

Press Release

Corporate Law Review Commission Set up to Review Companies Ordinance, 1984

Islamabad – November 26, 2005: The Securities and Exchange Commission of Pakistan (SEC) has announced the establishment of a Corporate Laws Review Commission (CLRC) under the leadership and guidance of the former Chief Justice of Pakistan, Mr. Justice (Retd.) Ajmal Mian.

The primary objective of CLRC would be to assess the adequacy of the Companies Ordinance, 1984 (Companies Ordinance) for the sustained development of a liberal, deregulated, efficient and cost effective corporate sector. To this end, the CLRC will examine the objectives, structure and content of the Companies Ordinance and develop a conceptual framework for the balanced growth of the corporate sector in harmonization with emerging market norms and international best practices. Based on this analysis, the CLRC will amend or redraft the law, as it may deem necessary.

In the twenty one years since the Companies Ordinance came into force, the Pakistani economy, particularly the corporate sector, has witnessed considerable growth and expansion. Two significant developments in this regard are the inclusion of the non-banking finance companies within the regulatory framework of the Companies Ordinance and the introduction of single member companies. Although the Companies Ordinance has been amended from time to time to cater for these developments, this will be the first effort to examine it as a whole.

The CLRC will hold its meetings in all the major cities of the country and will also invite comments from the public, particularly from the stakeholders, in order to arrive at a law which best addresses indigenous conditions. The CLRC proposes to complete this exercise by 30 June 2006 and prepare a draft bill to be presented to the Parliament.

The CLRC is an independent body of eminent members of the legal, accountancy and business community and the government from all provinces of Pakistan. Mr. Razzak Dawood, Ms. Musharraf Hai, Mr. Sohail Hassan, Dr. Tariq Hassan, Mr. Tehseen Iqbal, Mr. Sikander Jamali, Mr. Qazi Jamil, Mr. Hafeez Pirzada, Senator Khalid Ranjha, Mr. Abdul Hameed Chaudhry have kindly consented to give their valuable time to this exercise. Barrister Amber Darr, Executive Director, Law, SEC will serve as the Secretary to the Commission. The CLRC will be assisted in this exercise by consultants from the World Bank.