



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

PRESS RELEASE

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SECP seeks comments on draft Companies (Easy Exit and Restoration) Regulations

ISLAMABAD, July 7: The Securities and Exchange Commission of Pakistan (SECP) has issued draft Companies (Easy Exit and Restoration) Regulations to elicit stakeholders' opinion. Draft regulations aim to make "easy exit" a permanent feature, while also prescribing the restoration mechanism for companies.

At present, a company wishing to close its business has to undergo a lengthy and cumbersome winding up procedure. For this purpose, Companies Easy Exit Schemes (CEES) were launched a number of times for specific periods to provide an alternate and easy exit mechanism for striking off a company. These schemes have been success stories, whereby almost 9,500 companies availed easy exit opportunity to get their names struck off.

There has been a continuous demand for making CEES a permanent feature. The SECP with the aim of facilitating stakeholders has drafted the CEES regulations, which prescribe an easy to follow process for an easy exit/strike-off.

Furthermore, restoration mechanism has also been prescribed in subject regulations, in the light of provisions of sub-section 9 of section 439 of the 1984 Companies Ordinance, whereby the ordinance empowers the Commission to restore a company on the recommendation of the registrar.

Draft regulations have been published on the web discussion forum of SECP for eliciting public/stakeholders opinion. Regulations can be accessed at <http://www.secp.gov.pk>

Tickers:

1. The SECP issued draft Companies (Easy Exit and Restoration) Regulations, seeking public opinion
2. Regulations aim for providing easy exit procedure for a company seeking strike off from register of companies
3. Regulations also prescribe restoration mechanism for companies

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