

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 8th March, 2017

NOTIFICATION

S.R.O. 143 (I)/2017.- In exercise of powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), in supersession of its notifications S.R.O. 154 (I)/ 2015 dated February 19, 2015 and S.R.O. 1245(I)/2015 dated December 16, 2015, the Securities and Exchange Commission of Pakistan (the Commission), subject to such conditions and limitations as it may from time to time impose, hereby delegates the following powers and functions of the Commission to its Commissioner and the officers of the Corporatization and Compliance Department, Company Law Division, namely:-

**POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO COMMISSIONER,
CORPORATIZATION AND COMPLIANCE DEPARTMENT (CCD)**

Powers and Functions in respect of other than listed companies unless otherwise specified below: - [Except for the companies involved in business of Insurance under the Insurance Ordinance, 2000 (XXXIX of 2000) and the Non-Banking Finance Companies or notified entities as referred to in Section 282A of the Companies Ordinance, 1984(XLVII of 1984).]

<u>S. No.</u>	Relevant section of the Companies Ordinance 1984 (XLVII of 1984)	<u>Nature of powers/functions</u>
1.	42	(i) to grant, renew or revoke license and impose terms and conditions in respect thereof; (ii) to grant any approval required pursuant to the said terms and conditions including prior approval regarding investment in associated company.
2.	84 (1) & (2)	To sanction issue of shares at discount on such terms and conditions as think fit and to allow extension in time to issue shares at discount.
3.	86(1) (first proviso)	To allow a company to raise its further capital without issue of right shares on such terms and condition as he thinks fit.
4.	197(2)(i)	To impose fine for contravening the provisions of sub-section (1) of section 197.
5.	197A	To impose fine for distribution of gifts to members in is meetings.

6.	206(2)	To grant exemption in case of classes of agreements and contracts mentioned in sub-section (2) from the operation of sub-section (1).
7.	206(3)	To accord approval for appointment of any sole purchase, sale or distribution agent by a company.
8.	207 (1) &(2)	To impose such terms and conditions as he may deem fit for appointment of a managing agent of a company and impose fine for contravention of the terms and conditions of appointment of managing agent.
9.	236(2)(b)	To exempt a company from disclosing in the director's report of the changes concerning the nature of the business of the company during the financial year if such disclosure would be prejudicial to the business of the company.
10.	246(1)	To require companies generally or any class of companies or any particular company, by general or special order, to prepare and send such periodical statements of accounts, information or other reports audited by an auditor, in such form and manner and within such time, as may be specified in the order
11.	251(2)	To allow a company to withhold or defer payment of dividend.
12.	432(6)	To accord approval to the registrar for payment of money kept into the Companies Liquidation Account.
13.	472(1) and (2)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to the Commissioner (CLD), in respect of any provision of the Ordinance.
14.	476(1)(c)	To impose a fine (other than fine in addition to. or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Commissioner through delegation of powers.
15.	477(1)(b)	To hear a revision application against an order passed by Executive Director CCD.
16.	479(3)	To issue a directive to the chief executive or other officer of the body corporate as is referred to in sub-section (2) to appear personally and answer the charges, in cases where powers have been delegated.
17.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers of the Commission have been delegated.
18.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved

		party, in cases where powers of the Commission have been delegated.
19.	484(1)	To hear a revision application against an order passed by Executive Director CCD.
20.	484(2)	To review the order originally passed in pursuance of the power delegated.
21.	488	To grant relief in cases where powers of the Commission have been delegated.
22.	495(1)	To impose fine for non-compliance of the order passed in pursuance of the powers delegated.
23.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

<u>S. No.</u>	<u>Relevant rule of the Companies Share Capital (Variation in Rights & Privileges) Rules 2000</u>	<u>Nature of power/function</u>
1.	5(1)	To approve issue of further share capital by a company of any kind or class carrying different rights and privileges.

