

# PROCEDURE

***FOR OBTAINING LICENSE BY  
AN***

**ASSOCIATION  
NOT FOR PROFIT  
*UNDER SECTION 42 OF THE  
COMPANIES ACT, 2017***

***ITS INCORPORATION  
AS A COMPANY  
LIMITED BY GUARANTEE***

**&  
RENEWAL OF ITS LICENSE**

**A not-for-profit association (more commonly called an NGO) may be registered as company under the provisions of the Companies Act, 2017 (the ‘Act’). Any such association is required to obtain license under Section 42 of the Act read with rule 6 of the Companies (General Provisions and Forms) Rules, 1985 (the ‘Rules’) from the Securities and Exchange Commission of Pakistan (the ‘Commission’), prior to its registration as a company limited by guarantee. The license is issued for a period of five (5) years, renewable for further term (s) of five (5) years each. The procedure for obtaining license, subsequent registration of such Association as company, and thereafter renewal of the license when due, is provided hereinafter.**

## **STEP 1:AVAILABILITY OF NAME**

The first step is to seek availability of the proposed name for the company. The application for availability of name can be made *online* through eServices OR *offline* through physical filing to any one of the Company Registration Offices (CROs) of the Commission.

***For online*** submission of application, the fee is **Rs.200/-**, which is much cheaper than ~~the manual~~ the manual submission of application.

*All information of eServices is available at the web portal of the Commission at <https://eservices.secp.gov.pk/eServices/>*

***For offline***, an application is to be made to the Company Registration Office alongwith the original Bank challan of **Rs.500/-**, paid as application fee, in the authorized branches of MCB Bank Limited/United Bank Limited in favour of the “Securities and Exchange Commission of Pakistan”.

*(Addresses of CROs are provided in the Promoters guide placed at the Commission’s website at <https://www.secp.gov.pk/document/promoters-guide-ehnglish/?wpdmdl=13900>*

## **STEP 2: APPLICATION FOR GRANT OF LICENSE**

An application by the promoters or members of an association desirous of obtaining a license under section 42, is submitted through duly authorized representative with the subject: “Application for Grant of License under section 42 to M/s .....<Association/Foundation> (Proposed)”, is addressed to:

**The Commissioner (CCD-CLD),  
Securities and Exchange Commission of Pakistan,  
63-Jinnah Avenue,  
NIC Building, Blue Area,  
Islamabad**

The following information/documents are required to be submitted along with the application:

- 1.** Original Bank challan of Rs.25,000/-, paid as licensing fee, in the authorized branches of MCB Bank Limited/United Bank limited in favour of the Securities and Exchange Commission of Pakistan.
- 2.** Copy of letter showing that the proposed name is available. (Please see Step-1 above for reference)
- 3.** Draft Memorandum and Articles of Association.

Specimen of Memorandum and Articles of Association is provided at the end of this booklet and also placed on the Commission’s website at:

- 4.** A list of promoters of the association with their occupations and addresses; [Format at Annex-I]
- 5.** Photocopies of CNICs (attested copy of Passport, in case of foreigner) of each of the promoter;
- 6.** A statement showing the names of companies, associations and other institutions in which the promoters of the proposed association hold any office stating the office held (position/designation) in each case; [Format at Annex-II]
- 7.** A declaration by a person of the effect that he has scrutinized the application and the accompanying documents, and that he is satisfied that the same are drawn up in conformity with the provisions of the Act and fulfill the conditions for the grant of license laid therein and these rules; [Format at Annex-III]
- 8.** An undertaking from each promoter to the effect that they have sufficient skills, expertise and resources for the attainment of object of the proposed association. Moreover, the said undertaking should indicate that each promoter shall contribute a reasonable amount (e.g., Rs.200,000/-) as start up donation having regard to the circumstances of the case. The amount shall be deposited in the company's

account within a period of six months of the date of its incorporation which shall be used for the attainment of the object and should not be refundable to the promoters, directly or indirectly through any means, affidavit affirming correctness of contents of the application, affirming that promoters are not defaulters of loans etc. on the stamp paper of appropriate value duly attested by an Oath Commissioner; [Format at Annex-IV]

**9.** An estimate of the future annual income and expenditure of the proposed company, specifying the sources of income and objects of expenditure. The statement should also reflect the aforesaid startup donation of the each subscriber. [Format at Annex-V]

In case of foreign promoter / donor, the following additional (five sets of each) documents needs to be provided:

- Draft Memorandum of Association
- Copies of Computerized National Identity Cards (CNICs) of all Pakistani members and in case of foreigners, copy(ies) of passport(s);
- Resume of all promoters
- Estimated Income and expenditure statement, names of foreign donors along with letters of intents from foreign donors and year wise amount of donation, and;

**10.** A brief statement of the work already done (if any) and the work proposed to be done after incorporation as a company specifying salient features of the project(s) e.g., their location, size, duration, etc., to be undertaken in pursuance of object of the company.

[Format at Annex-VI]

**11.** Power of Attorney (Authority Letter) on Stamp Paper of appropriate value made by all the promoters in favour of a person 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. [Format at Annex-VII]

**12.** Resume of all promoters. [Format at Annex-VIII]

**13.** The application needs to indicate whether the association is already in existence or not. If the association is already in existence, the following information/documents relating to the existing entity also to be furnished:

**A.** In case, the existing entity is a society, trust, etc., (i.e., other than a company registered in Pakistan):

**a.** A copy each of the audited balance-sheet, income and expenditure account and the annual

report on the working of the existing entity for the financial year immediately preceding the date of the application;

**b.** Attested copy of Certificate of registration (if it has any legal status);

**c.** Copy of resolution regarding dissolution and taking over the assets and liabilities of the existing entity by the proposed company within three months of its incorporation;

**d.** Attested copy of latest List of members of Board of Directors/Governors /Trustees etc. of the existing entity;

**e.** Attested copy of Latest Memorandum and Articles of Association, Charter, or Statute by which it was registered.

**B.** In case, the existing entity is already registered as a company in Pakistan:

**a.** A copy of each of the audited balance sheet, income and expenditure account. Annual report on the working of the existing entity for the financial year immediately preceding the date of the application; and

**b.** A copy of special resolution proposing to seek license under section 42 of the Act and amendments in its memorandum and articles of association to bring it in conformity with the



licensing requirements.

***Please Note:***

A copy of application alongwith its enclosures are also required to be forwarded by the applicant to the Company Registration Office concerned.

