

## **Press Release**

### **Federal Cabinet Amends Companies Ordinance, 1984**

**Islamabad – 29 September 2004:** The Federal Cabinet, in its meeting held on Wednesday, approved a bill to amend the Companies Ordinance, 1984 to facilitate investors and bring further efficiency in the operations of companies. The amendments were proposed by the Securities and Exchange Commission of Pakistan as part of a continuing process to update the Companies Ordinance.

A notable amendment in the Companies Ordinance is the reduction in time period for payment of dividend to shareholders of listed companies to 30 days from 45 days of the date of declaration. The amendment is aimed at ensuring expeditious distribution of profits of companies among shareholders.

Furthermore, the period of notice for convening general meetings of shareholders has been reduced from 21 days to 14 days. This amendment would provide companies with a reasonable time period to call shareholders' meetings.

Another significant amendment relates to allowing members of companies limited by guarantee to attend general meetings through proxy. As a result, they will have the flexibility to attend meetings in person or through proxy. Previously the members of such company could attend meetings in person only. Considering the practical difficulties encountered in the matter, attendance through proxy has been permitted to companies limited by guarantee.