

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 4th May, 2018

NOTIFICATION

S.R.O. 575(I)/2018.- In exercise of powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997), the Securities and Exchange Commission of Pakistan ("the Commission"), in supersession of the its earlier notifications No. S.R.O 1136(I)/2017 dated October 30, 2017 and S.R.O. No. 691 (I)/ 2017 dated July 21st, 2017, 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 companies 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2000 (XXXIX of 2000) and the Non-Banking Finance Companies or notified entities as referred to in Section 282A of the repealed Companies Ordinance, 1984 (XLVII of 1984).

S. No.	Relevant section of the Companies Act, 2017 (XIX of 2017)	Nature of powers/functions
1.	42	To grant, renew or revoke license and impose terms and conditions in respect thereof and to grant any approval required pursuant to the said terms and conditions including prior approval regarding investment in associated company.
2.	43(1)(c)	To allow extension in time for transfer of assets under section 43(1).
3.	43(4)	To appoint administrator to manage the affairs of a company licensed under section 42 and initiate winding up proceedings.
4.	82 (1) & (2)	To sanction issue of shares at discount on such terms and conditions as he thinks fit. To allow extension in time to issue shares at discount.
5.	82(5)	To impose penalty for violation of provisions of section 82.
6.	83(1)(a)(iv)	To allow extension in time for allotment of declined or not subscribed shares by the directors of a company.
7.	83(1)(b)	To allow a company to issue further share capital to any person for cash or for a consideration other than cash.
8.	184(2)(a)	To impose penalty for contravening the provisions of sub-section (1) of section 184.
9.	196(1)	To accord approval for appointment of any sole purchase, sale or distribution agent by a company.

10.	238(1)	To require companies generally or any class of companies or any particular company, by general or special order, to prepare and send to the members, the Commission, the registrar, the securities exchange and any other person such periodical statements of accounts, information or other reports, in such form and manner and within such time, as may be specified in the order.
11.	243(2)	To allow a company to withhold or defer payment of dividend.
12.	264(1)	To make an application to the Court on the basis of findings of the inspector report under section 262.
13.	269	To initiate proceedings for recovery of damages or property in the name of a company or body corporate.
14.	272	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.
15.	464(4)(b)	To hear the appeal against the order passed under section 464(2) in case of order of refusal passed or upheld in appeal by the registrar of companies.
16.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017 which fall within the jurisdiction of Commissioner through delegation of powers.
17.	499(1)	To impose fine for non-compliance of the directive given or order passed in pursuance of the powers delegated.
18.	510(2)	To impose penalty for contravention of any directives, circular, etc. issued under section 510.

S. No	Relevant Rule of the Companies (General Provisions and Forms) Rules, 1985	Nature of power/functions
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 Act.

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.

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

S. No.	Relevant Regulation of Companies (Mediation and Conciliation) Regulations, 2018	Nature of power/function
1.	3 (3)	To accept or refuse to accept the application for inclusion in the Panel as mediator and conciliator.
2.	5 & 6(2)	To remove any person from the Mediation and Conciliation Panel.
3.	7	To appoint one or more individuals from the Mediation and Conciliation Panel for referring the matter in terms of Section 276 of the Act in pursuance of powers delegated.
4.	8	To fix the fee of the mediator or conciliator in pursuance of powers delegated.
5.	9	(i) To allow extension in the period of empanelment of mediator and conciliator for further term(s). (ii) To change the mediator and conciliator in pursuance of powers delegated.
6.	12	To impose fine on contravention, or failure or refusal to comply with any provisions of the Regulations, and a further fine in case of continuing failure.

POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO EXECUTIVE DIRECTOR/HEAD OF DEPARTMENT 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 repealed Companies Ordinance, 1984).

(a). Executive Director/Head of Department (CCD)

S. No.	Relevant section of the Companies Act, 2017 (XIX of 2017)	Nature of powers/functions
1.	80(2)&(3)	To hear the appeal against refusal for registration of transfer or transmission of shares of a company.
2.	80(4)	To impose penalty for not giving effect to the order made under sub-section (2) &(3) of section 80.
3.	84(2)	To impose penalty on a company for acceptance or invitation of deposit from the public.

4.	199(6)	To impose penalty on default in complying with the requirements of section 199 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.
5.	221(1)	To authorize an officer to inspect books of accounts and books and papers of a company.
6.	225(2)	To modify the requirement of the relevant Schedule for the purpose of adapting it to the circumstances of a company.
7.	225 (3)	To grant exemption to a company or class of companies, from compliance with all or any of the requirements of the relevant Schedule.
8.	228(7)	To issue direction with respect to exemption, to such extent as may be specified therein, from the provisions of section 228 relating to consolidated financial statements.
9.	229(2)&(3)	To extend financial year of a company to coincide with its subsidiaries and to grant other relaxations identical or ancillary thereto.
10.	238(2)	To impose fine for default in complying with the order of the Commission issued under sub-section (1) of section 238.
11.	246(6) (7) & (8)	To grant approval for appointment of auditor in place of removed auditor; to appoint or direct the company to make good the default in complying with section 246, or appoint auditor where the company fails to comply with such direction and to fix remuneration.
12.	247(8)	To appoint an auditor of a company in place of an unqualified/disqualified person appointed by a company.
13.	252	To impose penalty for contravention or default in complying with requirements of section 246, 247 and 248.
14.	256 & 257	To order investigation into the affairs of the company and to appoint Inspector(s).
15.	260	To accord approval to the inspectors for investigation into the affairs of any other associated company or associated undertaking, which is, or has been associated and also from chief executive of any such company.
16.	262	To direct the inspector to make an interim report or to provide a copy of investigation report to the persons specified in section 262 (2).
17.	270	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement of cost of the investigation.
18.	304	To perform all functions and exercise all powers of the Commission under section 304, in the case of winding up of a company.
19.	313	To file an application in the Court to stay, withdraw, cancel or revoke the winding up proceeding of a company.