*(Addresses of CROs are provided in the Promoters guide placed at the Commission's website at <https://www.secp.gov.pk/document/promoters-guide-ehnglish/?wpdmdl=13900>*

The Commission on being satisfied, after such enquiry and obtaining such further information, as it may consider necessary, that it shall be in the public interest to do so, may grant the license applied for, subject to such conditions as it may deem fit to impose.

**STEP 3:**  
**REGISTRATION OF ASSOCIATION**  
**AS A COMPANY LIMITED BY GUARANTEE**

After obtaining license from the Commission, the Association must be incorporated under the provisions of the Act, within a period of three months from the date of the license.

The procedure for the incorporation of Associations is provided in the Promoters Guide placed at the Commission's website at:

<https://www.secp.gov.pk/document/promoters-guide-ehnglish/?wpdmdl=13900>

## **RENEWAL OF LICENSE**

The license is issued for a definite period of five (5) years, renewable for further term(s) of five (5) years, each, on an application to be submitted to the Commission, three months before the expiration of period of license by the association along with the following documents:

- a.** Original paid bank challan of Rs.25,000/-, as License fee in the authorized branches of MCB Bank Limited or United Bank Limited.
- b.** Resume of each of the existing chief executive and directors (As per Annex-I) in case of any change in the list of promoters/directors as provided at the time of grant of license/last renewal of license.
- c.** Affidavit / Undertaking by Chief Executive and all directors affirming the correctness of the contents of the application and that they are not defaulters of loans, etc [Format as per Annexure-IX].
- d.** List of existing members with their occupations, residential addresses, contact

numbers and copies of CNICs in case of any change in the list of members as stated in the last Form-B filed by the association with concerned registrar (Company Registration Office).

**e.** Details of the amounts of local and foreign donations and grants received during last five (5) years with details of the donors indicating their names, country of origin (in case of foreign donor) and complete address duly certified by the Chartered Accountants that funds/donations was/were received through banking channel and are in conformity with the books of account of the association.

**f.** Statement of the work done/projects undertaken by the association during the last three years.

The Commission on being satisfied of the past corporate behaviour of the company, after such enquiry and obtaining such further information, as it may consider necessary, that it shall be in the public interest so to do, may renew the license for further period of five years, subject to such conditions as it may deem fit to impose.

### **DISCLAIMER**

The aforesaid procedure has been provided with the intention to create an awareness of the concept of the relevant matters. However, the procedure does not tell everything and the opinions or legal interpretations referred therein are circumstantial and may vary under different situations. If the reader is in doubt or dealing with any specific condition, it is recommended to refer to the Companies Act, 2017 and allied laws or consult an adviser for seeking professional advice.

## **Important**

- There must be at least 3 subscribers/ members/promoters of the company and who must have sufficient skills, expertise and resources for the attainment of object of the proposed company.
- Each promoter shall contribute a reasonable amount as start up donation having regard to the circumstances of the case.
- All conditions of license shall be mentioned in the Memorandum of Association of the company.

*Please see clauses IV to X of the specimen of Memorandum and Articles of Association which is placed on the Commission's website and downloadable at:*

*[https://www.secp.gov.pk/document/spec\\_memarticles42\\_16\\_01\\_2012/?wpdmdl=17](https://www.secp.gov.pk/document/spec_memarticles42_16_01_2012/?wpdmdl=17)*

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## ANNEX-I

### LIST OF PROMOTERS OF M/S (PROPOSED)

*[Section 42 and rule 6(2)(b)]*

<b><i>Name of Promoter</i></b>	<b><i>Occupation</i></b>	<b><i>Address</i></b>

Signatures: \_\_\_\_\_

Name: \_\_\_\_\_

*[To be signed by the person presenting documents]*



## ANNEX-II

### OFFICES HELD BY PROMOTERS OF M/s (PROPOSED)

#### IN OTHER COMPANIES, ASSOCIATIONS, AND INSTITUTIONS, ETC.

*[Section 42 and rule 6(2)(d)]*

<b><i>Name of Promoter</i></b>	<b><i>Office(s) Held</i></b>	<b><i>Name(s) of other companies /associations/institutions</i></b>

Signatures: \_\_\_\_\_

Name: \_\_\_\_\_

*[To be signed by the person presenting documents]*

## ANNEX-III

**[To be made on stamp paper duly verified by an Oath Commissioner]**

**DECLARATION OF COMPLIANCE**  
**WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2017**  
**AND THE COMPANIES (GENERAL PROVISIONS AND FORMS) RULES, 1985**

*[Section 42 and rule 6(2)(c)]*

I, Mr./Miss/Mrs. \_\_\_\_\_ son/daughter/widow of \_\_\_\_\_ do solemnly and sincerely declare:-

- (i) that I [am an Advocate entitled to appear before a High Court / Supreme Court / a Chartered Accountant / a Cost and Management Accountant practicing in Pakistan and am engaged in the formation of the proposed association, namely, \_\_\_\_\_ /] am a person named in the Articles of Association as a director/officer of the proposed association, namely, \_\_\_\_\_.; and
- (ii) that I have scrutinized the application and the accompanying documents, and that I am satisfied that the same are drawn up in conformity with the provisions of the Companies Act, 2017 and fulfill the conditions for the grant of license laid therein and the Companies (General Provisions and Forms) Rules, 1985.

Signature: .....  
Full Name (in Block Letters),  
Designation, NIC Number,  
and Full Address

Date: .....  
Place: .....

Witness to the signature:

Signature: .....  
Full Name, Father's/ Husband's  
Name (in Block Letters)  
NIC Number, Occupation  
and Full Address

Attested by an  
Oath  
Commissioner  
[under his  
Stamp]

## ANNEX-IV

[To be made on stamp paper duly verified by an Oath Commissioner]

### **AFFIDAVIT / UNDERTAKING**

I, Mr./Miss/Mrs. \_\_\_\_\_ son/daughter/wife  
\_\_\_\_\_ of resident of \_\_\_\_\_  
promoter/subscriber of \_\_\_\_\_, (proposed) do hereby,  
solemnly affirm and testify that:

1. The contents of the application for grant of license under section 42 of the Companies Act, 2017 to the proposed Association are true and correct to the best of my knowledge and belief and declare that:

a) I have not been associated with any money laundering or terrorist financing activities and neither have approved receipt of nor received such monies and likewise neither have approved disbursement of nor disbursed such monies in any manner for money laundering or terrorist financing purposes;

b) I have not been associated with any illegal banking business, deposit taking or financial dealings;

c) I and the companies, firms, sole proprietorship etc. where I am chief executive, director (other than nominee director), owner or partner etc. has no overdue payment of any financial institution;

d) neither I nor companies in which I am a director or major shareholder have defaulted in paying taxes as on the date of application;

e) I have not been a sponsor, director or chief executive of a defaulting cooperative finance society or finance company;

f) I have never been convicted of fraud or breach of trust or of an offend involving moral turpitude or removed from services for misconduct;

g) I have neither been adjudged an insolvent nor have defaulted in making payments to my creditors; and

h) the funds raised shall be spent for objects of the proposed association and for other lawful purposes.

i) I am fully aware of the contents of the application for grant of license under section 42 of the Companies Act, 2017 and whatsoever stated in the application and accompanied documents is true and nothing has been concealed in the application.

