

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 2nd August, 2017

NOTIFICATION

S.R.O. 751 (I)/2017.- In exercise of powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) (the Act), 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 Corporate Supervision Department, Company Law Division, namely: -

**POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO
COMMISSIONER, CORPORATE SUPERVISION DEPARTMENT (CSD)**

Powers and Functions in respect of Listed Companies and their unlisted subsidiary and associated companies (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).

<u>S.No.</u>	<u>Relevant section of the Companies Act, 2017 (XIX of 2017)</u>	<u>Nature of powers/functions</u>
1.	82 (1) & (2)	To sanction issue of shares at discount on such terms and conditions as he deems fit and to allow extension in time to issue shares at discount.
2.	82(5)	To impose penalty for violation of provisions of section 82.
3.	83 (1) (b)	To allow a company to issue further share capital to any person for cash or for a consideration other than cash.
4.	83(8)	To impose penalty for violation of provisions of section 83.
5.	185(2)	To impose fine for distribution of gifts to members in its meeting.

6.	244(4)	To receive and forward the claim to the bank for payment to entitled person of the sum equivalent to his unclaimed or unpaid dividend or amount of proceeds etc.
7.	255(1)	To grant permission to the inspector or investigation officer to enter and search etc. any place where required documents / record etc. of a company are kept.
8.	258(1)	To authorize any one or more of its officers or appoint such number of professionals as an inspector or investigation officer to investigate such serious nature of offences relating to a company as provided in Sixth Schedule.
9.	264(1)	To make an application to the Court on the basis of findings of the inspector's report under section 262.
10.	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.
11.	474 (1)	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 (CSD), in respect of any provision of the Act.
12.	479 (3)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017 (XIX of 2017), which falls within the jurisdiction of Commissioner (CSD) through delegation of powers.
13.	483	To exercise the powers of a court under the Code of Civil Procedure, 1908 in matters specified in this section.
14.	484 (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 charge, in cases where powers have been delegated.
15.	488	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers of the Commission have been delegated.
16.	489	To direct that the whole or any part of the penalty imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the penalty is recovered; and payment of compensation to an aggrieved party, in cases where powers of the Commission have been delegated.

17.	499 (1)	To impose penalty for non-compliance of the directive given or order passed in pursuance of the powers delegated.
18.	502	To impose penalty in case of default of statutory provisions of the Act where no specific penalty is provided.
19.	503	To accord, give or grant approval, sanction, consent, confirmation, recognition, direction or exemption, where powers of the Commission have been delegated, subject to such conditions, limitations or restrictions as he may think fit to impose and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption.

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.

<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.

POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO EXECUTIVE DIRECTOR AND OTHER OFFICERS OF CORPORATE SUPERVISION DEPARTMENT (CSD)

Powers and Functions in respect of Listed Companies and their unlisted subsidiary and associated companies (except for the companies involved in business of insurance under the Insurance Ordinance, 2000 and the Non-Banking Finance Companies or Notified Entities).

(a). Executive Director (CSD)

S. No.	Relevant section of the Companies Act, 2017 (XIX of 2017)	Nature of power/function
1.	88 (12)	To impose penalty in case of contravention of section 88.
2.	156	To impose penalty in case of contravention of requirements prescribed under section 156.
3.	169	To impose penalty for contravention of or failure to comply with sections 154 to 168 relating to appointment/election of directors and matters ancillary thereto and to debar the director who knowingly and willfully contravenes or fails to comply with the aforesaid sections.
4.	183 (6)	To impose penalty for contravention of or failure to comply with provisions of section 183 and order recovery of damages or losses arising out of such contravention.
5.	196 (1)	To accord approval for appointment of any sole purchase, sale or distribution agent of a company.
6.	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.
7.	200(9)	To impose penalty for contravention with the requirements of sub-section (1).
8.	246(6)	To grant approval for appointment of auditors in place of the auditors removed during their tenure.

