



# FREQUENTLY ASKED QUESTIONS (FAQs) ON COMPANIES REGULATIONS, 2024 & EZFILE

CORPORATE REGISTRY DEPARTMENT, ISLAMABAD



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## PART 1 – COMPANIES REGULATIONS, 2024

### 1.1 PRELIMINARY:

#### **Q: What is the purpose of the Companies Regulations, 2024?**

The Companies Regulations, 2024 aim to provide a unified regulatory framework for company registration and post incorporation compliance under the companies Act, 2017. The Regulations are available on SECP website at <https://www.secp.gov.pk/document/s-r-o-210-i-2024-dated-12-feb-2024-the-companies-regulations-2024/?wpdmdl=50719&refresh=65f28d06e57cc1710394630>

#### **Q: Which regulations have been consolidated under the Companies Regulations, 2024.**

Following ten regulations have been reviewed and consolidated in the form of a single compendium:

- Companies (Incorporation) Regulations, 2017
- Foreign Companies Regulations, 2018
- Companies (Registration Offices) Regulations, 2018
- Companies (Further Issue of Shares) Regulations, 2020
- Companies (Easy Exit) Regulations, 2014
- Companies (General Provision and Forms) Regulations, 2018
- Unlisted Companies (Buy Back of Shares) Regulations, 2023
- Group Companies Registration Regulations, 2008
- Intermediaries (Registration) Regulations, 2017
- The Associations with Charitable and Not for Profit Objects Regulations, 2018

#### **Q: What is new in the Companies Regulations, 2024?**

The Companies Regulations, 2024 introduced standardized formats for various statutory returns/forms, applications, certificates, approvals, acknowledgements, refusal letters and other registers to be maintained by companies and registrars.

#### **Q: When do the Companies Regulations, 2024 come into effect?**

The regulations come into force immediately upon its notification in official gazette, i.e. February 12, 2024, except for certain specific regulations as mentioned in regulations 1(2) of the Companies Regulations, 2024, which shall come into force on such date as the Commission may, by notification in the official Gazette, appoint.

#### **Q: Why are certain regulations given different commencement dates?**

The SECP has introduced a new online portal called “eZfile,” which is being rolled out in four distinct phases. The regulations relating to the processes launched in the first phase of eZfile have already been implemented. However, the regulations associated with processes to be launched in the next phase of eZfile have been deferred and will be implemented when the next phase is launched.

### **Q: Do the Companies Regulations, 2024, affect existing company documents?**

Yes, the regulations override any conflicting provisions in a company's memorandum, articles, agreements, or resolutions, regardless of when they were registered, executed, or passed. Any conflicting provisions become void to the extent of their repugnancy with the regulations.

### **Q: What are the legal implications of non-compliance with the Companies Regulations, 2024?**

Non-compliance may lead to penalties, refusal of registration, or other legal actions as specified in the regulations and the Companies Act, 2017.

### **Q: What does the term "Act" refer to in the context of these regulations?**

The term "Act" refers to the Companies Act, 2017 (XIX of 2017), which is the primary legislation governing companies in Pakistan.

### **Q: Who is considered an "authorized intermediary" according to these regulations?**

An authorized intermediary is a person registered by the Commission who is authorized by a company, promoters of a proposed company or a foreign company under an agreement to file documents on their behalf in pursuance of section 455 of the Companies Act, 2017.

### **Q: What is the significance of having an "authorized officer" within a company?**

An authorized officer, who may represent various positions such as the CEO, director, company secretary, or CFO, is empowered to sign documents or proceedings requiring authentication by the company. In specific circumstances, this role may also be fulfilled by a representative authorized by the Board or an authorized intermediary, or a principal officer in case of foreign companies.

### **Q: Who acts as the "Authorized Officer" if an administrator is appointed under section 291(1) of the Act?**

If an administrator is appointed under section 291(1) of the Act, the administrator will serve as the "Authorized Officer" of the company.

### **Q: Who is considered the "Authorized Officer" if a company is in liquidation?**

In the event of liquidation, the liquidator appointed for the company will act as the "Authorized Officer."

### **Q: What is meant by the term "close relative" in these regulations?**

A close relative refers to immediate family members such as spouses, siblings and their children, as well as lineal ascendants and descendants.

### **Q: How are the terms "Registrar of Companies" and "Registrar concerned" defined?**

The Registrar of Companies is the designated official at the head office of the Commission responsible for company registrations and related activities. The registrar concerned refers to the registrar in charge of the Company Registration Office in the jurisdiction where the company's registered office is located.

