2015 or scheduled banks.

We, the several, persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of these articles of association.

| S. No. | Name and surname (present & former) in full (in Block Letters) | NIC No. (in case of foreigner, Passport No) | Father's/ Husband's Name in full | Nationality (ies) with any former Nationality | Occupation | Usual residential address in full or the registered/ principal office address for a subscriber other than natural person | Signatures |
|--------|--|---|----------------------------------|---|------------|--|------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |

Dated the day of , Year

Witness to above signatures: (For the documents submitted in physical form)

| | |
|------------------------------|--|
| Signature | |
| Full Name (in Block Letters) | |
| Father's/ Husband's name | |
| Nationality | |
| Occupation | |
| NIC No. | |
| Usual residential address | |

ANNEXURE-F

THE COMPANIES ACT, 2017

THE COMPANIES REGULATIONS, 2024

[Regulation 97]

Information to be provided by promoters, proposed directors/directors, proposed chief executive officer/chief executive officer of the Company

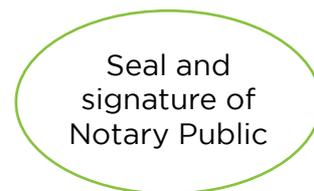
We, the undersigned promoters of the association M/S <.....>, do hereby authorize <.....> one of the promoters of the association; or <.....> a registered intermediary; whose specimen signature is appended herein below to present us before the Securities and Exchange Commission of Pakistan to submit application/ documents for grant of license under section 42 of the Companies Act, 2017, and to make necessary amendments required by the SECP, to collect license, and to sign and give necessary explanation on our behalf in relation to the above and the allied matters.

| | Name | Signature |
|------------|------|-----------|
| Promoter-1 | | |
| Promoter-2 | | |
| Promoter-3 | | |

Note: If the promoter is a subscriber other than a natural person, Board resolution authorizing the person/intermediary to be annexed.

| | | |
|---------|--|--|
| Witness | | |
|---------|--|--|

Name and signature of authorized promoter/registered intermediary



ANNEXURE-G

THE COMPANIES ACT, 2017
THE COMPANIES REGULATIONS, 2024
[Section 42 and Regulation 100 & 30]

**APPLICATION FOR CHANGE IN CHIEF EXECUTIVE OF
A COMPANY LICENSED UNDER SECTION 42 OF THE ACT**

PART I

(To be completed by the applicant in block letters.)

| | | | | | | | | |
|-----|----------------------------|--|--|--|--|--|--|--|
| 1.1 | CUIN (Registration Number) | | | | | | | |
| 1.2 | Date of license granted | | | | | | | |
| 1.3 | Name of the Company | | | | | | | |

1.4 Fee Payment
Details

1.4.1 Challan
No

1.4.2 Challan Amount
(Rs.)

PART-II

(a) Application on letter head duly signed by authorized representative, mentioning the following information along with requisite fee.

Information to be provided by proposed Chief Executive of the Company

| | | |
|-------|--|--|
| 1.1 | Name in Full including former name: | |
| 1.2 | Nationality | |
| 1.3 | NIC No. or Passport No (in case of foreign national) | |
| 1.5 | Contact details: | |
| 1.5.1 | Residential Address | |
| 1.5.2 | Business Address | |
| 1.5.3 | Telephone Number | |
| 1.5.4 | Mobile Number | |

| | | |
|-------|---|--|
| 1.5.5 | Fax Number | |
| 1.5.6 | Email address | |
| 1.6 | Academic and Professional Qualifications | |
| 1.8 | Name and designation of Outgoing Person along with reason for change (where applicable) | |
| 1.9 | Date of resignation of the outgoing person | |

Experience Detail:

| S# | Name of organization | Designation | Work responsibilities related to the objects of the company (mention reference of clause number of draft MoA) | From (period latest to old) | To |
|----|----------------------|-------------|---|-----------------------------|----|
| | | | | | |
| | | | | | |
| | | | | | |

Note: If needed, separate extra sheets can be used for each item

Enclosures:

1. Copy of national identity card (NIC)/ NICOP/valid passport (in case of foreigner) of each proposed chief executive officer;
2. An affidavit by each newly proposed director or proposed chief executive officer as per **Appendix-B to this Application;**

A letter of authority on stamp paper of requisite value as per Appendix-C to this application by the proposed CEO in favor of an authorized representative to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc., in the documents.