20.	351(4)	To impose penalty on any director of a company for making a declaration of solvency without having reasonable grounds for the opinion.
21.	354(2) & (3)	To convene a general meeting on the application of any person interested in the winding up of the company in the manner to be determined.
22.	384	To make an application to the Court to replace the liquidator.
23.	403(3)	To appoint Inspector(s) to investigate the matters reported by the registrar.
24.	403(6)	To direct the registrar to proceed in accordance with section 477 and 486.
25.	417(6)	To make an application to the Court for removal of the liquidator.
26.	455(2)	To register an intermediary for filing of documents.
27.	455(3)	To cancel registration as intermediary registered under section 455.
28.	457(6)	To impose penalty for indulging in any activity which is prejudicial to the interest of farmer, members, etc.
29.	474(1) & (2)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends.
30.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017, which fall within the jurisdiction of Executive Director (CCD)/Head of Department through delegation of powers.
31.	480(b)	To hear an appeal against the order passed or upheld under clause (a) by the Registrar of Companies.
32.	487	To direct company prosecutor or authorize any other person to present an appeal against the order of acquittal.
33.	497 (1)	To make necessary orders and to impose fine for wrongful withholding of property of a company.
34.	499(1)	To impose fine for non-compliance of the direction given or order passed in pursuance of the powers delegated.
35.	502	To impose fine in case of default of statutory provisions of the Act where no specific penalty is provided.

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.

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
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(b). Registrar of Companies:

S. No.	Relevant section of the Companies Act, 2017 (XIX of 2017)	Nature of powers/functions
1.	3(2)	To impose penalty on non-trading corporation formed under sub-section (1) extending its operational activities beyond the territorial limits of its respective province
2.	10(2)	To decide as to whether or not certain name of a company is in violation of the provisions of this section.
3.	10(6)	To hear an appeal against the refusal order passed by the registrar.
4.	16(9)	To hear an appeal against refusal of registration of memorandum.
5.	46(1) & (2)	To approve the conversion of a public company into a private company and vice versa.
6.	47(1)&(2)	To approve the conversion of private company into single-member company and vice versa.
7.	48(1)&(2)	To approve conversion of unlimited company into a limited company and vice versa.
8.	49(1)&(2)	To approve conversion of a company limited by guarantee into a company limited by shares and vice versa.
9.	52	To grant relief from the consequences of default in complying with the conditions constituting a company as a private company.
10.	125	To allow extension in time to the company to close the register of members exceeding thirty days.
11.	268	To cause to be presented to the Court a petition for winding up, an application for an order under section 286 or both.
12.	285(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.
13.	286	To make an application to the Court by petition for an order under this section.
14.	319(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.
15.	412(2)	To allow the creditors or the contributories to inspect the documents in the case of voluntary winding up.
16.	419	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.
17.	425(9)	To order restoration of the name of a defunct company.

18.	439(1)	To call upon the foreign company to furnish the information about the shareholding including beneficial ownership or such other information or document, as may be required for the purposes of Companies Act, 2017 or in connection with any inspection, inquiry or investigation.
19.	439(2)	To impose penalty for contravention of provision of section 439(1).
20.	452(8)	To provide the information maintained under sub-section 452(7)
21.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017, which fall within the jurisdiction of Registrar of Companies through delegation of powers.
22.	499(1)	To impose fine for non-compliance of the direction given or order passed in pursuance of the powers delegated.
23.	500	To impose fine for carrying on <i>ultra-vires</i> business including any transaction.
24.	501	To impose a fine for improper use of the word "Limited".

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 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.

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

S. No.	Relevant section of the Companies Act, 2017 (XIX of 2017)	Nature of powers/functions
1.	32(2)	To confirm alteration in the Memorandum of Association.
2.	32(4)	To extend time for filing of memorandum with the registrar under this section.
3.	33	To make an order confirming alteration subject to terms and conditions as he thinks fit and to make such order as to cost as he thinks proper.
4.	34	To give such directions and make such orders as he thinks expedient for facilitating or carrying into effect any such arrangement, in exercising discretion under section 32 and 33.

5.	108	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.
6.	147	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of a company.
7.	148	To impose penalty for non-compliance of the direction issued under section 147.
8.	238(2)	To impose fine for default in complying with the order of the Commission issued under sub-section (1) of section 238.
9.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017 which fall within the jurisdiction of registrar concerned through delegation of powers.
10.	499(1)	To impose fine for non-compliance of the direction given or order passed in pursuance of the powers delegated.

S. No	Relevant provision of the Companies (Appointment of Legal Advisors) Act, 1974	Nature of power/function
1.	7	To impose penalty for contravention of any provision of the Act or rules or regulations made thereunder.


In case, the post of Executive Director (CCD) is vacant or he/she is not available at the place of posting due to any reason, the powers and functions delegated to him through this notification shall be exercised by the officer who has been assigned the charge of the Head of Department (CCD).

In case, the post of Executive Director/ Head of Department (CCD) 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 Commissioner (CCD).

This Notification shall not affect anything done, order made, notification issued, show cause issued, circular made, proceedings commenced, penalties imposed and/or collected, sanction granted, approval made, fee directed or collected, directions given, investigation, inspection or inquiry conducted or any other action taken or done under or in pursuant to any previous notifications under the repealed Companies Ordinance, 1984 and shall be considered valid and under lawful authority.

Any pending proceedings under any previous 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/602/(7)/2013]


 (Bilal Rasul)
 Secretary to the Commission