

GOVERNMENT OF PAKISTAN  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Islamabad, the 25<sup>th</sup> November, 2016*

NOTIFICATION

S.R.O. 1092 (I)/2016.- In exercise of powers conferred by section 10 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) (the Act) the Securities and Exchange Commission of Pakistan (the Commission), subject to such conditions and limitations as it may from time to time impose, hereby delegates the following powers and functions of the Commission to its Commissioner and the officers of the Corporatization and Compliance Department, Company Law Division, namely:-

**POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO COMMISSIONER,  
CORPORATIZATION AND COMPLIANCE DEPARTMENT (CCD)**

**Powers and Functions in respect of all companies.-** (Except for the companies involved in business of Insurance under the Insurance Ordinance, 2000 (XXXIX of 2000) and the Non-Banking Finance Companies or notified entities as referred to in Section 282A of the Companies Ordinance, 1984 (XLVII of 1984).

<u>S. No.</u>	<u>Relevant section of the Companies Ordinance, 2016</u>	<u>Nature of powers/functions</u>
1.	42	To grant, renew or revoke license and impose terms and conditions in respect thereof and to grant any approval required pursuant to the said terms and conditions including prior approval regarding investment in associated company.
2.	43(4)	To appoint administrator to manage the affairs of a company licensed under section 42 of the Ordinance.
3.	82 (1) & (2)	To sanction issue of shares at discount on such terms and conditions as think fit and to allow extension in time to issue shares at discount.
4.	82(5)	To impose penalty for violation of provisions of section 82.

5.	83(1)(b)	To allow a company to issue further share capital to any person for cash or for a consideration other than cash.
6.	172(1)	To make a disqualification order against a person to hold office of director of a public interest company.
7.	173(1)(b)	To grant leave to any person to act on the instruction given by a person who is subject of disqualification order under section 172.
8.	184(2)(a)	To impose penalty for contravening the provisions of sub-section (1) of section 184.
9.	216(3)	To grant exemption to a company or class of companies as specified, in complying with the requirement of section 216.
10.	238(1)	To require companies generally or any class of companies or any particular company, by general or special order, to prepare and send to the members, the Commission, the registrar, the securities exchange and any other person such periodical statements of accounts, information or other reports, in such form and manner and within such time, as may be specified in the order.
11.	238(2)	To impose fine for default in complying with the order of the Commission issued under sub-section (1) of section 238.
12.	244(4) and 417(5)	To receive and forward the claim to the bank for payment to entitled person of the sum equivalent to his unclaimed or unpaid dividend or amount of proceeds etc.
13.	255(1)	To grant permission to the inspector or investigation officer to enter and search etc. any place where required documents / record etc. of a company are kept.
14.	258(1)	To authorize any one or more of its officers or appoint such number of professionals as an inspector or investigation officer to investigate such serious nature of offences relating to a company as provided in Sixth Schedule.
15.	474(1)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to the Commissioner (CCD), in respect of any provision of the Ordinance.

16.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 2016, which fall within the jurisdiction of Commissioner through delegation of powers.
17.	484(3)	To issue a directive to the chief executive or other officer of the body corporate as is referred to in sub-section (2) to appear personally and answer the charges, in cases where powers have been delegated.
18.	488	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers of the Commission have been delegated.
19.	489	To direct that the whole or any part of the fine or penalty imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party, in cases where powers of the Commission have been delegated.
20.	499(1)	To impose fine for non-compliance of the direction given or order passed in pursuance of the powers delegated.

<u>S.No.</u>	<u>Relevant rule of the Companies' Share Capital (Variation in Rights &amp; Privileges) Rules 2000</u>	<u>Nature of power/function</u>
1.	5(1)	To approve issue of further share capital by a company of any kind or class carrying different rights and privileges.

<u>S. No</u>	<u>Relevant regulation of the Companies (Registration Offices) Regulations, 2003</u>	<u>Nature of power/functions</u>
1.	27(2)	To specify the form and manner of annual report to be furnished by the Registrar of Companies.

**POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO EXECUTIVE DIRECTOR AND OTHER OFFICERS OF CORPORATIZATION AND COMPLIANCE DEPARTMENT (CCD)**

**Powers and Functions in respect of other than listed companies unless otherwise specified below (except for the companies involved in business of insurance under the Insurance Ordinance, 2000 and the non-Banking Finance Companies or notified entities as referred to in Section 282A of the Companies Ordinance, 1984).**

**(a). Executive Director (CCD)**

<b><u>S.no.</u></b>	<b>Relevant section of Companies Ordinance, 2016</b>	<b>Nature of power/function</b>
1.	3(2)	To impose penalty and to file winding up application in relation to non-trading corporation formed under sub-section (1) extending its operational activities beyond the territorial limits of its respective province.
2.	16(9)	To hear an appeal against refusal of registration of memorandum.
3.	52	To grant relief from the consequences of default in complying with the conditions constituting a company as a private company.
4.	84(2)	To impose penalty on a company for acceptance or invitation of deposit from the public.
5.	196(1)	To accord approval for appointment of any sole purchase, sale or distribution agent by a company.
6.	199(6)	To impose penalty on default in complying with the requirements of section 199 and the regulations made thereunder and to direct the directors to jointly or severally reimburse to the company any loss sustained as a result of such contravention.
7.	221(1)	To authorize an officer to inspect books of account and books and papers of a company.
8.	225(2)	To modify the requirement of the relevant Schedule for the purpose of adapting it to the circumstances of a company.

9.	228(7)	To issue direction with respect to exemption, to such extent as may be specified therein, from the provisions of section 228 relating to consolidated financial statements.
10.	244(11)	To impose penalty for contravention of provisions of section 244.
11.	256 & 257	To order investigation and appoint Inspector(s) to investigate into affairs of a company.
12.	260	To accord approval to the inspectors for investigation into the affairs of any other associated company or associated undertaking, which is, or has been associated and also from chief executive of any such company.
13.	262	To direct the inspector to make an interim report or to provide a copy of investigation report to the persons specified in section 262 (2).
14.	264(1)	To make an application to the Court on the basis of findings of the inspector report under section 262.
15.	268	To cause to be presented to the Court a petition for winding up, an application for an order under section 286 or both.
16.	269	To initiate proceedings for recovery of damages or property in the name of a company or body corporate.
17.	270	To exercise all powers of the Commission regarding expenses of investigation and to get reimbursement of cost of the investigation.
18.	272	To impose restrictions on shares and debentures and prohibition of transfer of shares or debentures in certain cases in the matter of a company and to vary or rescind any order made.
19.	291(1)	To appoint Administrator to manage the affairs of a company.
20.	291(9)	To impose penalty on a person, who fails to deliver record or documents to the Administrator, or in any way obstructs the Administrator in the management of affairs of the company.

21.	304	To perform all functions and exercise all powers of the Commission under section 304, in the case of winding up of a company.
22.	313	To file an application in the Court to stay, withdraw, cancel or revoke the winding up proceeding of a company.
23.	354(2)	To fill vacancy in the office of the liquidator.
24.	403(3)	To appoint Inspector(s) to investigate the matters reported by the registrar.
25.	412(2)	To make order for inspection of documents in case of voluntary winding up.
26.	417(6)	To make an application to the Court for removal of the liquidator.
27.	425(9)	To order restoration of the name of a defunct company.
28.	439	To call upon the foreign company and any of its present or past directors, officers or auditors or a person who is directly or indirectly the beneficial owner of its equity securities to furnish the information about the shareholding in the company.
29.	456(2)(a)	To grant approval to a real estate company for announcement, publication of advertisement of real estate project or acceptance of any advance or deposit in respect thereof.
30.	456(6)	To impose penalty for contravention of any provision of section 456.
31.	457(6)	To impose penalty for indulging in any activity which is prejudicial to the interest of farmer, members, etc.
32.	458(3)	To impose penalty for contravention of provisions of section 458.
33.	464(4)(b)	To hear the appeal against the order passed under section 468(1) in case of order of refusal passed or upheld in appeal by the Registrar of Companies.

34.	474(1)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to the Executive Director (CCD), in respect of any provision of the Ordinance.
35.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 2016, which fall within the jurisdiction of Executive Director (CCD) through delegation of powers.
36.	480(b)	To hear an appeal against the order passed or upheld under clause (a) by the Registrar of Companies.
37.	484(3)	To issue a directive to the chief executive or other officer of the body corporate to appear before him personally and answer the charges, in cases where powers have been delegated.
38.	487	To direct company prosecutor or authorize any other person to present an appeal against the order of acquittal.
39.	488	To order for payment of compensation in cases of frivolous or vexatious prosecutions, in cases where powers have been delegated.
40.	489	To direct that the whole or any part of the fine or penalty imposed shall be applied towards payment of cost of proceedings; rewarding the person on whose information the fine recovered; and payment of compensation to an aggrieved party, in cases where powers have been delegated.
41.	497	To make necessary orders and to impose fine for wrongful withholding of property of a company.
42.	499(1)	To impose penalty for non-compliance of the direction given or order passed in pursuance of the powers delegated.
43.	500	To impose penalty for carrying on <i>ultra-vires</i> business including any transaction.
44.	501	To impose a penalty for improper use of the word "Limited".
45.	502	To impose penalty in case of default of statutory provisions of the Ordinance where no specific penalty is provided.