### ***2. I, Further do hereby undertake on oath that:***

I, have sufficient skills, expertise and resources for the attainment of object(s) of the proposed association and shall contribute an amount of Rs. \_\_\_\_\_ /- as start up donation and the said amount shall be deposited in the company's account within a period of six months of the date of its incorporation which shall be used for the attainment of company's object(s) and shall not be refundable to the promoter, directly or indirectly through any means.

Witness to above:

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address \_\_\_\_\_

(Signature) \_\_\_\_\_

Dated: \_\_\_\_\_

DEPONENT

Attested by an  
Oath  
Commissioner

[under his  
Stamp]

## ANNEX-V

### **Statement of Estimated Future Annual Income and Expenditure of**

**M/s. (Proposed)**

*[Section 42 and rule 6(2)(f)]*

(Amounts in Pak Rupees)

INCOME	Notes	Year 1	Year 2	Year 3
Local donations and grants		0,000,000	0,000,000	0,000,000
Donations and Grants – Foreign		0,000,000	0,000,000	0,000,000
Member’s donations – Start-up		0,000,000	0	0
Member’s donations – Other		0,000,000	0000,000	0,000,000
Other sources, specify, if any		0,000,000	0,000,000	0,000,000
Previous year’s surplus (deficit) B/F		000,000	000,000	0,000,000
<b>Total</b>		<b>0,000,000</b>	<b>0,000,000</b>	<b>0,000,000</b>
EXPENDITURE		Year 1	Year 2	Year 3
Registration and Legal fee		000,000	0	0
Object related projects: Specify (name of) project 1		000,000	000,000	000,000
Specify (name of) project 2, if any		0,000,000	0,000,000	0,000,000
Specify (name of) project 2, if any		000,000	0,000,000	0,000,000
Specify (name of) project 3, if any, etc.		000,000	0,000,000	0,000,000
Administrative and operational expenditures		000,000	000,000	000,000
<b>Total Expenditures</b>		<b>0,000,000</b>	<b>0,000,000</b>	<b>0,000,000</b>
<b>Income over Expenditures Surplus (if any)</b>				

**Note 1:** Details of above referred Notes should give full disclosure about the above estimates with year wise break-ups, along with sufficiently descriptive explanations.

**Note 2:** Letters of Intent from Local / Foreign Donors identifying year-wise donations should be furnished.

Signature \_\_\_\_\_

Name \_\_\_\_\_

## ANNEX-VI

### **BRIEF STATEMENT OF THE WORK ALREADY DONE BY THE ASSOCIATION OR PROPOSED TO BE DONE AFTER ITS BEING GRANTED THE LICENSE AND REGISTRATION UNDER SECTION 42 OF THE COMPANIES ACT, 2017**

*[As required under Rule 6(2)(g) of the Companies (General Provisions  
and Forms) Rules, 1985]*

“ \_\_\_\_\_ ” (Proposed)

Work already done (salient features of work/projects, etc), if any:

- 1.
- 2.
- 3.

Work Proposed to be done (salient features of work/projects, etc) after grant of license:

- 1.
- 2.
- 3.

Signature \_\_\_\_\_

Name \_\_\_\_\_

*[To be signed by the person presenting documents]*

## ANNEX-VII

[To be made on stamp paper of an appropriate value duly verified by Notary Public]

### Power of Attorney / Authority Letter

We, the following persons, being promoters/subscribers of the (proposed) company, namely, M/s \_\_\_\_\_ do hereby appoint and authorize Mr./Miss/Mrs. \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ resident of \_\_\_\_\_ whose signatures are given below, to present us before the Securities and Exchange Commission of Pakistan to submit application/ papers for 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.

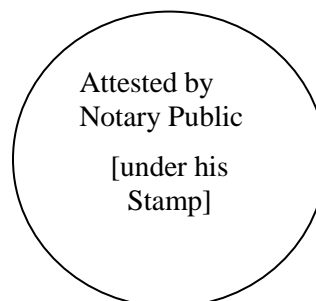
Sr.	Name of Promoter	Signature

Signature: .....  
[Authorized Representative]  
Full Name with NIC Number

witness to the signatures:

Signature: .....  
Full Name, NIC Number,  
Father's/ Husband's Name,  
Occupation and Full Address

Date: ..... Place: .....



**RESUME**

**[To be used in application for grant of license under section 42 of the Companies Act, 2017]**

**Promoter's Name:** \_\_\_\_\_  
**Nationality:** \_\_\_\_\_  
**NIC (Computerized)/Passport No. (in case of foreigner)** \_\_\_\_\_  
**Old NIC No.** \_\_\_\_\_  
**National Tax Number:** \_\_\_\_\_  
**Date of Birth / Age:** \_\_\_\_\_  
**Father's/Husband's Name:** \_\_\_\_\_  
**Postal Address:** \_\_\_\_\_  
\_\_\_\_\_  
**Permanent Address:** \_\_\_\_\_  
\_\_\_\_\_  
**Email / Telephone / Fax No.** \_\_\_\_\_  
\_\_\_\_\_

**Educational Qualifications:** \_\_\_\_\_  
\_\_\_\_\_

**Experience Details** (with dates, period, organizations, nature of projects/work responsibilities):

A. Now working as (describing offices held at the moment and related work responsibilities):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Previous Experience relating to Main Objects of the Association now being formed:

1. \_\_\_\_\_  
\_\_\_\_\_  
2. \_\_\_\_\_  
\_\_\_\_\_  
3. \_\_\_\_\_  
\_\_\_\_\_

C. Other Experience:

1. \_\_\_\_\_  
\_\_\_\_\_  
2. \_\_\_\_\_  
\_\_\_\_\_  
3. \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

*[To be signed by the promoter himself /herself or the authorized person presenting documents]*