9.	246(7)	To give order to rectify the default or appoint auditor in circumstances specified in sub-section (7).
10.	246(8)	To fix remuneration of the auditor where appointed by the Commission.
11.	247(7) & (8)	To impose penalty on an unqualified person who acts as auditor of a company and to appoint a qualified person as auditor of a company in place of an unqualified person appointed by the company.
12.	253 (1)	To impose penalty on the auditor concerned, partners of the firm or any other person signing or authenticating the auditor's report or review report or any document of a company, if such reports or document is signed or authenticated otherwise than in conformity with the requirements of section 131, sections 249 and 251 or is otherwise untrue or fails to bring out material facts about the affairs of the company or matters to which it purports to relate.
13.	255(3)	To extend the time for retention of record seized under section 255(1) or (2) for further period not exceeding thirty days.
14.	256 & 257	To order investigation and appoint inspector(s) to investigate into affairs of a company and to require the applicants requesting for investigation to provide evidence and to give such security for payment of the costs of the investigation as the Commission may specify.
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.	268	To cause to be presented to the Court a petition for winding up, an application for an order under section 286 or both.
18.	269	To initiate proceedings for recovery of damages or property in the name of a company or body corporate.
19.	270	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement of cost of the investigation.
20.	304	To perform all functions and exercise all powers of the Commission under section 304, in the case of winding up of a company.

21.	313	To file an application in the Court to stay, withdraw, cancel or revoke the winding up proceeding of a company.
22.	474(1)	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 Executive Director (CSD), in respect of any provision of the Act.
23.	479 (3)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017 (XIX of 2017), which fall within the jurisdiction of Executive Director (CSD) through delegation of powers.
24.	483	To exercise powers of a court under the Code of Civil Procedure, 1908 in matters specified in this section.
25.	484 (3)	To issue a directive to the chief executive or other officer of the body corporate to appear before him personally and answer the charge, in cases where powers have been delegated.
26.	487	To direct company prosecutor or authorise any other person to present an appeal against the order of acquittal.
27.	488	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers have been delegated.
28.	489	To direct that the whole or any part of the penalty imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the penalty is recovered; and payment of compensation to an aggrieved party, in cases where powers have been delegated.
29.	497	To make necessary orders and to impose fine for wrongful possession or wrongful withholding of property of a company.
30.	499 (1)	To impose penalty for non-compliance of the directive given or order passed in pursuance of the powers delegated.
31.	500	To impose penalty for carrying on <i>ultra-vires</i> business including any transaction.
32.	502	To impose penalty in case of default of statutory provisions of the Act where no specific penalty is provided.
33.	503	To accord, give or grant approval, sanction, consent, confirmation, recognition, direction or exemption, where powers of the

		Commission have been delegated, subject to such conditions, limitations or restrictions as he may think fit to impose and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption.
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(b). Director (CSD)

S. No.	Relevant section of the Companies Act, 2017 (XIX of 2017)	Nature of power/function
1.	25 (2)	To impose penalty in case of non-compliance of section 25.
2.	67 (5)	To impose penalty in case of contravention of sub-section (1) or sub-section (2), or making an incorrect statement, declaration or verification in the application of allotment of shares.
3.	68 (2)	To impose penalty for default in repayment of money for shares or other securities in the case of unaccepted or unsuccessful applications.
4.	69 (2)	To impose penalty in case of contravention of sub-sections (1) and (2) of section 69.
5.	69 (3)	To impose penalty in case of contravention of sub-section (3) of section 69.
6.	71(2)	To impose penalty in case of default in issue of certificate of share or other securities in compliance with sub-section (1) of section 71.
7.	73(4)	To impose penalty in case of default in issue of duplicate share certificates or other securities.
8.	74(6)	To impose penalty in case of contravention of the provisions of section 74 relating to transfer of shares or other securities.
9.	77 (2)	To impose penalty in case of violation of section 77.
10.	80	To adjudicate appeal against refusal for registration of transfer or transmission of shares and give such incidental and consequential directions as to the payment of costs or otherwise as deemed fit.