46.	510(2)	To impose penalty for contravention of any directives, circular, guidelines etc. issued under section 510.
47.	511	To permit use of Urdu words or abbreviations for the purpose of the Ordinance.

<b>S. No.</b>	<b>Relevant rule of the Companies (Audit of Cost Accounts) Rules, 1998</b>	<b>Nature of power/function</b>
1.	3(2)	To approve appointment of cost auditor.
2.	5	To impose fine for failure of refusal to comply with or contravention of the Rules.

<b>S. No.</b>	<b>Relevant rule of the Public Sector Companies (Corporate Governance) Rules, 2013</b>	<b>Nature of power/functions</b>
1.	24(3)	To relax any provision of the rules subject to such conditions as deemed fit to be imposed.
2.	25	Power to impose fine for contravention of the rules.

<b>S.No.</b>	<b>Relevant Regulation of Group Companies Registration Regulations, 2008</b>	<b>Nature of power/function (in case where none of the companies in the group is listed)</b>
1.	3(vi)	To require any information under regulation 3 for registration of the holding company with its subsidiaries as a Group.
2.	4	To register a holding company and its subsidiary companies as a Group.



3.	5(1)(iv)	To require any information under regulation 5 for alteration of composition of a Group.
4.	5(2)	To alter record of registration and issue a certificate of change in the composition of a Group on an application made by a holding company.
5.	5(3)	(i). To alter record of registration and issue a certificate of change in the composition of a Group where no application has been made by a holding company.  (ii). To impose penalty on failure to make the application under regulation 5(1) of the Regulations.
6.	6(1)	To cancel registration granted to a Group, if any company within the Group fails to comply with the requirements of the Regulations or any direction given by the Commission.
7.	6(2)	To cancel registration granted to a Group, on an application made by the holding company.
8.	7(iv)	To specify the requirements for the purposes of compliance of code of corporate governance and/or applicable International Accounting Standards and International Financial Reporting Standards.
9.	8(2) (i) (e)	To require any document or record for the purposes of issuance of designation letter for Group Taxation under regulation 8(2)(i) of the Regulations.
10.	8(2) (ii) (h)	To require any document or record for the purposes of issuance of designation letter for Group Relief under regulation 8(2)(ii) of the Regulations.
11.	8(3)	To issue a designation letter for Group Taxation or Group Relief, as the case may be, on an application made by the holding company.
12.	8(4)	To inform the tax authorities of issuance of a designation letter and subsequent cancellation of registration or issuance of a certificate of change in the composition of a Group.

13.	9	To impose fine on contravention or failure to comply with any provisions of the Regulations, and a further fine in case of continuing failure.
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S.No.	Relevant Notification	Nature of Power/Function
1.	S.R.O.634(I)/2014;	To take penal action or grant relaxation from the prescribed requirements.

(b). Registrar of Companies:

S No.	Relevant sections of the Companies Ordinance, 2016	Nature of power/function
1.	255(3)	To extend the time for retention of record seized under section 255(1) or (2) for further period not exceeding thirty days.
2.	285(5)(e)	To hear appeals against the order of registrar refusing to register any circular regarding offer of a scheme of merger/amalgamation etc. involving the transfer of shares.
3.	319(5)	To take cognizance of any lapse, delay or other irregularity on the part of official liquidator.
4.	412(2)	To allow the creditors or the contributories to inspect the documents in the case of voluntary winding up.
5.	454(2)	To restrict the disclosure of information maintained by the registrar regarding promoters, shareholders and directors of the company incorporated under sub-section (1).
6.	463 (3)	To accord special permission to take over or remove any original document from custody of registrar.
7.	474(1)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to the Registrar of Companies, in respect of any provision of the Ordinance.

8.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 2016, which fall within the jurisdiction of Registrar of Companies through delegation of powers.
9.	499(1)	To impose fine for non-compliance of the direction given or order passed in pursuance of the powers delegated.

<b>S. No.</b>	<b>Relevant rule of the Companies (Issue of Capital) Rules, 1996</b>	<b>Nature of power/function</b>
1.	11	To impose fine for failure or refusal to comply with or for contravention of the Companies (Issue of Capital) Rules, 1996.

