



### **Federal Cabinet approves Companies Bill, 2016**

#### **Chairman SECP briefs newsmen on of important completion stages**

Chairman, Securities and Exchange Commission of Pakistan (SECP), Mr. Zafar Hijazi was immensely satisfied over the approval of Companies Bill, 2016, by the Federal Cabinet. In a press briefing in Islamabad on Thursday, November 03, 2016 he said that implementation of Companies Bill, 2016, in the corporate sector will be a game changer. He also said that while assuming the responsibility of Chairman, SECP he presented a detailed review of the legal framework available for capital market, corporate sector and insurance sector to the Finance Minister and said that revision of the whole legal framework of the companies bill, that too in a short while is the need of the hour and it should meet the standards of today and that will not be possible without the help and support of the government on this, the finance minister assured the SECP of all possible support of the government.

The Chairman, SECP said that the current legal framework for the capital market and the corporate sector in Pakistan has been updated according to the needs of today and is in accordance with the developed countries standards. He said that before this, basic acts like Securities and Exchange (amendment) Act, 2016, Securities Act, 2015 and Futures Market Act, 2016 have already been approved and implemented. He said the Companies Bill will also be approved by parliament soon. Mr. Zafar Hijazi said that Insurance Act is the last law which needs to be revamped and hopefully its final draft will be completed in next thirty days.

Zafar Hijazi said that the Companies Act is the base for a prudent corporate sector and SECP officials had been working day and night on its modernization. He said that Companies Act was implemented in 1913 and it took us 37 years to bring necessary amendments to it. Mr. Irtiza Hussain, Chairman, Corporate Law Authority strived to achieve this milestone and eventually implemented it in 1984 as Companies Ordinance, 1984. After this 21 years later in 2005 rapid changes occurred in the corporate sector due to which large scale changes were required

to be made in the Companies Law and the then Chairman, SECP, Dr. Tariq Hassan under the supervision of Justice (Rtd.) Ajmal Mian formed Companies Law Reforms Commission which included Law Experts, Chartered Accountants and Businessmen who presented a conceptual overview but unfortunately no further steps were taken in this regard. Mr. Hijazi said that 4 months after assuming the responsibilities of Chairman, SECP, he personally looked into the work done on the Companies Law and formed a committee which consisted of highly professional personnel of the SECP and personal requests were made to famed chartered accountant, Mr. Ibrahim Saadat and expert lawyer Dr. Parvaiz Hassan to do the job.

This committee completed the draft of Companies Law till December, 2015 and then in January and February 2016, seminars were conducted in Lahore, Faisalabad, Multan, Karachi, Islamabad, Peshawar and Quetta which were attended by chartered accountants, lawyers and professionals from the corporate sector. After listening to the stakeholders the committee presented another draft of the Companies Bill to the Commission.

SECP held a seminar in Islamabad and the Finance Minister was invited to chair the event. The seminar was held on 26<sup>th</sup> March, 2016 in Marriot Islamabad and well known lawyers Dr. Tariq Hassan, Mr. Asad Ali Shah, Chartered Accountants and other professionals gave their critical review regarding the bill.

The Finance Minister praised SECP's efforts of consultation with public and the stakeholders. Given the importance of this law more consultation sessions were held on the advice of the Finance Minister so on 7<sup>th</sup> April, 2016 with the co-ordination of IFC and World Bank a session was held in Lahore, on 13<sup>th</sup> April 2016 with the co-ordination of Institute of Chartered Accountant of Pakistan a seminar was conducted, on 12<sup>th</sup> May 2016 a detailed meeting with Institute of Cost and Management Accountants of Pakistan took place on the 30<sup>th</sup> of May 2016 a seminar was held in co-ordination with Institute of Chartered Accountant of Pakistan in Islamabad and another seminar with the help of IFC, World Bank and CIPE was conducted in Islamabad on 2<sup>nd</sup> June 2016. After these consultative meetings, sessions and seminars SECP held a final seminar on the 5<sup>th</sup> of

September 2016 in Karachi for which once again the Finance Minister was invited to chair the event. In this seminar the draft was finalized after detailed review of the law. In this lengthy process along with Mr. Ibrahim Saadat and Dr. Parvaiz Hassan, Mr. Masood Naqvi, Dr. Tariq Hassan, Muhammad Hayat Jasra, Abdul Rehman Qureshi, Hafiz Muhammad Yousaf, Kashif Mateen Ansari, Hameed Chaudhary, Rashid Anwar, Nazeer Ahmad Shaheen, Qamar-ul-Islam, Dr. Khalid Ranjha and Mr. Rafiq Rijwana, now is governor Punjab provided expert opinions to SECP on Draft Company's law on which the SECP is very thankful.

The honorable Finance Minister Mr. Ishaq Dar has made significant contributions in completing the draft of Companies Bill. I am grateful to him that he personally attended two seminars organized by the SECP on the Companies Law draft and also gave comprehensive feedback and suggestions on various sections of the draft law during the three detailed sessions held in the Ministry of Finance for reviewing the bill. He said that he is also thankful to the members of Standing Committees of Finance of the National Assembly and the Senate of Pakistan who provided great support in getting the SECP related laws approved by the Parliament.

Zafar Hijazi also said the SECP will finalize the Draft of the new insurance law by the end of current year. He said that the SECP officials proved that they are capable to fulfill the requirements and needs of the modern times. He thanked Allah that the SECP is playing its due role in national economic development. He appreciated all SECP officers and staff in achieving this milestone.