**Note:** If needed, the space for experience detail may be expanded or extra pages annexed.

## ANNEX-IX

[To be made on stamp paper duly verified by an Oath Commissioner]

### **AFFIDAVIT (For Renewal of License)**

, Mr./Miss/Mrs. \_\_\_\_\_ son/daughter/wife  
\_\_\_\_\_ of resident of \_\_\_\_\_  
promoter/subscriber of \_\_\_\_\_, (proposed) do hereby,  
solemnly affirm and testify that:

2. The contents of the application for grant of license under section 42 of the Companies Act, 2017 to the proposed Association are true and correct to the best of my knowledge and belief and declare that:

a) I have not been associated with any money laundering or terrorist financing activities and neither have approved receipt of nor received such monies and likewise neither have approved disbursement of nor disbursed such monies in any manner for money laundering or terrorist financing purposes;

b) I have not been associated with any illegal banking business, deposit taking or financial dealings;

c) I and the companies, firms, sole proprietorship etc. where I am chief executive, director (other than nominee director), owner or partner etc has no overdue payment of any financial institution;

d) neither I nor companies in which I am a director or major shareholder have defaulted in paying taxes as on the date of application;

e) I have not been a sponsor, director or chief executive of a defaulting cooperative finance society or finance company;

f) I have never been convicted of fraud or breach of trust or of an offend involving moral turpitude or removed from services for misconduct;

g) I have neither been adjudged an insolvent nor have defaulted in making payments to my creditors; and

h) the funds raised shall be spent for objects of the proposed association and for other lawful purposes.

i) I am fully aware of the contents of the application for grant of license under section 42 of the Companies Act, 2017 and whatsoever stated in the application and accompanied documents is true and nothing has been concealed in the application.

Witness to above:

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address \_\_\_\_\_

DEPONENT  
(Signature) \_\_\_\_\_  
Dated: \_\_\_\_\_

Attested by an  
Oath  
Commissioner

[under his  
Stamp]



**MEMORANDUM AND ARTICLES OF ASSOCIATION OF  
A COMPANY LICENSED UNDER SECTION 42**

*[A company set up under Section 42 of the Companies Act, 2017]*

**MEMORANDUM OF ASSOCIATION**

- I.** The name of the company is “XYZ Association”.
- II.** The registered office of the company will be situated in the Province of Baluchistan.
- III.** The object for which the company is established, are as follows:
  1. To promote education in the country by establishing, maintaining, assisting, running and managing schools and colleges for the low income segment in society in rural and urban areas.
  2. To .....
  3. To .....
- IV.** In order to achieve its object, the company shall exercise the following powers:
  - (1) To appeal, solicit or accept contributions, donations, grants and gifts, in cash or in kind, from lawful sources and to apply the same or income thereof for the objects of the company.
  - (2) To open and operate bank accounts in the name of the company and to draw, make, accept, endorse, execute and issue promissory notes, bills, cheques and other instruments.
  - (3) To acquire, alter, improve, charge, take on lease, exchange, hire, sell, let or otherwise dispose of any movable or immovable property and any rights and privileges whatsoever for any of the objects or purposes specified herein above. Provided that the company shall not undertake the business of real estate or housing schemes.
  - (4) To borrow or raise money, with or without security, required for the purposes of the company upon such terms and in such manner as may be determined by the company for the promotion of its objects.
  - (5) To mortgage the assets of the company and / or render guarantee for the performance of any contract made, discharge of any obligation incurred or repayment of any moneys borrowed by the company.
  - (6) To purchase, sell, exchange, take on lease, hire or otherwise

acquire lands, construct, maintain or alter any building and any other moveable or immovable properties or any right or privileges necessary or convenient for the use and purposes of the company.

- (7) To nominate delegates and advisors to represent the company at conferences, government bodies and other gatherings.
- (8) To co-operate with other charitable trusts, societies, associations, institutions or companies formed for all or any of these objects and statutory authorities operating for similar purposes and to exchange information and advice with them.
- (9) To pay out of the funds of the company the costs, charges and expenses of and incidental to the formation and registration of the company.
- (10) To create, establish, administer and manage funds including endowment fund conducive for the promotion of the objects of the company.
- (11) To enter into agreements, contracts and arrangements with organizations, institutions, bodies and individuals for the purpose of carrying out the functions and activities of the company.
- (12) To take such actions as are considered necessary to raise the status or to promote the efficiency of the company.
- (13) To conduct, hold and arrange symposia, seminars, conferences, lectures, workshops and dialogue and to print, publish and prepare journals, magazines, books, circulars, reports, catalogues and other works relating to any of the objects of or to the work done by the company, subject to the permission, if required of the relevant authorities.
- (14) To do all other such lawful acts and things as are incidental or conducive to the attainment of the above objects or any one of them.

**V.** The company shall achieve the above said objects subject to the following conditions:-

- (1) The company is formed as a public company limited by guarantee.
- (2) Payment of remuneration by the company or its subsidiary entity for services or otherwise to members of the company or to their family members whether holding an office in the company or its subsidiary or not, shall be prohibited provided that the prohibition shall continue to apply for a period of five years after a member quits from his membership of the company.
- (3) No change in the Memorandum and Articles of Association shall be

made except with the prior approval of the Securities and Exchange Commission of Pakistan.

- (4) Patronage of any government or authority, express or implied, shall not be claimed unless such government or authority has signified its consent thereto in writing.
- (5) The company shall not itself set up or otherwise engage in any manner function as a trade organization.
- (6) The company shall not exploit or offend the religious susceptibilities of the people.
- (7) The company shall not, directly or indirectly, participate in any political campaign for elective public office or other political activities akin to those of a political party or contribute any funds or resources to any political party or any individual or body for any political purpose.
- (8) The subscribers to the Memorandum and Articles of Association of the company shall continue to be the members of the company unless allowed by the Commission on application to quit as members.
- (9) The company shall not appoint any person as director or chief executive unless he meets the fit and proper criteria as specified by the Commission from time to time.
- (10) The company in all its letterheads, documents, sign boards, and other modes of communication, shall with its name, state the phrase "A company set up under section 42 of the Companies Act, 2017."
- (11) The income and any profits of the company, shall be applied solely towards the promotion of objects of the company and no portion thereof shall be distributed, paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company or their family members.
- (12) The company shall not appeal, solicit, receive or accept funds, grants, contributions, donations or gifts, in cash or in kind, from foreign sources except with the prior permission, clearance or approval from the relevant public authorities as may be required under any relevant statutory regulations and laws. No funds shall be received otherwise than through proper banking channels i.e., through crossed cheque, pay-order, bank draft.
- (13) The company shall close its accounts on 30th of June each year.
- (14) The company shall make no investment, whatsoever, in its associated companies except with the prior approval of the Commission and subject to such conditions as it may deem fit to impose.
- (15) Notwithstanding anything stated in any object clause, the company shall obtain such other licenses, permissions, or approvals of the

relevant public authorities as may be required under any relevant statutory regulations and laws for the time being in force, to carry out its specific object.