**(c). Director (CCD)**

<b>S.No.</b>	<b>Relevant section of the Companies Ordinance, 2016</b>	<b>Nature of power/function</b>
1.	10(6)	To hear an appeal against the refusal order passed by the registrar.
2.	46(1)	To approve the conversion of a public company into a private company.
3.	47(1)	To approve the conversion of private company into single-member company.
4.	48(1)	To approve conversion of unlimited company into a limited company.
5.	49(1)	To approve conversion of a company limited by guarantee into a company limited by share.
6.	80(1)	To hear the appeal against refusal for registration of transfer or transmission of shares of a company.
7.	80(4)	To impose penalty for not giving effect to the order made under sub-section (2) of section 80.

8.	108	To order that the time for registration of charge or a mortgage be extended, or that the omission or misstatement in register of mortgage/charges be rectified, and to make such order as to the costs of the application in case of all companies.
9.	125	To allow extension in time to the company to close the register of members exceeding thirty days.
10.	243(2)	To allow a company to withhold or defer payment of dividend.
11.	246(6) & (7)	To grant approval for appointment of auditor in place removed auditor; to direct the company to make good the default in complying with section 246, or appoint auditor where the company fails to comply with such direction.
12.	247(8)	To appoint an auditor of a company in place of an unqualified/disqualified person appointed by a company.
13.	252	To impose penalty for contravention or default in complying with requirements of sections 246, 247, 248 and 250.
14.	419	To make appointment of auditors and fix their remuneration, if no such appointment is made by the members or creditors on the application of liquidator.
15.	474(1)	To make an order directing a company and its officers to make good the default or undo the irregularities or otherwise make amends, where adjudication powers have been delegated to Director (CCD), in respect of any provision of the Ordinance.
16.	479(3)(c)	To impose penalty as provided for any offence, contravention of, or default in complying with provisions of the Companies Ordinance, 2016, which fall within the jurisdiction of Director (CCD) through delegation of powers.
17.	484(3)	To issue a directive to the chief executive or other officer of a body corporate to appear before him personally and answer the charge in cases where powers of the Commission have been delegated.
18.	499(1)	To impose penalty for non-compliance of the direction given or order passed in pursuance of the powers delegated.

<b>S. No.</b>	<b>Relevant Rule of the Companies (General Provisions and Forms) Rules, 1985</b>	<b>Nature of power/function</b>
1.	35	To impose fine for non-compliance or contravention of any provision of the rules.

<b>S.No</b>	<b>Relevant rule of Single Member Companies Rules, 2003</b>	<b>Nature of power/function</b>
1.	9	To approve the conversion of private company into a single member company.

**(d). Registrars Concerned of the Companies Registration Offices;**

<b>S.No.</b>	<b>Relevant section of Companies Ordinance, 2016</b>	<b>Nature of power/function</b>
1.	32(2)	To confirm alteration in the Memorandum of Association.
2.	32(4)	To extend time for filing of documents with the registrar under this section.
3.	33	To make order confirming alteration subject to terms and conditions as he thinks fit and to make order as to cost as he thinks proper.
4.	34	To adjourn the proceedings for an arrangement for purchase of interests of dissident members and to give other directions in the matter.
5.	147	To call or direct the calling of an over-due statutory meeting, annual general meeting or an extra-ordinary general meeting of a company.
6.	148	To impose penalty for non-compliance of the direction issued under section 147.
7.	229(2)	To extend financial year of a holding company with regard to a subsidiary's financial year and to exempt a holding company or

		its subsidiary to hold AGM within the relevant calendar year under specific circumstances.
8.	461	To require security clearance of shareholders or directors or other office bearer of a company including the foreign company from any local and foreign agency.

In addition to above, powers of the Commission under the rules or regulations made under a particular section are also delegated to the Commissioner or the officer concerned if powers and functions of the Commission provided in the section relevant to the said rules or regulations have been delegated to him.

This Notification shall not affect anything done, order made, notification issued, show cause issued, circular made, proceedings commenced, penalties imposed and/or collected, sanction granted, approval made, fee directed or collected, directions given, investigation, inspection or inquiry conducted or any other action taken or done under or in pursuant to any previous notifications under the Companies Ordinance, 1984 shall be valid and under lawful authority.

Any pending proceedings under any previous Notification shall stand transfer to the delegated authority provided in this Notification forthwith who shall proceed with the matter as it stands prior to the coming into the effect of this Notification.

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[File No.: CLD/602/(7)/2013]



( Bilal Rasul )

Secretary to the Commission