<u>S. No</u>	<u>Relevant regulation of the Companies (Registration Offices) Regulations, 2003</u>	<u>Nature of power/functions</u>
1.	27(2)	To specify the form and manner of annual report to be furnished by the Registrar of Companies.

<u>S. No.</u>	<u>Relevant rule of Companies (General Provisions and Forms) Rules, 1985</u>	<u>Nature of power/function</u>
1.	6	To grant any approval required pursuant to any terms and conditions imposed by the Commission to associations formed under Section 42 of the Ordinance.

S.No.	Relevant rule of the Companies (Issue of Capital) Rules, 1996	Nature of power/function
1.	11	To impose fine for failure or refusal to comply with or for contravention of the Companies (Issue of Capital) Rules, 1996.

POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO EXECUTIVE DIRECTOR AND OTHER OFFICERS OF CORPORATIZATION AND COMPLIANCE DEPARTMENT (CCD)

Powers and Functions in respect of other than listed companies unless otherwise specified below (except for the companies involved in business of insurance under the Insurance Ordinance, 2000 and the non-Banking Finance Companies or notified entities as referred to in Section 282A of the Companies Ordinance, 1984).

(a). Executive Director (CCD)

<u>S. No.</u>	Relevant section of Companies Ordinance, 1984 (XLVII of 1984)	Nature of power/function
1.	30(4)(b)	To hear appeal against the order passed, or up-held in appeal by the Registrar of Companies.
2.	46	To grant relief from the consequences of default in complying with the conditions constituting a company as a private company.
3.	186	To take cognizance of contravention of section 174 to 185 relating to appointment/ election of directors and matters ancillary thereto.
4.	193(3)(b)	To impose fine in case of violation of provisions relating to proceedings of directors.
5.	195(1)	To accord approval for the grant of a loan to director of a company for the purposes specified in section 195.
6.	196(4)	To impose fine on directors of a company for their failure to exercise powers in the manner provided in section 196 and order recovery of damages or losses arising out of such actions.
7.	204	To impose fine for contravention of provisions of sections 198 to 203.
8.	208(3)	To impose fine on default in complying with the requirements of section 208 and the regulations made thereunder and to direct the directors to jointly or severally

		reimburse to the company any loss sustained as a result of such contravention.
9.	209(5)(b)	To approve a scheduled bank or a financial institution for depositing with or transferring to or holding shares or securities in its own name in order to facilitate the transfer thereof.
10.	209(9)	To impose fine for not holding of investments of company in its own name and non-compliance with the requirements of sub-section (1) to (8).
11.	214(6)	To impose fine in case of non-disclosure of interest by a director.
12.	215(2)	To impose fine in case of contract by an interested officer of a company without approval of directors.
13.	216(3)	To impose fine in case of participation of interested director of a company in proceedings.
14.	218(6)	To impose fine in case of non-disclosure of directors interests in contract appointing chief executive, managing agent or secretary.
15.	229	To impose fine in case of contravention of sections 226, 227 or 228 of a company.
16.	231(1)	To authorize an officer to inspect books of account of a company.
17.	234A(1)	To order special audit of a company and appoint auditor to carry out detailed scrutiny of the affairs of such company.
18.	234A(2)	To pass interim orders and issue directions during the course of special audit.
19.	234A(3)	To issue directions, on receipt of special audit report, for immediate compliance to the company and its management.
20.	235(5)	To impose fine in case of contravention of provisions relating to treatment of surplus arising out of revaluation of fixed assets.
21.	237 (8)	To issue direction with respect to exemption, to such extent as may be specified therein, from the provisions of section 237 relating to consolidated financial statements.
22.	237(9)	To impose fine in case of contravention of Section 237.
23.	238(2)	To extend financial year of a holding company with regard to a subsidiary's financial year and to exempt a holding company or its subsidiary to hold AGM within the relevant calendar year under specific circumstances.
24.	241(3)	To impose fine in case of default in proper authentication of balance sheet.
25.	244	To impose fine in case of improper issue, circulation or publication of balance sheet or profit and loss account.
26.	255(7)	To impose fine on an officer of a company who refuses or fails to provide any information to the auditor or otherwise hinders, obstruct or delays an auditor in the performance of