3. Original challan or other evidence of payment of fee specified in Seventh Schedule of the Act.

THE COMPANIES ACT, 2017
THE COMPANIES REGULATIONS, 2024
[Regulation 97]

LETTER OF AUTHORITY

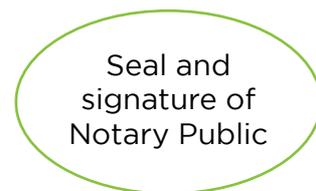
We, the undersigned promoters of the association M/S <.....>, do hereby authorize <.....> one of the promoters of the association; or <.....> a registered intermediary; whose specimen signature is appended herein below to present us before the Securities and Exchange Commission of Pakistan to submit application/ documents for grant of license under section 42 of the Companies Act, 2017, and to make necessary amendments required by the SECP, to collect license, and to sign and give necessary explanation on our behalf in relation to the above and the allied matters

| | Name | Signature |
|------------|------|-----------|
| Promoter-1 | | |
| Promoter-2 | | |
| Promoter-3 | | |

Note: If the promoter is a subscriber other than a natural person, Board resolution authorizing the person/intermediary to be annexed.

| | | |
|---------|--|--|
| Witness | | |
|---------|--|--|

Name and signature of authorized promoter/registered intermediary



ANNEXURE-H

Following minimum information in English and Urdu languages on website, in addition to any other material information:

Profile of Company

- a. Vision, mission, principle business and other permissible business activities;
- b. Status of company (e.g. PIC, LSC, MSC or SSC under third schedule of the Act);
- c. Company Registration Number/Date and National Tax Number;
- d. Date/Number of license issued to the Company by the relevant authority where required;
- e. Address of registered office, head office and all other branch offices;
- f. Phone and fax numbers of head office, registered office and branch offices;
- g. Valid email address; and,
- h. Detail of subsidiaries/associated companies and their website links, if available.

Governance

- a. Profile of the Board of Directors;
- b. Shareholding pattern of companies having share capital;
- c. Name of Auditor of the Company; and,
- d. Name of Legal Advisor.

Investor Relations

- a. Purpose/ Objective;
- b. Geographical location of operations;
- c. Details of sponsors;
- d. PCP Certification, if applicable;
- e. Registration status with respective charities commission; and
- f. Placement of audited financial statements of at least three years.
- g. Online form/contact details of person(s) designated by the company for assisting and handling investors' complaints and grievances;
- h. Updated logo of SECP Service Desk Managements System's ("SDMS") duly linked to the URL: <https://sdms.secp.gov.pk/> (the logo is available at www.secp.gov.pk/document/revised-sdms-logo/) along with the following disclaimer: "In case your complaint has not been properly redressed by us, you may lodge your complaint with Securities and Exchange Commission of Pakistan (the "SECP"). However, please note that SECP will entertain only those complaints which were at first directly requested to be redressed by the company and the company has failed to redress the same. Further, the complaints that are not relevant to SECP's regulatory domain/competence shall not be entertained by the SECP."

- i. Corporate Social Responsibility Reports, if any;
- j. Notices of general meetings;
- k. Copy of any notice given by the member (having not less than ten percent shareholding in the Company) proposing appointment of auditor (s) of the Company in the annual general meeting;
- l. Site map; and,
- m. Search facility.

Media

- a. National /International Awards, recognition, if any;
- b. Membership of industry associations and trade bodies, if any;
- c. Any other announcements or clarifications issued by the company; and
- d. Last Date on which website was updated.

Information to be provided at homepage of website

- a. Website link of SECP's investor education portal "JamaPunji" (www.jamapunji.pk) along with its logo at a prominent place on the homepage; and,
- Information of companies' own complaint handling cell and contact person(s) at a prominent place on homepage as a primary point of contact"



SECP

**SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
www.secp.gov.pk