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Government of Pakistan
FINANCE DIVISION
(Investment Wing)

No.F.9(7)-Inv-V/2001

Islamabad, the 20th February, 2017

From: **Ms. Wasiqa Waheed,**
Section Officer (Inv-V),
Ph: 9209774

To: **Chairman,**
Securities & Exchange Commission of Pakistan (SECP),
Islamabad.

SUBJECT: THE COMPANIES (APPOINTMENT OF LEGAL ADVISERS) (AMENDMENT) BILL, 2017

Dear Sir,

I have the honour to state that the Companies (Appointment of Legal Advisors) (Amendment) Act, 2017 **got assent of the President on February 09, 2017.** Subsequently, the National Assembly Secretariat published the Companies (Appointment of Legal Advisors) (Amendment) Act, 2017 in the Gazette of Pakistan, Extraordinary, Part-I on February 13, 2017 as Act No. II of 2017.

2. A copy of the Companies (Appointment of Legal Advisors) (Amendment) Act, 2017 published in the official Gazette is sent herewith for information and record.

3. Kindly acknowledge the receipt.

Yours truly,

Wasiqa Waheed
(WASIQA WAHEED)

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Diary No. 163
Date 21-2-17
Finance Division & Legal Affairs Division

NATIONAL ASSEMBLY SECRETARIAT

No.F.22 (11)/2016-Legis.

Islamabad, the 16th February, 2017

OFFICE MEMORANDUM

Subject: THE COMPANIES (APPOINTMENT OF LEGAL ADVISORS) (AMENDMENT) ACT, 2017

The undersigned is directed to forward herewith a copy of the Companies (Appointment of Legal Advisors) (Amendment) Act, 2017 which received the assent of the President on the 9th February, 2017 and has been published in the Gazette of Pakistan, Extraordinary, Part-I, dated the 13th February, 2017 as Act No. II of 2017.

Its receipt may kindly be acknowledged.



(MUHAMMAD SALEEM KHAN)
Deputy Secretary (Legis)
Tel: 9208057

- ✓ (1) Mr. Muhammad Ayub Khan, Deputy Secretary (Council), Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization, Government of Pakistan, Islamabad.
- (2) Mr. Saadat Iqtidar Alam, Section Officer (Council), Ministry of Law and Justice, Government of Pakistan, Islamabad.
- (3) Mr. Ashraf Ali Samo, Assistant Secretary, Ministry of Parliamentary Affairs, Government of Pakistan, Islamabad.

Council Section

By No: 291

Dated: 17.2.17

[AS PASSED BY THE MAJLIS-E-SHOORA (PARLIAMENT)]

AN

ACT

further to amend the Companies (Appointment of Legal Advisers) Act, 1974

WHEREAS it is expedient further to amend the Companies (Appointment of Legal Advisers) Act, 1974 (X of 1974), for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.— (1) This Act may be called the Companies (Appointment of Legal Advisers) (Amendment) Act, 2017.

(2) It shall come into force at once.

2. Amendment of section 2, Act X of 1974.— In the Companies (Appointment of Legal Advisers) Act, 1974 (X of 1974), hereinafter referred to as the said Act, in section 2,-

(i) after clause (a), the following new clause shall be inserted, namely:-

“(aa) "Commission" means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);”;

(ii) for clause (b), the following shall be substituted, namely:-

“(b) "company" means a company formed and registered under the Companies Ordinance, 1984 (XLVII of 1984), having paid up capital of more than seven and a half million Rupees or a company limited by guarantee or an association registered under section 42 of the said Ordinance;”;

(iii) in clause (c), the word "and" at the end, shall be omitted; and

(iv) in clause (d), for full stop at the end, a semicolon shall be substituted and thereafter the following new clauses shall be added, namely:-

“(e) "Ordinance" means the Companies Ordinance, 1984 (XLVII of 1984); and

(f) "Registrar" shall have the same meaning as are assigned to it in the Ordinance.”.

3. Amendment of section 3, Act X of 1974. – In the said Act, in section 3,-

- (i) in sub-section (1), after the words "in accordance with law" the words and comma "and in accordance with the terms and conditions of agreement entered into by and between the company and Legal Adviser or required by law or prescribed by any rules, regulations governing the company" shall be added; and
- (ii) in sub-section (2), after the word "advocate" the words "of High Court" shall be inserted.

4. Substitution of section 4, Act X of 1974.-In the said Act, for section 4, the following shall be substituted, namely:-

"4. Retainer.- Every legal Adviser appointed by a company shall be paid a retainer which shall not be less than five thousand rupees per mensem or such higher amount as may be notified by the Federal Government in the official Gazette."

5. Substitution of section 7, Act X of 1974.- In the said Act, for section 7, the following shall be substituted, namely:-

"7. Penalty, adjudication of offence and appeal.- (1) Any person who contravenes any provision of this Act or rules or regulations made thereunder shall be guilty of an offence and shall be liable to a penalty to be imposed by the Commission as under:-

- (a) in the case of an individual including directors of the company, such sum which may extend to one hundred thousand rupees; and
- (b) in the case of company, such sum which may extend to two hundred thousand rupees.

(2) The amount of penalty imposed under sub-section (1) shall be payable to the Commission and may be recovered as provided under section 162 of the Securities Act, 2015 (III of 2015).

(3) Any person aggrieved by an order passed by the Commission or an officer authorized in this behalf may prefer an appeal to Appellate Bench of the Commission under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

(4) The Commission, before adjudication of contravention of, or failure in complying with, any provision of this Act, rules or regulations, shall give show cause notice and reasonable opportunity of being heard to the company or person.

(5) From the date of coming into effect of this section, in respect of all prosecutions filed under the substituted section 7 the respective courts shall continue with the pending proceedings and may impose penalty as provided under section 7 as substituted."

6. **Insertion of section 7A, Act X of 1974.**- In the said Act, after section 7, substituted as aforesaid, the following new section shall be inserted, namely:-

"7A. Penalty for false statement.- Whoever, in any return or document, required by or for the purposes of any of the provisions of this Act, willfully makes a statement false in any material particular, knowing it to be false, shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to two hundred thousand rupees or with both."