		his duties or the exercise of his powers or fails to give notice of any general meeting to the auditor.
27.	260(1)	To impose fine on the auditor concerned for making of auditor's report, or any document of the company signed or authenticated otherwise than in conformity with section 157, section 255 or section 257; or failure to bring out material facts about the affairs of the company or matters to which it purports to relate.
28.	263 & 265	To appoint Inspector(s) to investigate into affairs of a company.
29.	264	To require applicants requesting for investigation of a company to provide evidence and/ or give security for payment of the costs of an investigation.
30.	267 (2)	To accord approval to the inspectors for investigation into any body corporate or the chief executive referred to in clause (b) or clause (c) of sub-section (1) of section 267 in case of inspector appointed for investigation into affairs of a company.
31.	269 (2)	To provide a copy of investigation report to the persons specified in section 269 (2).
32.	271(1)	To make an application to the Court.
33.	275	To cause to be presented to the Court a petition for winding up, an application for an order under section 290 or both.
34.	276	To initiate proceedings for recovery of damages or property in the name of a company or body corporate.
35.	277	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement of cost of the investigation.
36.	279	To impose restrictions on shares and debentures and prohibition of transfer of shares or debentures in certain cases in the matter of a company and to vary or rescind any order made.
37.	309	To perform all functions and exercise all powers of the Commission under section 309, in the case of winding up of a company.
38.	319	To file an application in the Court to stay, withdraw, cancel or revoke the winding up proceeding of a company.
39.	418(3)	To appoint Inspector(s) to investigate the matters reported by the registrar.
40.	439(9)	To order restoration of the name of a defunct company.
41.	468(4)(b)	To hear the appeal against the order passed under section 468(1) in case of order of refusal passed or upheld in appeal by the registrar.
42.	472(1) and (2)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, including necessary directions regarding payment of cost, etc., where adjudication powers have been

		delegated to the Executive Director (CCD), in respect of any provision of the Ordinance.
43.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, in cases which fall within the jurisdiction of Executive Director (CCD) through delegation of powers.
44.	477(1)(b)	To hear a revision application against an order passed by a director or the Registrar or where an order is upheld on revision application by the Registrar under clause (a) of sub-section (1) of section 477.
45.	479(3)	To issue a directive to the chief executive or other officer of the body corporate to appear before him personally and answer the charges, in cases where powers have been delegated.
46.	481	To direct company prosecutor or authorize any other person to present an appeal against the order of acquittal.
47.	482	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers have been delegated.
48.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party, in cases where powers have been delegated.
49.	484(1)	To hear a revision application against an order passed by the Director CCD or Registrar of Companies .
50.	484(2)	To review the order originally passed in pursuance of the power delegated.
51.	488	To grant relief in cases where powers have been delegated.
52.	492	To impose fine for making a statement which is false or incorrect in any material particular, or for omission of any material fact in any return, report, certificate, balance sheet, profit and loss account, income and expenditure account, books of accounts, application, information or explanation required by or for the purposes of any of the provisions of this Ordinance or pursuant to an order or direction given under this Ordinance.
53.	493	To make necessary orders and to impose fine for wrongful withholding of property of a company.
54.	495(1)	To impose fine for non-compliance of the order passed in pursuance of the powers delegated.
55.	496	To impose fine for carrying on <i>ultra-vires</i> business including any transaction.

56.	498	Default of statutory provisions of the Companies Ordinance, 1984 where no specific penalty is provided elsewhere in the said Ordinance.
57.	499	To accord approval subject to conditions in cases where powers of the Commission have been delegated.