### **Q: What is the significance of the "corporate unique identification number (CUIN)"?**

The CUIN is a sequential computer-generated registration number assigned to every company upon its incorporation/registration, including foreign companies, to facilitate identification and tracking.

### **Q: How are "benefits" and "remuneration" defined in these regulations?**

Benefits encompass all forms of monetary and non-monetary rewards received from the company including but not limited to company maintained car, medical plan, house rent, loans and advances but does not include official travelling reimbursements, boarding and lodging expenses incurred on attending official meetings or expenses incurred in attending office as per entitlement or any meeting fee for attending the meetings of the board or a committee of board as determined by the board of directors.

On the other hand, remuneration specifically refers to compensation for employment in the form of pay, salary or wage including all other perquisites and non-cash incentives but does not include meeting fee for attending meetings of board or committee of board and reimbursement for boarding or lodging for attending board meetings.

### **Q: What is the difference between "preference shares" and "ordinary shares"?**

Preference shares carry specific preferential rights or privileges as outlined in the company's articles of association, such as priority in dividend payments or liquidation proceeds, while ordinary shares typically represent ownership in the company without such preferential treatment.

### **Q: What does "book closure" entail according to these regulations?**

Book closure refers to the period during which the register of members of a company is closed, as stipulated in section 125 of the Companies Act, 2017. During this time, changes in share ownership or other member-related matters is restricted in order to ascertain shareholder/member with their right for upcoming general meeting or some other events.

### **Q: Who qualifies as an "authorized officer" in the context of foreign companies?**

Authorized officer in case of a foreign company means a representative authorized by the principal officer to sign a document or proceeding requiring authentication by the foreign company:

### **Q: What is the significance of defining terms like "firm" and "association" in these regulations?**

The definitions of "firm" and "association" provide clarity on the types of entities covered by specific provisions within the Companies Act, 2017. In this context, a firm typically refers to a practicing firm of management consultants, financial consultants, corporate consultants or tax practitioners; professional practice, while an association denotes a group of persons united for a common object seeking license under section 42 of the Act.

### **Q: What role does the "promoter" play in the context of these regulations?**

Promoter shall have the same meaning as assigned to it under section 2(50) of the Act, and also include individuals or members of an association applying for licenses under section 42 of the Act. Their activities are subject to regulatory scrutiny, particularly concerning the formation and registration of companies with specific objectives or structures.

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## **1.2 NAME RESERVATION AND CHANGE THEREOF:**

### **Q: How can we reserve a company/LLP name?**

Name of the company can be reserved through either of the following modes:

- Online
- Offline

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For online name reservation, the applicant/user has to **create user ID** by signing up to eZfile at <https://leap.secp.gov.pk/#/user/login>. Click "Reserve a LLP/Company Name" fill application form, submit it to the SECP and pay the requisite fee in case of name reservation of company or LLP.

For offline name reservation of a company, fill name reservation application App-1, attach original challan of requisite fee and send the documents to Business Centre, Islamabad. App-1 is available at <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/>

For offline name reservation of LLP, fill name reservation application LLP Form-1 of LLP Regulations, 2018, attach original challan of application fee and send the documents to Business Centre, Islamabad. Form 1 is available at <https://www.secp.gov.pk/company-formation/llp/>.

Bank challan form can be downloaded at <https://leap.secp.gov.pk/#/offline-application-helper>. After submission of application for name reservation, it is examined /processed by the dealing Registrar and name reservation confirmation is sent to the applicant through email.

### **Q: Is it mandatory to select a company kind?**

After login to eZfile, company kind must be selected by clicking relevant "TAB" whether the company is Single Member Company (SMC), Private limited, public limited, Section 42 etc., before proceeding further.

### **Q: Can company name be searched/checked through SECP website?**

Yes, company name can be searched/checked through SECP search facility at the link appearing as <https://eservices.secp.gov.pk/eServices/NameSearch.jsp>. However, the result appearing therein is just an indicator as to whether the name is identical or resembling with or similar to the name of the proposed company. It does not provides confirmation for availability of the proposed name. The final decision for name availability rests with the dealing registrar.

### **Q: What are the provisions of law related to company/LLP name reservation?**

Application for availability of company name is processed in terms of sections 10 and 26 of the Companies Act, 2017 read with regulations 3 and 5 of the Companies Regulations, 2024. Application for availability of LLP is processed in terms of section 6 of the Limited Liability Partnership Act, 2017 read with regulation 4 of the Limited Liability Partnership Regulations, 2018.

