



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Media and Corporate Communications Department

PRESS RELEASE

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SECP establishes Investor Education and Awareness Fund under Companies Act 2017

ISLAMABAD, July 10, 2017: The Securities and Exchange Commission of Pakistan (SECP), establishes a dedicated Investor Education and Awareness Fund to be used for the investor awareness and to educate investors on Pakistan's capital market. The new fund is being created under the requirement of Companies Act 2017.

The SECP has directed companies to initiate process for issuance of notices to the shareholders and certificate holders to lodge claims for unclaimed shares and unpaid dividends.

Section 244 of the Act requires that any shares, modaraba certificates that remained unclaimed for a period of three years (or more) as well as any dividend which remained unpaid for a period of three years (or more) are to vest with the Federal Government.

The law requires the companies to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the company after giving due notices to the shareholders or certificate holders. The unclaimed shares or modaraba certificates are to be delivered to the SECP for their sale and deposit of sale proceeds to the credit of Federal Government.

The law further requires the federal government to notify opening of a profit bearing account to maintain unclaimed or unpaid amount as well as the proceeds from the sale of shares or modaraba certificates. The interest / profit accumulated from this account shall be credited to the Investor Education and Awareness Fund, managed and controlled by the SECP. This fund will be utilized for the promotion of investor education and awareness activities.

Subsequently, to establish the fund, the SECP has directed the companies to furnish statement of unclaimed shares/amount as available on their books to the SECP and initiate process of notice issuance under the Act to the shareholders and certificate holders. The said direction to Companies is also available on SECP website for public information.