S. No.	Relevant Regulation of Group Companies Registration Regulations, 2008	Nature of power/function <i>(in case where none of the companies in the group is listed)</i>
1.	3(vi)	To require any information under regulation 3 for registration of the holding company with its subsidiaries as a Group.
2.	4	To register a holding company and its subsidiary companies as a Group.
3.	5(1)(iv)	To require any information under regulation 5 for alteration of composition of a Group.
4.	5(2)	To alter record of registration and issue a certificate of change in the composition of a Group on an application made by a holding company.
5.	5(3)	(i). To alter record of registration and issue a certificate of change in the composition of a Group where no application has been made by a holding company. (ii). To impose penalty on failure to make the application under regulation 5(1) of the Regulations.
6.	6(1)	To cancel registration granted to a Group, if any company within the Group fails to comply with the requirements of the Regulations or any direction given by the Commission.
7.	6(2)	To cancel registration granted to a Group, on an application made by the holding company.
8.	7(iv)	To specify the requirements for the purposes of compliance of code of corporate governance and/or applicable International Accounting Standards and International Financial Reporting Standards.
9.	8(2) (i) (e)	To require any document or record for the purposes of issuance of designation letter for Group Taxation under regulation 8(2)(i) of the Regulations.
10.	8(2) (ii) (h)	To require any document or record for the purposes of issuance of designation letter for Group Relief under regulation 8(2)(ii) of the Regulations.
11.	8(3)	To issue a designation letter for Group Taxation or Group Relief, as the case may be, on an application made by the holding company.

12.	8(4)	To inform the tax authorities of issuance of a designation letter and subsequent cancellation of registration or issuance of a certificate of change in the composition of a Group.
13.	9	To impose fine on contravention or failure to comply with any provisions of the Regulations, and a further fine in case of continuing failure.

S. No	Relevant rule of the Public Sector Companies (Corporate Governance) Rules, 2013	Nature of power/functions
1.	24(3)	To relax any provision of the rules subject to such conditions as deemed fit to be imposed.
2.	25	Power to impose fine for contravention of the rules.

S. No.	Relevant rule of Employees' Provident Fund (Investment in Listed Securities) Rules, 2016	Nature of Power/ Function
1	6	To impose penalty for non-compliance with or contravention of any of the provisions of the Rules

S.No.	Relevant rule of the Companies (Audit of Cost Accounts) Rules, 1998	Nature of power/function
1.	3(2)	To approve appointment of cost auditor.
2.	5	To impose fine for failure of refusal to comply with or contravention of the Rules.

S.No.	Relevant Notification	Nature of Power/Function
1.	S.R.O.634(I)/2014	To take penal action or grant relaxation from the prescribed requirements.
2.	S.R.O. 929(I)/2015	To grant exemption to any company or any class of companies from compliance from the requirements of the International Financial Reporting Standards.

(b). Registrar of Companies

S. No.	Relevant sections of the Companies Ordinance, 1984	Nature of power/function
1.	262(3)(first proviso)	To extend the time for retention of record seized under section 262(1) or (2) for further period not exceeding thirty days.
2.	289(5)(e)	To hear appeals against the order of registrar refusing to register any circular regarding offer of a scheme of merger/amalgamation etc. involving the transfer of shares.
3.	326(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.
4.	427(2)	To allow the creditors or the contributories to inspect the documents in the case of voluntary winding up.
5.	467 (3)	To accord special permission to take over or remove any original document from custody of registrar.
6.	472(1) and(2)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to Registrar of Companies, in respect of any provision of the Ordinance.
7.	476(1)(c)	To impose a fine (other than fine in addition to or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Ordinance, in cases which fall within the jurisdiction of Registrar of Companies through delegation of powers by the Commission.
8.	484(1)	To hear a revision application against an order passed by an Additional Registrar, Joint Registrar, Deputy Registrar or Assistant Registrar.
9.	484(2)	To review the order originally passed in pursuance of the powers delegated.
10.	495(1)	To award punishment for non-compliance of the order passed in pursuance of the powers delegated.

