

PART II
Statutory Notifications (S.R.O)

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

-.-.-.-.-

Islamabad, the 4th October, 2021

NOTIFICATION

S. R. O. 1325 (I)/2021.- The following draft amendments to the Associations with Charitable and Not for Profit Objects Regulations, 2018 proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of powers conferred by section 512 of the Companies Act, 2017 (XIX of 2017), are hereby published for information of all the persons likely to be affected thereby and notice is hereby given that comments, if any, received within fourteen days from the date of publication of this notification will be taken into consideration by the Securities and Exchange Commission of Pakistan, namely:-

DRAFT AMENDMENTS

In the aforesaid regulations,-

1. in regulation 5, sub-regulation (3) shall be omitted;

2. in regulation 7,-
 - (a) in clause (ii), for the colon at the end a semi colon shall be substituted and thereafter the proviso shall be omitted;

 - (b) for clause (ix), the following shall be substituted, namely:-

“(ix) The Company may alter its Memorandum and Articles of Association subject to compliance of relevant provisions of the Act;”;

 - (c) clause (xiv), shall be omitted;

(d) for clause (xvi), the following shall be substituted, namely:-

“(xvi) the company shall appoint such directors and chief executive officer who meet the fit and proper criteria as specified under these regulations:

Provided that in case of appointment/re-appointment/election/re-election of directors and chief executive officer, the company -

(a) shall obtain an affidavit from the incoming director or the chief executive officer confirming that he/she meets the fit and proper criteria in terms of these regulations; and

(b) while notifying such appointment/re-appointment/election/re-election of directors and chief executive officer on specified form, shall also file an affidavit on stamp paper with the registrar duly signed by the chief executive officer or authorized director, attested by an Oath Commissioner and witnessed, affirming that the fit and proper criteria as mentioned in these regulations has been assessed by the company and that the appointed/re-appointed/elected/re-elected chief executive officer or directors meet the criteria as mentioned in these regulations:

Provided further that this condition shall not be applicable on nominees of Government or an institution or authority or other statutory body of the Federal or Provincial Government(s):

Provided also that this requirement shall not be applicable on the chief executive officer and directors of a non-bank microfinance company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as such persons shall be

required to comply with the fit and proper criteria specified in Non-Banking Finance Companies and Notified Entities Regulations, 2008; ”

(e) for clause (xvii), the following shall be substituted, namely:-

“(xvii) The Company may make investment, whatsoever, in any of its associated companies or associated undertakings subject to compliance of the requirements of section 199 of the Act and the regulations made thereunder. The Board shall also frame and follow a broad policy specifying mechanism for such investments and shall carry out due diligence before making such investment and shall also disclose interest of directors of the company, if any;”;

(f) for clause (xxiii), the following shall be substituted, namely:-

“(xxiii) the company shall receive all funds, grants, contributions and donations (except funds, grants, contributions and donations received in kind) through proper banking channels:

Provided that amounts equivalent to or less than twenty thousand rupees can be received in cash for which proper entries in the books and records of donor shall be maintained by the Company and such amount shall be deposited not later than 3 working days of the receipt, in the bank account of the company;”;

(g) for clause (xxviii), the following shall be substituted, namely:-

“(xxviii) the company shall comply with any other condition(s) as may be imposed by the Commission at the time of grant of license or imposed from time to time subsequent to grant of license.”;

3. after regulation 7, amended as aforesaid, the following new regulation shall be added, namely:-

“7A. All the conditions provided in the license granted under section 42 of the Act, including renewal of license, which are in contradiction to these regulations shall have no effect henceforth.”

4. regulations 8 and 9 shall be omitted;

5. in regulation 10,-

(a) for sub-regulation (1), the following shall be substituted, namely:-

“(1) Each of the promoters, directors, chief executive officer and members of an association shall meet the fit and proper criteria as provided in these regulations:

Provided that the Commission shall assess the fitness and propriety of the promoters, directors and the chief executive officer at the time of grant of license whereas the company shall assess the fitness and propriety of its members, directors and the chief executive officer for any subsequent changes after incorporation of the company;

Provided further that the fit and proper criteria shall remain applicable at all times and in case of any non-compliance at any point in time, the company shall be responsible for replacement of above referred persons.”;

(b) in sub-regulation (2), in clause (i),-

(i) after sub-clause (g), the word “and” shall be deleted;

(ii) in sub-clause (h), for the full stop at the end the expression “; and” shall be substituted and thereafter the following new sub-clause shall be added, namely:-

“(i) he has not entered into a plea bargain arrangement with the National Accountability Bureau or any other regulatory body or a law enforcement agency has not initiated a serious investigation against him.”;

(c) for sub-regulation (3), the following shall be substituted, namely:-

“(iii) Qualification and experience.— A person shall possess adequate qualification and experience in order to act as promoter, director or chief executive officer of the company:

