



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

PRESS RELEASE

FOR IMMEDIATE RELEASE

No. PR/MCCD/2014-30

SECP to introduce e-voting

ISLAMABAD, April 3: The Securities and Exchange Commission of Pakistan (SECP) initiated the process for e-voting to facilitate members to vote for resolutions in the general meetings through e-voting. The SECP has provisionally approved the e-voting scheme and has drafted relevant regulations.

The technological advances have enabled members to participate in general meetings without being physically present. Electronic voting or “e-voting” is one such method which is becoming popular throughout the world to facilitate shareholders and to maximize their participation in general meetings for various approvals from members of a company.

The proposed regulations provide that companies shall communicate to their member the option to participate, through e-voting, in the business to be approved at the general meeting. The members opting for e-voting shall have to appoint the intermediary, nominated by the company, as their proxy. Members intending to cast an electronic vote are required to be authenticated through secured electronic signature provided by the intermediary, and shall cast vote online through the website of intermediary during the time specified in the notice of the meeting. The intermediary is required to keep the result of electronic vote confidential and cast vote on behalf of members acting as their proxy during the time of poll.

The process of e-voting is exhaustively elaborated through regulations in such a manner that it will not prevent the members from exercising their rights. For this purpose companies will have to make provision for taking a poll as the mode of voting and the appointment of non-member as a proxy in the respective articles of association if not, already provided. The choice and the manner of exercise of proxy e-voting shall be communicated to the shareholder through notice of meeting.

The regulations lay down qualifications and criteria for the intermediary for the process of e-voting and will be appointed by the company at least 30 days before meeting and shall have a certificate of accreditation issued by the Electronic Certification Accreditation Council established under Section 18 of the 2002 Electronic Transactions Ordinance.

E-voting will be beneficial to shareholders, especially the minority shareholders, of listed companies as they are widely located across the territorial jurisdiction of Pakistan plus the, international geographical locations by virtue of listing of securities on the international stock exchanges. This is one more example of the SECP's efforts to facilitate shareholders and developing corporate sector through effective use of technology.

The Companies (Proxy E-Voting) Regulations, 2014, will be placed before the Policy Board for its approval before publishing them to elicit the public opinion