(16) The company shall comply with such conditions as may be imposed by the Securities and Exchange Commission of Pakistan from time to time.

**VI.** The territories to which the object of the company shall extend are declared to include whole of Pakistan.

**VII.** The liability of the members is limited.

**VIII.** Every member of the company undertakes that he shall contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts or liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves such amount as may be required but not exceeding Rs.100,000/- (Rupees One Hundred Thousand Only).

**IX.** On the revocation of license of a company under section 42 of the Companies Act, 2017, by the Commission:

- (a) the company shall stop all its activities except the recovery of money owed to it, if any;
- (b) the company shall not solicit or receive donations from any source; and
- (c) all the assets of the company after the satisfaction of all debts and liabilities, shall be transferred to another company licensed under section 42 of the Companies Act, 2017, preferably having similar or identical objects to those of the company, within ninety days from the revocation of the license or such extended period as may be allowed by the Commission:

Provided that a reasonable amount to meet the expenses of voluntary winding up or making an application to the registrar for striking the name of the company off the register may be retained by the company.

**X.** In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Companies Act, 2017, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Act, 2001 and under intimation to the Securities and Exchange Commission of Pakistan.

We, the several, persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of this memorandum of association.

<i>S. No.</i>	<i>Name and surname (present &amp; former) in full (in Block Letters)</i>	<i>NIC No. (in case of foreign er, Passpo rt No)</i>	<i>Father's/ Husband' s Name in full</i>	<i>National ity (ies) with any former National ity</i>	<i>Occupation</i>	<i>Usual residential address in full or the registered/principal office address for a subscriber other than natural person</i>	<i>Signatures</i>
<i>1</i>							
<i>2</i>							
<i>3</i>							

Dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_

Witness to above signatures: (For the documents submitted in physical form)

<i>Signature</i>	
<i>Full Name (in Block Letters)</i>	
<i>Father's/ Husband's name</i>	
<i>Nationality</i>	
<i>Occupation</i>	
<i>NIC No.</i>	
<i>Usual residential address</i>	

## **ARTICLES OF ASSOCIATION**

1. In these Articles, unless the context or the subject matter otherwise requires:
  - (a) “the company” means “XYZ Association”.
  - (b) “the office” means the registered office for the time being of the company.
  - (c) “the directors” mean the directors for the time being of the company.
  - (d) “the seal” means the common seal or official seal of the company as the case may be.
  - (e) “the Act” means the Companies Act, 2017.
  - (f) “the Commission” means the Securities and Exchange Commission of Pakistan.
  - (g) “the registrar” means the registrar of companies as defined in the Companies Act, 2017.
  - (h) “the register” means the register of the members to be kept in pursuant to section 119 of the Act.
  - (i) “chief executive” means the chief executive of the company.
  - (j) “secretary” means the company secretary of the company.
  - (k) “memorandum” means the memorandum of association of the company.
  - (l) “person” includes an individual, company, corporation and body corporate.
  - (m) “articles” means the articles of association of the company.
  - (n) “board” means the board of directors of the company.
  - (o) “year” used in the context of financial matters shall mean financial year of the company.
  - (p) Expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography and other modes of representing or reproducing words in visible form.
  - (q) Words importing the singular number include the plural number and vice versa and words importing the masculine gender include the feminine gender.
  - (r) Unless the context otherwise requires words or expressions contained in these Articles shall be of the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the company.

## **MEMBERSHIP**

2. The number of members with which the company proposes to be registered is ....., but the minimum number of members shall not be, at any time, less than three (3). However, the directors may, from time to time, whenever the company or the business of the company requires, increase the number of members.
3. The company in general meeting may from time to time lay down the qualifications and conditions subject to which any person or class of persons shall be admitted to membership of the company.
4. The rights and privileges of a member shall not be transferable and shall cease on his death or otherwise ceasing to be a member.
5. The subscribers to the memorandum and such other persons as the directors shall admit to membership shall be members of the company.
6. One person shall have the right to hold one membership.

## **ADMISSION TO MEMBERSHIP**

7. The application for seeking membership of the company shall be required to be seconded by an existing member whereupon the board of directors shall decide the matter of his admission as member or otherwise within ninety days of making of such application. No minor or lunatic shall be admitted as a member of the company.
8. Every person, upon applying for admission to membership, shall submit to the company an undertaking on the stamp paper of appropriate value that:
  - (a) I have not been associated with any money laundering or terrorist financing activities and neither have approved receipt of nor received such monies and likewise neither have approved disbursement of nor disbursed such monies in any manner for money laundering or terrorist financing purposes; and
  - (b) I have not been associated with any illegal banking business, deposit taking or financial dealings or any other illegal activities.
9. The board shall subject to the Articles, accept or reject any application for admission to membership. The board's decision shall be final and it shall not be liable to give any reasons thereof.

## **CESSATION / EXPULSION FROM MEMBERSHIP**

10. A member renders himself liable to expulsion or suspension by the board if:
  - (a) he refuses or neglects to give effect to any decision of the board; or

- (b) he infringes any of the regulations of the articles; or
  - (c) he is declared by a court of competent jurisdiction to have committed a fraud, or to be bankrupt, or to be insane or otherwise incompetent; or
  - (d) he is held by the Committee of the company to have been guilty of any act discreditable to a member of the company; or
  - (e) he is acting or is threatening to act in a manner prejudicial to the objects, interest or functioning of the company or any other institute, body corporate, society, association or institution in which the company has an interest.
11. The company in general meeting may, on an appeal of the aggrieved member and after giving an opportunity of hearing, annul or modify the decision of the board with regard to expulsion of the member by resolution supported by two-thirds majority. The person expelled shall be reinstated as a member from the date of the resolution of the general meeting annulling the decision of the board.
12. Termination of membership shall occur automatically:
- (a) in the event of the death of a member; and
  - (b) in the event a member fails to pay any amount due by him to the company within three (3) months after such obligation has become due.