Provided that, in addition to adequate qualification, in case of single object company, the chief executive shall also possess adequate relevant experience in the field of that object; whereas, in case of multiple object company, it shall have at least one director in each field of object who possesses adequate relevant experience in that field so that all the directors collectively have adequate experience related to each object:

Provided further that, in addition to adequate qualification and experience as mentioned above, the chief executive in case of multiple object company, shall possess adequate relevant experience in the field of principal line of business of the Company.”; and

(d) sub-regulation (4), shall be omitted;

6. in regulation 11,-

(a) in sub-regulation (1), the words, “or fail to get the license renewed within the time period provided under these regulations”, shall be omitted; and

(b) in sub-regulation (7) for the expression “Form 4” the expression “Form 2” shall be substituted;

7. for regulation 13, the following shall be substituted, namely:-

“13. Financial Statements.- (1) The company shall ensure that its income and expenditure accounts clearly exhibit a statement of all funds, grants, contributions, donations received from local and foreign sources separately.

(2) The directors’ report prepared under the Act shall also include information, pertaining to :

- (i) compliance with the relevant provisions of the Act;
 - (ii) compliance with all the provisions and conditions of these regulations;
 - (iii) compliance with the all conditions provided in the license (if any); and
 - (iv) confirmation to the effect that prior security clearance in terms of these regulations, in respect of foreign donation, foreign member, foreign director and chief executive officer, if any has been obtained.;
8. in regulation 14, for the expression “Form 5” the expression “Form 3” shall be substituted;
9. for regulation 15, the following shall be substituted, namely:-

“15. Security Clearance.- (1) The Commission shall obtain prior security clearance in accordance with policy approved by the Government in respect of foreign funding or donation or foreign promoters, directors, or chief executive officer of applicant seeking license under these Regulations.

2. The Company, subsequent to grant of license, shall obtain prior security clearance through an application made to the Commission in case it intends to:

- (i) Receive foreign funding or donation; or
 - (ii) Induct foreign member; or
 - (iii) Appoint foreign director or chief executive officer.” and;
10. for NFP Forms, Appendices to NFP Forms and NFP Annexures, the following shall be substituted, namely:-

“NFP Form 1

THE COMPANIES ACT, 2017

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018**

[See Regulation 4]

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 | <input type="text"/> | 1.2 Challan Amount (Rs.) | <input type="text"/> |
|---------------------------|-------------------|----------------------|-----------------------------|----------------------|

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 | <input type="text"/> |
| ii. Entity registered as | <input type="text"/> State whether society, trust, etc. |
| iii. Registration authority | <input type="text"/> |
| iv. Status of existing entity after incorporation of proposed company | a. Take over by proposed company <input type="checkbox"/> b. Closure of existing entity <input type="checkbox"/> |

2.3 Particulars of promoters/proposed directors/proposed CEO:

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

* 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 | 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 | | | |
| | | | | |
| | | | | |
| 3. | Members' donations — Start-up (mandatory) | | | |
| i. | | | | |
| ii | | | | |
| iii | | | | |
| | | | | |

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 Associations With Charitable and Not For Profit Objects Regulations, 2018 have been complied with;
- c) I make this solemn declaration conscientiously believing the same to be true.

PART-III

3.1 Signature

3.2 Name of Authorized Promoter/ Authorized Intermediary

3.4 Registration No of Authorized Intermediary, if applicable

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

| |
|----------|
| Address: |
| Email: |
| Cell No. |

3.6 Date

| | | |
|---|---|---|
| Day | Month | Year |
| <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

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 NFP Form 1** ;
3. an affidavit by each promoter, proposed directors and proposed chief executive officer as per **Appendix-B to NFP Form 1**;
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 as per **Appendix-C to NFP Form 1** 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 Company Registration Office indicating that the proposed name is available;
7. original paid bank challan as evidence of payment of fee specified in seventh schedule of the Act;
8. 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; and

THE COMPANIES ACT, 2017

ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS REGULATIONS, 2018

[Regulations 4, and 10]

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

1 Profile

| | | |
|-------|---|---|
| | Name in Full including | |
| 1.1 | former name: | |
| 1.2 | Father's Name | |
| 1.3 | Nationality | |
| 1.4 | NIC No/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 | Promoter <input type="checkbox"/> <input type="checkbox"/> 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 |
|-----------|-----------------------------|--------------------|---|------------------------------------|-----------|
| | | | | | |
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Note: If needed, separate extra sheets can be used for each item

**APPENDIX-B TO NFP FORM 1
THE COMPANIES ACT, 2017**

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018**

[Regulations 4, and 10]

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]

THE COMPANIES ACT, 2017

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018**

[Regulation 4]

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.