### **Q: What is the fee for company/ LLP name reservation?**

The fee has been prescribed in the relevant Acts which is as follows:

- Company name reservation fee of Rs.500/- for offline application & Rs.200/- for online application, as specified in the Seventh Schedule to the Act, and as amended from time to time
- LLP name reservation fee of Rs. 200/- for offline application & Rs.100/-for online application.

### **Q: For how much time, a name is reserved in the system?**

The name of company & LLP is reserved in the system for 60 days and 30 days, respectively.

### **Q: Can company/LLP name be extended for further period?**

There is no provision for extension of name reservation. A reserved name cannot be automatically extended for further period. After the expiry of a reserved name, application for reservation of name may be submitted afresh subject to its availability.

### **Q: How many names can be proposed in single application?**

One name is mandatory; however, two additional names may be proposed, in order of priority. However, fee shall be charged for one name only.

### **Q: What do you mean by significance of proposed company name?**

Applicant is required to fill the significance column by providing meaning and purpose of the proposed name and explanation of the abbreviations or non-dictionary words, if used in the name.

### **Q: What is sectoral classification and principal line of business?**

Sectoral classification implies the main area of business activity to be carried out by a company. However, principal line of business means the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher. Every company at the time of name reservation has to provide the principal line of business which is the business activity to be carried out by the company.

**Note:** Name of the company shall commensurate with the principal line of business, in terms of section 26 of the Companies Act, 2017.

### **Q: What is business object clause?**

Business object clause signifies the detailed objects of the company and it is auto generated by the system based on the selected principal line of business.

### **Q: Why should I provide the name of other similar local/foreign company with identical name?**

This information is required for those companies which have affiliation with already existing company(ies) with identical or similar names.

### **Q: How can a foreign company name be applied?**

Foreign company name can be applied through either of the modes:

- Online
- Offline

Further, prior approval/NOC of Board of Investment (BOI) is required to be attached with name availability application in case of a foreign company.

### **Q: What are prohibited words/restricted words?**

Prohibited words /restricted words have been specified in regulation 5 of the Companies Regulations, 2024 along with relevant criteria.

### **Q: How can I incorporate a company containing the word GROUP in the name?**

As per clause (xvii) of regulation 5(2) of the Companies Regulations, 2024, the word "GROUP" may be allowed to company where it implies several companies under single corporate ownership, and applicants have to provide evidence of subsidiary/associate relationship with two or more companies.

If the proposed company already has two related companies, it has to provide board resolution of already incorporated companies to be registered with the word group in its proposed name.

### **Q: How can I incorporate a company containing the word HOLDING in the name?**

As per clause (xviii) of regulation 5(2) of the Companies Regulations, 2024, the word "holding" may be allowed in case of a company where it qualifies to be a holding company as defined in clause 37 of sub-section (1) of section 2 of the Companies Act, 2017, viz, a company is another company's holding company if, but only if, that other company is its subsidiary.

### **Q: How can I incorporate a company containing the word(s) Financial Advisory /Investment Advisory or other similar specialized companies?**

As per Regulation 5(2) (xv) of the Companies Regulations, 2024, the company name containing the words Finance, Financial, Investment Finance, Investment Advisory, Leasing, Asset Management, Housing Finance, Modaraba, Venture Capital, Private Equity, Invest, Investment, Investor may be allowed in case of Non-Banking Finance Company, investment company, Modaraba company, brokerage house subject to prior approval by the Commission. In case of any public sector financial institution subject to prior approval by the Commission or State Bank of Pakistan, as the case may be.

### **Q: Can we use the name of two countries?**

As per Regulation 5(2) (xxi) of the Companies Regulations, 2024, name of company containing names of two countries i.e. Pakistan/Pak and any other foreign country may be allowed in case of companies where documentary evidence is provided to support the fact that the company is a Joint Venture of two Governments or companies or individuals of two relevant countries.

### **Q: How can I make payment?**

Payment can be made either:

- Credit Card/Debit Card
- 1bill (1link) (digital banking, mobile banking, easy paisa, ATM or over the counter)

### **Q: How can we get name reservation confirmation letter?**

Name reservation letter is sent to applicant through email provided by applicant at the time of submitting name reservation application. In case of physical submission, hard copy of name reservation letter is also be issued.

### **Q: How can we delete reserved name?**

Reserved name can be deleted / released subsequent to its reservation. You can login to your eZfile account, and click on more actions button on reserved name card for its deletion.