## **GENERAL MEETINGS AND PROCEEDINGS**

### **ANNUAL GENERAL MEETING**

13. A general meeting to be called annual general meeting, shall be held, in accordance with the provisions of Section 132, within sixteen months (16) months from the date of incorporation of the company and thereafter once at least in every calendar year within a period of four (4) months following the close of its financial year as may be determined by the directors.

### **OTHER GENERAL MEETINGS**

14. All other meetings of the members of the company other than an annual general meeting shall be called “extraordinary general meetings”.

### **EXTRAORDINARY GENERAL MEETINGS**

15. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meeting shall also be called on such requisition(s), as is provided by section 133 of the Act.



## **NOTICE OF GENERAL MEETINGS**

16. Twenty-one (21) days' notice at least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Act for the general meeting, to such persons as are, under the Act or the Articles of the company, entitled to receive such notices from the company but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

## **SPECIAL BUSINESS**

17. All business that is transacted at an extra ordinary general meeting and that is transacted at an annual general meeting with the exception of the consideration of the financial statements and the reports of the director and auditors, the election of directors, the appointment of and the fixing of remuneration of the auditors shall be deemed special business.

## **QUORUM**

18. No business shall be transacted at any general meeting unless a quorum of members representing not less than two (2) members or twenty-five percent of the total number of members of the company, whichever is greater, is present personally or through video-link at the time when the meeting proceeds to business-
  - (a) in the case of company having share capital, unless the articles provide for a larger number, two members present personally, or through video-link who represent not less than twenty-five percent of the total voting power, either of their own account or as proxies.

## **EFFECT OF QUORUM NOT BEING PRESENT**

19. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present in person or through video-link, being not

less than two, shall be a quorum.

### **CHAIRMAN OF MEETING**

20. The chairman of the board of directors, shall preside as chairman at every general meeting of the company, but if he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any of the directors present may be elected to be the chairman and if none of the directors present is willing to act as chairman, the members present shall choose one of their number to be the chairman.

### **ADJOURNMENT**

21. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen (15) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING**

22. At any general meeting a resolution put to the vote to the meeting shall be decided on a show of hands and a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

### **CASTING VOTE**

23. In the case of an equality of votes, the chairman of the meeting shall have and exercise a second or casting vote.

### **OBJECTION TO VOTE**

24. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given and tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

### **MANAGEMENT AND ADMINISTRATION**

25. There shall be, for the overall management of the company's affairs, a board of directors, which will be elected from amongst the members.
26. No person shall be appointed as a director if he is ineligible to hold office of director of a company under section 153 of the Act.
27. No member / person shall hold more than one office in the company, such as those of Chief Executive / director or company secretary simultaneously.

### **FIRST DIRECTORS**

28. The following subscribers of the memorandum of association shall be the first directors of the company, so, however, that the number of directors shall not in any case be less than that specified in section 154 and they shall hold office until the election of directors in the annual general meeting:
1. Ab
  2. Cd
  3. Ef

### **NUMBER OF DIRECTORS**

29. The number of directors shall not be less than three (3). The directors of a company shall, subject to section 154, fix the number of elected directors of the company not later than thirty-five days before the convening of the general meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of a general meeting of the company such that the minimum number of directors shall not be, at any time, less than three (3). A retiring director shall be eligible for re-election.

### **PROCEDURE FOR ELECTION OF DIRECTORS**

30. (i) The directors of the company shall be elected in accordance with provisions of sub-sections (1) to (6) of section 159 of the Act as in case may

be.

(ii) If the number of persons who offer themselves to be elected is not more than the number of directors fixed by the directors under sub-section (1) of section 159, all persons who offered themselves shall be deemed to have been elected as directors.

### **CASUAL VACANCY AND ALTERNATE OR SUBSTITUTE DIRECTORS**

31. (a) Any casual vacancy occurring among the directors may be filled up by the directors within thirty days of the vacancy and the person so appointed shall hold office for the remainder of the term of director in whose place he is appointed.
- (b) An existing director may, with the approval of the board of directors, appoint an alternate director to act for him during his absence from Pakistan of not less than ninety days. The alternate director so appointed shall ipso facto vacate office if and when the director appointing him returns to Pakistan.
- (c) A person shall be eligible for appointment against casual vacancy or to act as alternate director only if he is a member and is not already a director of the company.

### **REMOVAL OF DIRECTOR**

32. The company may remove a director through a resolution passed in a general meeting of members in accordance with section 163 of the Act.

### **CHAIRMAN OF THE BOARD**

33. The directors may elect one of their members as the Chairman of the board. The Chairman of the board shall preside at all meetings of the board but, if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present in person or through video-link may choose one of their member to be chairman of the meeting.

### **DUTIES AND POWERS OF THE BOARD**

34. The board shall conduct and manage all the business affairs of the company, exercise all the powers, authorities and discretion of the company, obtain or oppose the application by others for all concessions,

grants, charters and legislative acts and authorization from any government or authority, enter into such contracts and do all such other things as may be necessary for carrying on the business of the company, except only such of them as under the statutes and Articles are expressly directed to be exercised by general meetings and (without in any way prejudicing or limiting the extent of such general powers) shall have the following special powers and duties:

- (a) To present to the general meeting of the company any matters which the directors feel are material to the company, its objects or interests or affecting the interests of members and make suitable recommendations regarding such matters.
- (b) To regulate, through articles, the admission of members.
- (c) To appoint, remove or suspend the legal advisors, bankers, or other officers on such terms and conditions as they shall think fit and as may be agreed upon.
- (d) To determine the remuneration, terms and conditions and powers of such appointees and from time to time, revoke such appointments and name another person of similar status to such office except for the auditor in which case the relevant provisions of the Act shall be followed.
- (e) To delegate, from time to time, to any such appointee all or any of the powers and authority of the board and to reconstitute, restrict or vary such delegations.
- (f) To appoint any qualified person as a first auditor(s) subject to provisions of the Act;
- (g) To agree upon and pay any expenses in connection with the company's objects and undertakings and pay all the expenses incidental to the formation and regulation of the company.
- (h) To constitute from time to time committee(s) from among themselves or co-opt other persons for the purpose and delegate to them such functions and powers as the board may deem fit to carry out the objects of the company.
- (i) Subject to the provisions of section 183 of the Act, the directors may exercise all the powers of the company to borrow and mortgage or charge its undertaking, property and assets (both present and future) or issue securities, whether outright security for any debt, liability or obligation of the company.