11.	82(5)	To impose penalty for violation of provisions of section 82.
12.	84 (2)	To impose penalty on a company for acceptance or invitation of deposit from the public.
13.	86(4)	To impose penalty in case of contravention of section 86.
14.	119 (4)	To impose penalty in case of non-compliance of section 119.
15.	120 (4)	To impose penalty in case of non-compliance of section 120.
16.	122 (4)	To impose penalty in case of non-compliance of section 122.
17.	123 (4)	To impose penalty in case of non-compliance of section 123.
18.	124 (7)	To impose penalty in case of refusal of inspection required under sub-section (1), or if any copy required under sub-section (3) is not issued within the specified period.
19.	131(11)(a)	To impose penalty in case of default in complying with the provisions of section 131.
20.	132 (1)	To grant extension in period up to thirty days for holding annual general meeting.
21.	132 (5)(a)	To impose penalty in case of default in complying with the provisions of section 132.
22.	133(9)(a)	To impose penalty in case of default in complying with the provisions of section 133.
23.	134(12)(a)	To impose penalty in case of default in complying with the provisions of section 134.
24.	135(2)(a)	To impose penalty in case of default in complying with the provisions of section 135.
25.	137(10)(a)	To impose penalty in case of failure to issue timely notices or issuing notices with material defect or omission or any other contravention of section 137.
26.	140(3)(a)	To impose penalty in case of contravention of provisions of the section 140.
27.	147(1)	To call or direct the calling of an overdue statutory meeting, annual general meeting or an extraordinary general meeting of a company.

28.	147 (2)	To direct that all expenses incurred in connection with holding of a meeting of a company as per direction under sub-section (1) may be recovered from any officer of the company.
29.	148	To impose penalty in case of default in complying with the directions given under section 147.
30.	151(5)	To impose penalty in case of non-compliance with sub-section (1) or sub-section (4) of section 151.
31.	152(3)	To impose penalty in case any inspection required under sub-section (1) is refused, or if any copy required under sub-section (2) is not furnished within the time specified therein.
32.	175	To impose penalty in case a person not qualified to be a director or chief executive or who has otherwise vacated the office of director or chief executive describes or represents himself or acts as a director or chief executive, or allows or causes himself to be described as such.
33.	176(4)	To impose penalty in case of violation of provisions of section 176 relating to proceedings of the board.
34.	178(6)	To impose penalty in case of default in complying with requirements of section 178.
35.	182(1)	To accord approval for sanctioning of any loan to a director or his relative under section 182, in case of a listed company.
36.	193	To impose penalty for contravention or default in complying with requirements of sections 186 to 192.
37.	200(10)	To impose penalty for contravention with the requirements of sub-sections (4), (5) or (6) of section 200.
38.	204 (9)	To impose penalty for contravention or default in complying with requirements of section 204.
39.	205(6)	To impose penalty for contravention or default in complying with requirements of sub-sections (1) or (2) of section 205.
40.	206(2)	To impose penalty for contravention or default in complying with requirements of section 206.
41.	207(4)	To impose penalty for contravention or default in complying with requirements of section 207.

42.	213(5)	To impose penalty for contravention or default in complying with requirements of section 213.
43.	209(6)	To impose penalty for contravention or default in complying with requirements of section 209.
44.	210(3)	To impose penalty for contravention or default in complying with requirements of section 210.
45.	219	To impose penalty for contravention or default in complying with requirements of section 217 or 218.
46.	221(1)	To authorize an officer to inspect books of account and books and papers of a company.
47.	223(2)	To grant extension up to thirty days in the period for laying the financial statements by a company in the annual general meeting.
48.	226(5)	To impose penalty for contravention or default in complying with requirements of section 226.
49.	228(7)	To issue direction that the provisions of section 228 shall not apply only to such extent as may be specified in the direction.
50.	228(8)	To impose penalty for contravention or default in complying with requirements of section 228.
51.	229(2)	To extend the financial year of a holding company or a subsidiary of the holding upon application of such company for the purpose of sub-section (1).
52.	232(3)	To impose penalty for contravention or default in complying with requirements of section 232.
53.	236	To impose penalty for contravention or default in complying with requirements of section 236.
54.	237(4)	To impose penalty for a company's failure to comply with or default in complying with requirements of section 237.
55.	238(2)	To impose penalty for contravention or default in complying with requirements of section 238.
56.	243(2)	To allow a company to withhold or defer payment of dividend.