(c). Director (CCD)

S.No.	Relevant section of the Companies Ordinance, 1984	Nature of power/function
1.	37 (3) & (4)	To decide as to whether or not certain name of a company is in violation of the provisions of this section.
2.	44	To approve the conversion of a public company into a private company.
3.	78A	To hear the appeal against refusal for registration of transfer or transmission of shares of a company or any failure thereof.
4.	131	To order that the time for registration of charge or a mortgage be extended, or that the omission or misstatement in register of mortgage/charges be rectified, and to make such order as to the costs of the application in case of all companies.
5.	158 (4)(b)	To impose fine in case of default in complying with the provisions of section 158.
6.	246(2)	To impose fine for default in complying with the order of the Commission issued under sub-section (1) of section 246.
7.	252(6) & (8)	To appoint auditor and to fix their remuneration in circumstances specified in section 252(6).
8.	254(7)	To appoint an auditor of a company in place of an unqualified/disqualified person appointed by a company.
9.	259	To impose fine in case of default in complying with provisions of sections 252 to 254 or 256 to 258.
10.	434	To make appointment of auditors and fix their remuneration, if no such appointment is made by the members or creditors on the application of liquidator.
11.	472(1)and (2)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to Director (CCD), in respect of any provision of the Ordinance.
12.	476(1)(c)	To impose a fine (other than fine in addition to, or in lieu of imprisonment) as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 1984, which fall within the jurisdiction of Director (CCD) through delegation of powers.
13.	479(3)	To issue a directive to the chief executive or other officer of a body corporate to appear before him personally and answer the charge in cases where powers of the Commission have been delegated.
14.	483	To direct that the whole or any part of the fine imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved

		party, in cases where powers of the Commission have been delegated.
15.	484(2)	To review the order originally passed in pursuance of the power delegated.
16.	495(1)	To award punishment for non-compliance of the order passed in pursuance of the powers delegated.
17.	497	To impose a fine for improper use of the word "Limited".

<u>S.no.</u>	Relevant Rule of the Companies (General Provisions and Forms) Rules, 1985	Nature of power/function
1.	35	To impose fine for non-compliance or contravention of any provision of the rules.

<u>S.No</u>	Relevant rule of Single Member Companies Rules, 2003	Nature of power/function
1.	9	To approve the conversion of private company into a single member company.

(d). Registrars Concerned of the Companies Registration Offices;

<u>S.No.</u>	Relevant section of Companies Ordinance, 1984 (XLVII of 1984)	Nature of power/function
1.	21(2)	To confirm alteration in the Memorandum of Association.
2.	21(3)	To dispense with the notice to any person or class of persons regarding alteration in the Memorandum of Association.
3.	22	To make order confirming alteration subject to terms and conditions as he thinks fit and to make order as to cost as he thinks proper.
4.	23	To adjourn the proceedings for an arrangement for purchase of interests of dissident members and to give other directions in the matter.
5.	24(3)	To extend time for filing of documents with the Registrar under this section.
6.	25	To revive order confirming alteration in the Memorandum.
7.	170	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of a company.

In addition to above, powers of the Commission under the rules or regulations made under a particular section are also delegated to the Commissioner or the officer concerned if powers and functions of the Commission provided in the section relevant to the said rules or regulations have been delegated to him.

In case, the posts of Executive Director/ Director/ Registrar of Companies in the department is vacant, or he/she is unavailable or unable to perform his/her functions, the powers and functions delegated to him/her through this notification shall stand delegated to the concerned Commissioner.

This notification shall not affect anything done, order made, notification issued, show cause issued, circular made, proceeding commenced, penalty imposed and/or collected, sanction granted, approval made, fee directed or collected, direction given, investigation, inspection or inquiry conducted or any other action taken or done under or in pursuance of above referred notifications superseded by this notification shall be valid and under lawful authority.

Any pending proceedings under the superseded Notifications shall stand transfer to the delegated authority provided in this notification forthwith who shall proceed with the matter as it stands prior to the coming into the effect of this Notification.

File No.CLD/CCD/CO.602(7)/2013



(Bilal Rasul)

Secretary to the Commission

