



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Media and Corporate Communications Department

Committee formed to suggest ways to minimize corporate disputes

ISLAMABAD, June 12: Mr. Zafar Hijazi, the SECP Chairman, has expressed his concern over growing incidence of corporate disputes between the shareholders and the management or within the managements of companies. In order to curb this trend, he has formed a committee that would ascertain the causes of such disputes and make its recommendations to the SECP to minimize such disputes.

These corporate disputes particularly comprise of illegal transfer of shareholdings, dilution of shareholding through fresh allotment, removal from the directorship of the company. These incidents are more noticeable in the private limited companies, where the managements usually fail to comply with the requirements of the law meticulously. These growing disputes have not only marred the overall corporate growth by adversely affecting the investment climate, but they are also hurting the country's economy.

Mr. Nazir Shaheen, former Executive Director, SECP, will head the committee. Mr. Muhammad Siddique, ED/Registrar of Companies, Mr. Shaukat Hussain, head, Islamabad CRO, Mr. Liaqat Ali Dolla, head, Lahore CRO, and Mr. Sidney Custodio Pereira, head, Karachi CRO, will be its members. The committee will also consult various stakeholders, and the heads of CROs in Islamabad, Lahore and Karachi, and will speak to leading practitioners in their respective areas. The committee will suggest some appropriate course action to reduce corporate disputes by strengthening the role of the registrar under the statute.