57.	244(11)	To impose penalty for contravention of provisions of section 244.
58.	248(2)	To impose penalty as provided under section 252 on an officer of a company who refuses or fails to allow any auditor access to any books and papers in his custody or power, or to give any such information possessed by him, or otherwise hinders, obstructs 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 or provides false or incorrect information.
59.	252	To impose penalty for contravention or default in complying with requirements of sections 246, 247, 248 and 250.
60.	474(1)	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 Director (CSD), in respect of any provision of the Act.
61.	477 (1)	To make complaint against the alleged offence of a company.
62.	479 (3)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Act, 2017 (XIX of 2017), which fall within the jurisdiction of Director (CSD) through delegation of powers.
63.	483	To exercise the powers of a court under the Code of Civil Procedure, 1908 in matters specified in this section.
64.	484 (3)	To issue a directive to the chief executive or other officer of the body corporate to appear before him personally and answer the charge, in cases where powers have been delegated.
65.	488	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers of the Commission have been delegated.
66.	489	To direct that the whole or any part of the penalty imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the penalty is recovered; and payment of compensation to an aggrieved party, in cases where powers have been delegated.
67.	499 (1)	To impose penalty for non-compliance of the directive given or order passed in pursuance of the powers delegated.
68.	502	To impose penalty in case of default of statutory provisions of the Act where no specific penalty is provided.

69.	503	To accord, give or grant approval, sanction, consent, confirmation, recognition, direction or exemption, where powers of the Commission have been delegated, subject to such conditions, limitations or restrictions as he may think fit to impose and may, in the case of contravention of any such condition, limitation or restriction, rescind or withdraw such approval, sanction, consent, confirmation, recognition, direction or exemption.
70.	510 (2)	To impose penalty for contravention of any directives, circular, guidelines etc. issued under section 510.

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 Regulation of Group Companies Registration Regulations, 2008	Nature of power/function (in case where any of the companies in the group is listed)
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)	To impose a penalty on the holding company, change the composition of the Group and issue a certificate of change in the composition of a Group.

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 other requirements for the purposes of regulation 7.
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.

Notifications:

S.No.	Relevant Notification	Nature of Power/Function
1.	S.R.O.634(T)/2014; S.R.O.684(I)/2015; and S.R.O.924(I)/2015	To take penal action or grant relaxation from the prescribed requirements.

If the powers and functions of the Commission provided in the rules or regulations made under or in relation to specific section(s) of the Act are not specifically delegated, those powers and functions shall be exercised by the Commissioner or the officer of the CSD, as the case may be, to whom the powers and functions under such specific section(s) of the Act have been delegated through this notification.

In case, the post of Executive Director in the department is vacant, the powers and functions delegated to Executive Director through this notification shall stand delegated to the officer who has been assigned the charge of the Head of Department. In case the post of Director in the department is vacant, the powers and functions delegated to the Director through this notification shall be exercised by the Executive Director or the Head of Department, as the case may be.

This Notification shall not affect anything done, order made, notifications and show cause issued, circular made, proceedings commenced, penalties imposed and/or collected, sanction or exemptions granted, approval given, 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 notification.

Any pending proceedings under the previous notifications of delegation of power shall stand transferred 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.: EMD/Misc/D-II/2009]



(Bilal Rasul)
Secretary to the Commission