



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Strategy, Development and External Relations Department*

*Press Release*

## **Investments in associated undertakings – SECP approves regulations to ensure transparency**

ISLAMABAD, January 13: The SECP has approved the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, which will be given effect through notification in the official gazette.

The regulations prescribe disclosure requirements and specify conditions and restrictions on the nature, period, amount of investment and terms and conditions attached to investment by a company in its associated companies or associated undertakings. This will help achieve the following objectives:

- To ensure transparency in transactions involving investments made by companies in their associated companies or undertakings through adequate and standardized disclosures to the members;
- To curb the unfair practices that have been observed in such transaction by imposing certain restrictions and conditions felt necessary based on regulatory experience; and
- To introduce detailed and standardized requirements in order to avoid ambiguities and fill the gap in the perspective of the corporate sector vis-à-vis that of the regulator in respect of investments in associated companies or undertakings.

The regulations have been promulgated under the provisions of Section 208 of the Companies Ordinance, 1984, which requires the companies to obtain members approval for making investments in associated companies or associated undertakings and further empowers the Commission to make regulations in respect of such investments.

Since its initial publication in the official gazette in February 2010 to seek public comments, the draft of the regulations has been revised thoroughly in the light of stakeholders' feedback. The stakeholders including leading business groups, stock exchanges, renowned professionals in corporate law, professional accountancy bodies, business associations and public at large have been taken on board in the process.

Shakil Ahmad Chaudhary

Head, Internal and External Communication  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Islamabad  
Tel: 921-4005 or 921-4009 ext. 378  
Fax: 920-6459  
Cell: 0302-855-2254

| [email: shakil.chaudhary@secp.gov.pk](mailto:shakil.chaudhary@secp.gov.pk)