

**THE GAZETTE OF PAKISTAN  
EXTRAORDINARY**

**PART II**

**Statutory Notifications (S.R.O.)**

**Securities and Exchange Commission of Pakistan**

**NOTIFICATION**

Islamabad, the November 2<sup>nd</sup> 2016

**S.R.O. 1024(I)/2016.-** In exercise of powers conferred by sub-section (1) of section 246 of the Companies Ordinance, 1984 (XLVII of 1984) delegated vide S.R.O. 154(I)/2015 dated February 19, 2015, and in supersession of notification S.R.O. 121(I)/2016 dated February 15, 2016, the Commissioner (Company Law Division) is pleased to issue the following General Order, namely:-

**1. Short title, application and commencement.-** (1) This Order shall be called the Companies (Compliance with Licensing Conditions) General Order, 2016.

(2) This Order shall apply to the class of companies specified in Schedule I to the Order, and shall be applicable for the financial year ending on and after June 30, 2016.

(3) Words and expressions used but not defined in this Order shall have the same meaning as are assigned to them in the Ordinance.

**2. Submission of Compliance Report.-** (1) Each company specified in Schedule I to the Order shall annex with its annual return to be filed with the registrar under section 156 of the Ordinance in Form “A” or Form “B” of Third Schedule of the Ordinance, a compliance report in the form as specified in Schedule II to the Order with respect to its status of compliance with the applicable licensing conditions imposed by the relevant licensing authority.

(2) The compliance report shall be signed by the chief executive of the company or at least by two directors authorized in this behalf by the company.

(3) The external auditors of the company, before issuance of compliance report by the Company, shall review the same and certify compliance to the board of directors of the Company, through issuance of independent assurance report on compliance report with the licensing conditions, as set out in Schedule III to the Order.

**3. Penalty for non-compliance.-** In the event of default in complying with the requirements of this Order, the company and every officer of the company who knowingly and willfully authorizes or permits the default shall be liable to a penalty as specified under sub-section (2) of section 246 of the Ordinance.

### **Schedule I**

**[See Clause 1(2)]**

#### **Class of Companies required to comply with the General Order**

<b>Sr. No.</b>	<b>Class of Company</b>	<b>Licensing/Approving Authority</b>
1.	Companies offering security guard services	Ministry of Interior
2.	Satellite TV Channel Companies	Pakistan Electronic Media Regulatory Authority
3.	Power generation companies	National Electric Power Regulatory Authority
4.	LPG marketing companies	Oil & Gas Regulatory Authority
5.	Companies manufacturing medicines/drugs	Drug Regulatory Authority of Pakistan
6.	Airlines & logistic companies	Civil Aviation Authority
7.	Mobile, local loop & internet companies	Pakistan Telecommunication Authority
8.	Hajj & Umrah Companies	Ministry of Religious Affairs
9.	Construction and Housing companies	Pakistan Engineering Council
10.	Real estate development Companies	Tehsil/Taluka Municipal Administration, Development Authority
11.	Non-Banking Finance Companies	Specialized Companies Division - Securities & Exchange Commission of Pakistan
12.	Insurance Companies	Insurance Division - Securities & Exchange Commission of Pakistan
13.	Associations not for profit under section 42 of the Companies Ordinance, 1984	Company Law Division - Securities & Exchange Commission of Pakistan
14.	Trade Organizations under section 43 of	Director Trade Organizations, Ministry of

	the Companies Ordinance, 1984	Commerce
15.	Brokerage companies	Securities Market Division – Securities & Exchange Commission of Pakistan
16.	Stock Exchanges	Securities Market Division – Securities & Exchange Commission of Pakistan
17.	Modaraba Management companies	Registrar of Modarabas
18.	Banking companies	State Bank of Pakistan

## Schedule II

[See Clause 2(1)]

### **Compliance Report with the Licensing Conditions**

This is to certify that M/s <sup>1</sup> \_\_\_\_\_ has obtained necessary [permission/ license/approval]<sup>2</sup> from <sup>3</sup> \_\_\_\_\_ [please attach the copy of the permission/ license/approval] to undertake the business activities as authorized in its memorandum of association, and that the company is compliant with the conditions contained in permission/license/approval]<sup>4</sup> to carry on the business activities imposed by <sup>5</sup> \_\_\_\_\_ for the year ended <sup>6</sup> \_\_\_\_\_.

