



Securities and Exchange Commission of Pakistan

Internal & External Communications Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

NON FILERS OF STATUTORY RETURNS TO FACE LEGAL ACTION: SECP

ISLAMABAD – APRIL 29, 2009: The Securities and Exchange Commission of Pakistan (SECP) has decided to take legal action against the directors and chief executives of companies who have failed to file their statutory returns, as required under the Companies Ordinance, 1984.

It has been noticed that a large number of companies are not filing the statutory returns in time. About 45 % of the companies, mostly comprising of private and non-listed companies, are non-filers of returns in 2008.

The companies are warned, in their own interest, to regularize their defaults by filing returns, to avoid penalization.

SECP always endeavors to ensure statutory compliance by registered companies and has undertaken various initiatives to infuse a sense of compliance in the corporate entities, which includes simplification of forms and raising awareness through guides and notices, etc.

Default is a serious issue and law provides for prosecution of management, penalties and even imprisonment. Persistent failure to comply with the statutory requirements in time may also lead to disqualification of a director and the winding up of company under certain circumstances. It must be mentioned here that non-compliance also deteriorates the image of the company with its various stakeholders.

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