

## Press Release

August 1, 2017

*For immediate release*

### **SECP grants relaxation for payment of cash dividend through electronic mode by listed companies**

ISLAMABAD, August 1: The Securities and Exchange Commission of Pakistan (SECP) has granted a one-time relaxation to all listed companies from the requirement of payment of cash dividend through electronic mode directly into the bank accounts of the shareholders till October 31, 2017.

The Companies Act, 2017, which was promulgated on May 30, 2017 requires that any dividend declared by a company must be paid to its registered shareholders or to their order within such period and in such manner as may be specified in terms of section 242 of the Act. Furthermore, the second proviso of the said section states that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

The relaxation shall facilitate the listed companies, which are facing difficulty to immediately comply with the provisions of section 242 of the Act and had approached the SECP for grant of some time to make arrangements for compliance with the provisions of the said section.

The listed companies shall continue to pay cash dividend to their shareholders as per previous arrangements till October 31, 2017. However, they are advised to approach their shareholders to obtain electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 1, 2017 shall be paid through electronic mode only. The relevant circular is available on the SECP's website <https://www.secp.gov.pk/laws/circulars/>