### **PROCEEDINGS OF THE BOARD**

35. The board shall meet at least once in each quarter of every year, subject thereto meetings of the board shall be held at such time as the directors shall think fit. All meetings of the board shall be held at the registered office

of the company or at such other place as the board shall from time to time determine. The meetings of the board shall be called by the chairman on his own accord or at the request of the chief executive (or any three directors) by giving at least seven (7) days' notice to the members of the board.

36. At least one-third (1/3rd) of the total number of directors or two (2) directors whichever is higher, for the time being of the company, present personally or through video-link, shall constitute a quorum.
37. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director.
38. The directors shall cause records to be kept and minutes to be made in book or books with regard to-
  - (a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;
  - (b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and
  - (c) all orders made by the directors and committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately rendered into writing as part of the minute books according to the said regulations.

### **RESOLUTION THROUGH CIRCULATION**

39. A resolution in writing signed by all directors for the time being entitled to receive notice of the meeting of directors or affirmed by them in writing shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

### **CHIEF EXECUTIVE**

40. The directors may appoint a person to be the Chief Executive of the company and vest in him such powers and functions as they deem fit in

relation to the management and administration of the affairs of the company subject to their general supervision and control. The Chief Executive, if not already a director, shall be deemed to be a director of the company and be entitled to all the rights and privileges and subject to all the liabilities of that office.

### **QUALIFICATION OF THE CHIEF EXECUTIVE**

41. No person who is not eligible to become a director of the company under section 153 of the Act, shall be appointed or continue as the Chief Executive of the company.

### **REMOVAL OF CHIEF EXECUTIVE**

42. The directors by passing resolution by not less than three-fourths of the total number of directors for the time being or the company may by a special resolution passed in a general meeting remove a chief executive before the expiry of his term in office.

### **MINUTE BOOKS**

43. The directors shall cause records to be kept and minutes to be made in book or books with regard to-
  - (a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;
  - (b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and
  - (c) all orders made by the directors and committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately recorded into writing and made part of the minute books according to the said regulations.

### **SECRETARY**

44. The Secretary shall be responsible for all secretarial functions and shall ensure compliance with respect to requirements of the Act concerning the

meetings and record of proceedings of the board, committees and the general meeting of members, review the applications for admission to membership and the recommendations accompanying the same to ensure that they are in the form prescribed, ensure that all notices required by these Articles or under the Act are duly sent and that all returns required under the Act are duly filed with concerned Company Registration Office.

### **COMMITTEES**

45. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors.

### **CHAIRMAN OF COMMITTEE MEETINGS**

46. A committee may elect a chairman of its meetings, but, if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of them to be the chairman of the meeting.

### **PROCEEDINGS OF COMMITTEE MEMBERS**

47. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

### **VALIDITY OF DIRECTORS' ACTS**

48. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

### **THE SEAL**



49. The directors shall provide for the safe custody of the seal, which shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorized in that behalf by the directors, and two directors or one director and the Secretary of the company shall sign every instrument to which the seal shall be affixed.

## **FINANCES**

50. The funds of the company shall be applied in defraying the expenses and shall be applicable in or towards the acquisition by purchase, lease or otherwise and furnishing and maintenance of suitable premises and assets for the use of the company and shall be subject to the general control and direction of the board.
51. No person, except persons duly authorized by the board and acting within the limits of the authority as conferred, shall have authority to sign any cheque or to enter into any contract so as thereby to impose any liability on the company or to pledge the assets of the company.

## **ACCOUNTS**

### **BOOKS OF ACCOUNT**

52. The directors shall cause to be kept proper books of account as required under Section 220 of the Act so that such books of account shall be kept at the registered office or at such other place as the directors think fit as provided in the said section 220 and shall be open to inspection by the directors during business hours.

## **INSPECTION BY MEMBERS**

53. The directors shall from time to time determine the time and places for inspection of the accounts and books of the company by the members not being directors, and no member (not being a director) shall have any right to inspect any account and book or papers of the company except as conferred by law or authorized by the directors or by the company in general meeting.

## **ANNUAL ACCOUNTS**

54. The directors shall as required by section 223 of the Act cause to be

prepared and to be laid before the company in annual general meeting such financial statements duly audited and reports of the auditors and the directors as are required under the Act.

### **COPY OF ACCOUNTS TO BE SENT TO MEMBERS**

55. A copy of financial statements alongwith the reports of directors and auditors of the company shall, at least twenty-one (21) clear days before the holding of the general meeting, be sent to all the members and the persons entitled to receive notices of general meetings, in the manner in which notices are to be given as provided in section 55 of the Act.

### **AUDIT**

56. Auditors shall be appointed and their duties regulated in accordance with Sections 246 to 249 of the Act.

### **NOTICE TO MEMBERS**

57. Notice shall be given by the company to members and auditors of the company and other persons entitled to receive notice in accordance with section 55 of the Act.

### **INDEMNITY**

58. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

### **SECRECY**

59. Every director, secretary, auditor, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the company shall observe strict secrecy representing all transactions of the company, and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters which may come to his

knowledge in the discharge of his duties except when required so to do by the directors or the company in general meeting or by a court of law, and except so far as may be necessary in order to comply with any of the provisions herein contained.

## **WINDING UP**

60. In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Act, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Ordinance, 2001 and under intimation to the Securities and Exchange Commission of Pakistan.
61. With regard to winding up, the company shall comply with the relevant provisions of the Act and the conditions of license granted under section 42 of the Act or any directions contained in a revocation order passed by the Commission under the said section 42.

## **SUPPLEMENTARY PROVISIONS RELATING TO TAX**

62. The company shall abide by and adhere to the following rules:
  - (i) The company shall get its annual accounts audited from a firm of Chartered Accountants.
  - (ii) The company shall, in the event of its dissolution, after meeting all liabilities, transfer all its assets to an Institution, fund, trust, society or organization, which is an approved non-profit organization, and intimation of such transfer will be given to Commissioner, Federal Board of Revenue, within ninety days of the dissolution.
  - (iii) The company shall utilize its money, property or income or any part thereof, solely for promoting its objects.
  - (iv) The company shall not pay or transfer any portion of its money, property or income, directly by way of dividend, bonus or profit, to any of its members(s) or the relative or relatives of member or members.
  - (v) The company shall maintain its banks accounts with a scheduled bank or in a post office or national saving organization, National Bank of Pakistan or national commercialized banks.
  - (vi) The company shall regularly maintain its books of accounts in

accordance with generally accepted accounting principles and permit their inspection to the interested members of the public, without any hindrance, at all reasonable times.

