

April 19, 1999 Leasing Companies asked not to effect changes in the Memorandum of Association and the Board of Directors without prior approval from SECP

SECP through Circular No. 9 of 1999 has advised the Leasing Companies to get approval before effecting any change in Memorandum of Association and the board of directors. The advice had become essential since certain companies had started to appoint directors and to amend Memorandum of Association without seeking prior approval from the Commission. Such an action is a violation of legal stipulations and the undertakings given by the companies at the time of registration. The circular warns that such violations can lead to cancellation of license and other penalties prescribed by law.