



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*International Affairs, Communication & Coordination (IACC) Department*

***PRESS RELEASE***

**FOR IMMEDIATE RELEASE**

## **SECP about to take penal action against defaulter companies**

ISLAMABAD, February 24: The Securities and Exchange Commission of Pakistan (SECP) is about to take penal action against defaulter companies.

The SECP's amnesty schemes of the Companies Regularization Scheme (CRS) and the Companies Easy Exit Scheme (CEES) remained in effect from July to December 2010. During this period the companies were repeatedly advised to benefit from the schemes, either by regularizing their defaults through filing of their overdue returns under the CRS or strike their companies off the register under the CEES. The defaulter companies were also warned that a strict penal action would be initiated in case of non-compliance.

However, despite providing sufficient time and extensive awareness campaigns, it has been observed that a number of defaulter or defunct companies still exist on the register of companies.

Keeping this in view, the SECP has started a campaign to either activate the defaulter companies or strike off the defunct companies. The SECP is initiating a detailed action plan.

The defaulter companies will be penalized for violating the provisions of law, whereas action under section 439 of the Companies Ordinance, 1984, shall be taken to strike off the defunct companies not carrying on business or not in operation, from the register of companies.

Under the provisions of section 439, the registrar may strike defunct company off the register, if he has a reasonable cause to believe that the company is not carrying on business or is not in operation.

The SECP has always encouraged compliance by registered companies. At the same time it believes in clearing the deadwood from the register of companies. In this manner, only the compliant companies shall remain on the SECP rolls, which shall benefit all the stakeholders and the corporate sector.

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)