(vii) Without prejudice to the powers conferred on the Commission under section 42 of the Act, the association shall not change its memorandum and articles of association without approval of Commissioner, Income Tax, if it has been approved by him as a non-profit organization.

(viii) The company shall restrict the surpluses or monies validly set apart, excluding restricted funds, up to twenty five percent (25%) of the total income of the year. Provided that such surpluses or monies set apart are invested in Government Securities, a collective investment scheme authorized or registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, mutual funds, a real estate investment trust approved and authorized under Real Estate Investment Trust Regulations, 2008 or scheduled banks.

We, the several, persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of these articles of association.

<i>S. No.</i>	<i>Name and surname (present &amp; former) in full (in Block Letters)</i>	<i>NIC No. (in case of foreign er, Passpo rt No)</i>	<i>Father's/ Husband' s Name in full</i>	<i>National ity (ies) with any former National ity</i>	<i>Occupation</i>	<i>Usual residential address in full or the registered/principal office address for a subscriber other than natural person</i>	<i>Signatures</i>
<i>1</i>							
<i>2</i>							
<i>3</i>							

Dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_

Witness to above signatures: (For the documents submitted in physical form)

<i>Signature</i>	
<i>Full Name (in Block Letters)</i>	
<i>Father's/ Husband's name</i>	
<i>Nationality</i>	
<i>Occupation</i>	
<i>NIC No.</i>	
<i>Usual residential address</i>	

**Standard object clauses**

**If an association proposes to engage in Education activities, it may adopt the object stated below:**

(1) To establish, manage, maintain, own, administer, promote and subsidize educational institutions, computer literacy centres, schools, colleges, institutions for study and research, centres of learning, reading rooms, and other institutions for basic education, adult literacy, advanced studies and other educational fora with the permission of competent authority but not to act as a degree awarding institute.

(2) To provide scholarships to students and grant aid including supply of books, stipends, medals, prizes, grants, awards, medicines, educational career support, bursaries and other incentives for purposes of advancement of knowledge, education and literacy.

**OR**

**If an association proposes to engage in Research activities:**

To provide a platform for research and development relating to object of the company and in this regard:-

- a. to make available key knowledge tools such as :-
  - (i) a well equipped library;
  - (ii) database and electronic connectivity; and
  - (iii) website for research publications and interaction.
- b. to undertake steps for promotion of research such as :-
  - (i) to define and support research;
  - (ii) to encourage members to conduct research; and
  - (iii) to participate in regional and international research initiatives;
- c. to undertake any activity for development such as;
  - (i) to arrange funding for supporting research; and
  - (ii) to organize and set up of a think tank related to the objects of the company; and
- d. to provide a forum for participation of all concerned and to:  
solicit views vis-à-vis the objects of the company; and enable discussion/dialogue for promoting quality research.

**OR**

**If an association proposes to engage in Special Education activities, it may adopt the object stated below:-**

To establish, own, maintain, erect, construct, furnish, equip, promote, organize, manage and run institutions for special education and to provide grants and facilities for education and training to the persons who are mute, deaf, dumb or blind, crippled or otherwise physically or mentally handicapped

and to provide books, proper medical attendance, nursing, food, medicine, drugs and special appliances of educational, surgical, or other nature.

**OR**

**If an association proposes to engage in Professional Institutions activities, it may adopt the object stated below:-**

To establish an institute for advancement and raising standards of professional education in the field of accountancy, cost accounting, financial management, secretarial practice and cognate subjects as applied to all or any of the professional services provided by accountants in general and to provide a platform for members and to facilitate dissemination of information, making available the course materials and holding of examinations and to protect and preserve their professional independence and to exercise professional supervision over them.

**OR**

**If an association proposes to engage in Religious activities, it may adopt the object stated below:-**

To promote the real values of Islam and in view thereof to initiate research, analytical study, seminars, talks and discussions and to promote public awareness, education and understanding of Islamic ideology, economic system and philosophy and provide forum for research scholars, specialists, experts, writers, speakers, thinkers for free intellectual interaction and to develop consensus and understanding in vital Islamic issues.

**OR**

**If an association proposes to engage in Social Infrastructure and Human Resource Development activities, it may adopt the object stated below:-**

To work for development of human resources, promotion of social and economic well being of the masses, improvement of social status, social mobilization for prosperous society, and elimination of gender discrimination particularly in the rural areas of Pakistan.

**OR**

**If an association proposes to engage in Rural Support Programme activities, it may adopt the object stated below:-**

To develop the rural areas and the resources of land, undertake, support and subsidize measures, programmes, plans and schemes for rural development including development and improvement of townships, settlements and villages, houses, buildings, roads, water courses, play grounds, and other civic amenities and to undertake measures for

improvement of conditions of housing, work, health, hygiene, sanitation and the quality of life.

**OR**

**If an association proposes to engage in Health Services activities, it may adopt the object stated below:-**

To aid, assist, set up, maintain, administer and run hospitals, nursing homes, mother and child care centres, clinics, dispensaries, immunization and vaccination centres and places of medical aid, convalescent homes, family planning centres, X-ray clinics, radio therapy centres, pathological and clinical laboratories, blood banks, eye banks or other centres connected with the care of the human body, both in urban and rural areas.

**OR**

**If an association proposes to engage in Arts, Sciences and Literature activities, it may adopt the object stated below:-**

To promote and foster study in arts, sciences, literature and to give literary, arts and sciences awards, scholarships and prizes for its encouragement.

**OR**

**If an association proposes to engage in Culture and heritage activities, it may adopt the object stated below:-**

To undertake, aid, support, assist, promote, manage, research and encourage projects or programmes concerned or dealing with the restoration, conservation, revitalization, preservation and reuse of architectural structures, buildings, forts, palaces, mausoleums, monuments, mosques, places of

**OR**

**If an association proposes to engage in Charity activities, it may adopt the object stated below:-**

To establish, maintain, run, manage and administer aid programmes providing relief and help to the needy, the poor and the destitute, undertake charitable and philanthropic activities for benefit of the mankind and work for alleviation of human sufferings from catastrophes

**OR**

**If an association proposes to engage in Sports activities, it may adopt the object stated below:-**

To promote and develop centres for sports and sporting activities and encourage talent thereto and through them endeavour to bring about



national integration and provide fields, grounds and other facilities and amenities including coaching and training facilities in developed and developing areas of the country and to promote and organize activities such as bird watching, trekking, mountaineering, hunting, archery, camping, fishing, rock climbing and all other outdoor sports.