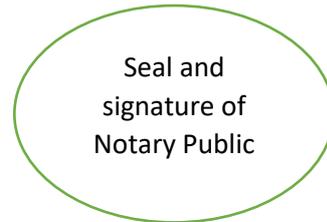
| | Name | Signature |
|------------|------|-----------|
| Promoter-1 | | |
| Promoter-2 | | |
| Promoter-3 | | |
| | | |
| | | |

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



NFP Form 2

THE COMPANIES ACT, 2017

ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS REGULATIONS, 2018

[Regulation 11]

FILING OF REPORT SUBSEQUENT TO TRANSFER OF ASSETS UPON REVOCATION OF LICENSE

PART-I

(Please complete in typescript or in bold block capitals.)

1.1 CUIIN (Incorporation Number)

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
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1.2 Name of the Company

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|-------------------------|------------------|---|--|----------------------|---|--|
| 1.3 Fee Payment Details | 1.3.1 Challan No | <table border="1" style="width: 100%; height: 40px;"><tr><td></td></tr></table> | | 1.3.2 Challan Amount | <table border="1" style="width: 100%; height: 40px;"><tr><td></td></tr></table> | |
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PART-II

| | | | | | | | | | | | | | | | | | | | |
|--------------------------------|--|--|----|--|------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | day | | mm | | yyyy | | | | | | | | | | | | | | |
| 2.1 Date of board's Resolution | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td></tr></table> | | | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td></tr></table> | | | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td></tr></table> | | | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | |
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2.2 Declaration

I do hereby solemnly, and sincerely declare that the information provided in the form and its enclosure is:

- (i) true and correct to the best of my knowledge, in consonance with the record as maintained by the Company and nothing has been concealed; and
- (ii) hereby reported after complying with and fulfilling all requirements under the relevant provisions of law, rules, regulations, directives, circulars and notifications whichever is applicable.

PART-III

3.1 Name of Authorized Officer with designation/ Authorized Intermediary

| | |
|--|--|
| | |
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3.2 Signatures

| |
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| |
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3.3 Registration No of Authorized Intermediary, if applicable

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

3.4 Date

| Day | | Month | | Year | | | |
|-----|--|-------|--|------|--|--|--|
| | | | | | | | |

Enclosures:

1. Original paid bank challan evidencing payment of fee; and
2. Report along with requisite documents as per sub-regulation (7) of regulation 11.

NFP Form 3

THE COMPANIES ACT, 2017

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018**

[Regulation 14]

FILING OF MONTHLY REPORT

PART-I

(Please complete in typescript or in bold block capitals.)

1.1 CUIIN (Incorporation Number)

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

1.2 Name of the Company

| |
|--|
| |
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PART-II

| 2.1 Details of Funding | | | | | | | | |
|------------------------|---------------|------------------|---------------------|-------------------------------|--------------------------------|------------------|--|--|
| Company Name | | | | | | Registration No | | |
| For the Month | | | | | | | | |
| | | | | Amount Received | | | | |
| | | | | In Currency, applicable | Foreign if | | | |
| S. No | Donor Name | Donor Address | Transaction Date | US\$ etc | Equivalent in Pak Rupees | In Pak Rupees | Bank Branch Name where funds are received | Account Number where funds are received |
| | | | | | | | | |

2.2 Declaration

I do hereby solemnly, and sincerely declare that the information provided in the form and its enclosure is:

(i) true and correct to the best of my knowledge, in consonance with the record as maintained by the Company and nothing has been concealed; and

(ii) hereby reported after complying with and fulfilling all requirements under the relevant provisions of law, rules, regulations, directives, circulars and notifications whichever is applicable.

PART-III

3.1 Name of Authorized Officer with designation/ Authorized Intermediary

3.2 Signatures

3.3 Registration No of Authorized Intermediary, if applicable

3.4 Date

| | |
|-----|--|
| Day | |
|-----|--|

| | |
|-------|--|
| Month | |
|-------|--|

| | | | |
|------|--|--|--|
| Year | | | |
|------|--|--|--|

NFP Annexure-1



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

LICENCE

UNDER SECTION 42 OF THE COMPANIES ACT, 2017

Whereas it has been proved to the satisfaction of the Commission that an association to be named as-

<Name of Association/Company>

is to be formed as a public limited company under the Companies Act, 2017 with the primary object “ _____ ” and other objects contained in its Memorandum of Association and it (a) intends to apply its profits and income towards those objects and (b) prohibits the payment of any dividend or profit to its members (c) ensures that its objects and

activities are not and shall not, at any time, be against the laws, public order, security, sovereignty and national interests of Pakistan.

2. Now, therefore, in pursuance of section 42 of the Companies Act, 2017, the Commission is pleased to grant licence to the said Association and direct that it may be registered as a public limited company without addition of the words "Limited" or "(Guarantee) Limited" to its name.

3. This licence is granted subject to conditions as mentioned in the Associations with Charitable and Not for Profit Objects Regulations, 2018 or any other additional condition(s) where mentioned overleaf or imposed by the Commission from time to time.

4. Given under my hand at Islamabad this _____ day of _____.

*[Authorized Officer of the
Commission]*

Licence No. "

[File No.CLD/CCD/CO.42/17/2005]


(Bilal Rasul)
Secretary to the Commission