\_\_\_\_\_  
Chief Executive/Directors

Date: \_\_\_\_\_

<sup>1</sup> Insert the name of the Company

<sup>2</sup> Delete whichever is not applicable

<sup>3</sup> Insert the name of the concerned Federal or Provincial Government, Local or other licensing/approving authority

<sup>4</sup> Delete whichever is not applicable

<sup>5</sup> Insert the name of the concerned Federal or Provincial Government, Local or other licensing/approving authority

<sup>6</sup> Insert the relevant financial year

## Schedule III

[See Clause 2(3)]

### **Independent Assurance Report on Compliance Report with the Licensing Conditions applicable on the Company**

**To the Board of Directors of [ \_\_\_\_\_ Company]**

#### **1. Introduction**

We have been engaged to perform a limited assurance engagement on the annexed compliance report issued by ..... (the Company) on its compliance with the licensing conditions to carry on the business activities imposed by .....<sup>7</sup> (the Authority) for the year ended ....., as required in terms of the Companies (Compliance with Licensing Conditions) General Order, 2016 (the SECP Order) issued by the Securities & Exchange Commission of Pakistan.

#### **2. Applicable Criteria**

The criteria against which the subject matter information (the Compliance Report) is assessed is the SECP Order and the applicable licensing conditions imposed by the Authority.

#### **3. Management's Responsibility for Compliance**

The responsibility for compliance with the licensing conditions applicable on the Company is that of the Board of Directors of the Company and who are also responsible for the preparation and presentation of the Compliance Report in accordance with the applicable criteria.

#### **4. Our Independence and Quality Control<sup>8</sup>**

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of

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<sup>7</sup>Insert the name of the concerned Federal or Provincial Government, Local or other licensing/approving authority

<sup>8</sup>Applicable if required by the relevant professional accounting body

Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **5. Our responsibility and summary of the work performed**

Our responsibility is to express a conclusion on the Compliance Report. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Compliance Report is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, the procedures selected were based on the requirements in the SECP's Order and also depended on our judgement. Within the scope of our work, we performed amongst other the following procedures:

- Checked that the Company has obtained necessary [permission/ license/approval] from .....<sup>9</sup> Licensing/Approving Authority to undertake the business activities as authorized in its memorandum of association;
- Checked that Company is compliant with the conditions contained in [permission/license/approval] to carry on the business activities imposed by Licensing/Approving Authority;
- Reviewed to the extent where such compliance can be objectively verified;

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<sup>9</sup> Insert the name of the concerned Federal or Provincial Government, Local or other licensing/approving authority

- Checked that the compliance report reflects the status of the Company's compliance with the applicable licensing conditions and report if it does not;

<sup>10</sup>[Our procedures were limited to specific conditions in the permission/license/approval relating to business activities of the Company.]

The procedures relating to technical conditions and general provisions of the permission/license/approval and applicable laws and regulations were limited to those affecting the financial statements of the Company for the year ended.]

## 6. Description of the matter(s) giving rise to the exceptions (if any)

- a) \_\_\_\_\_;
- b) \_\_\_\_\_; [insert exceptions, if any]

## 7. Highlight non-compliance (s) (if any) with the licensing conditions

We highlight below instance(s) of non-compliance with the licensing conditions imposed by the relevant licensing authority on the Company as reflected in the paragraph reference where it/these is/are stated in the annexed Compliance Report

Paragraph Reference	Description
i. _____	_____
ii. _____	_____
iii. _____	_____

## 8. Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance engagement, nothing has come to our attention (except for the effect of the matters reported in the paragraph above), that causes us to believe that the Compliance Report does not fairly reflect in all material respects, the compliance status, in accordance with the SECP's Order and the licensing conditions imposed by the Authority.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Signature of the auditor**

<sup>10</sup> Added by SRO 337(I)/2017 dated 11<sup>th</sup> May, 2017.

**Place/City:** \_\_\_\_\_

\_\_\_\_\_  
**Name of Engagement Partner**

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No. CLD/CCD/602(28)/2015

**(Bushra Aslam)**  
Secretary to the Commission