### **Q: What additional documents are required, if any foreign country incorporates subsidiary in Pakistan?**

Proposed company is required to provide duly signed board resolution of foreign company/parent company at the time of name reservation.

### **Q: Can any appeal be filed if a proposed company name is refused by the dealing registrar?**

As per section 10(6) of the Companies Act, 2017, If company name is refused by the registrar, the aggrieved person may within thirty days of the order of refusal prefer an appeal to the Commission. Powers to hear and decide the appeal have been delegated to the Registrar of Companies, as defined in the Regulations. Further, it is to be noted that an order of the Commission under sub-section (6) shall be final and shall not be called in question before any court or other authority.

### **Q: What if it is found that a company name is reserved by furnishing false or incorrect information?**

As per section 10(5) of the Companies Act, 2017, where it is found that a name was reserved by furnishing false or incorrect information, such reservation shall be cancelled and in case the company has been incorporated, it shall be directed to change its name.

### **Q: Can a company/LLP use non-dictionary word in its name?**

A company/LLP may have a non-dictionary word in its name to make it different and unique, however, the same shall not be allowed to any other company unless both companies have common directorship, subject to provision of board resolution of existing company.



### **Q: Can words like international/ global/ worldwide/ world be used in NGO/ association not for profit licensed under section 42?**

The use of word International/global/ world in name of company licensed under section 42 appears to be an INGO which is registered by Ministry of Interior.

### **Q: If singular/ plural form of words and full/ abbreviated form of words are considered different in company/LLP name?**

The singular or plural form of words and short and full form of a word shall not make any difference while comparing company /LLP names, e.g. Green Technology (Private) Ltd, Greens Technology (Private) Ltd, Greens Technologies Limited, Green Tech (Private) Ltd etc. are considered as resembling /identical names.

### **Q: If company/ LLP names are considered different by using space between letters, punctuation marks and special characters?**

The space between letters, punctuation marks and special characters used in company/LLP name shall not be considered as differentiating while comparing the company names, e.g;

- ABC (Pvt) Ltd, A.B.C. (Pvt) Ltd and A B C (Pvt) Ltd are considered as resembling /identical names.
- TeamWork (Pvt) Ltd, Team@Work (Pvt) Ltd and Team-Work (Pvt) Ltd are considered as resembling /identical names.

### **Q: If use of different tenses in the name of company /LLP is considered differently?**

The use of different tenses and difference of a word being verb or noun in company name shall not make any difference, e.g.

- Ascend Solutions (Pvt) Ltd, Ascended Solutions (Pvt) Ltd and Ascending Solutions (Pvt) Ltd are considered as resembling /identical names.
- Speak English Solutions (Pvt) Limited and Spoken English Solutions (Pvt) Limited are considered as resembling /identical names.
- Advise Solutions (Pvt) Ltd and Advice Solutions (Pvt) Ltd are considered as resembling /identical names.

### **Q: If misspelled words or words with phonetic resemblance make any difference in company/ LLP names?**

The use of different spellings having phonetic resemblance including use of misspelled words of an expression shall not make company names different, e.g.;

- Chemtech (Pvt) Ltd, Chemtec (Pvt) Ltd., Chemtek (Pvt) Ltd., Cemtech (Pvt) Ltd., Cemtek (Pvt) Ltd., Kemtech (Pvt) Ltd., and Kemtek (Pvt) Ltd are considered as resembling /identical names.
- Bee Kay Ltd, BK Ltd, Be Kay Ltd., B Kay Ltd., Bee K Ltd., B.K. Ltd. and Beee Kay Ltd are considered as resembling /identical names.
- Access Tourism (Pvt) Ltd, Xcess Tourism (Pvt) Ltd and Excess Tourism (Pvt) Ltd are considered as resembling /identical names.

### **Q: If terms net, dot, www, com etc. used in company /LLP name make any difference?**

The use of words such as 'www' or a domain extension such as 'net', 'org' or 'com' in company names shall not make any difference, e.g.; Ultra Solutions (Pvt) Ltd and Ultrasolutions.com (Pvt) Ltd are considered as resembling /identical names.

### **Q: If a company/LLP name contains same words, however order of words is different from other company/ LLP name?**

The difference of order of words in the company name shall not make them distinctive, e.g.;

- Ravi Builders and Contractors (Pvt) Ltd, Ravi Contractors and Builders (Pvt) Ltd are considered as resembling /identical names.
- Bluetech (Pvt) Ltd and Techblue (Pvt) Ltd are considered as resembling /identical names.

### **Q: If use of definite/ indefinite articles (a, an, the) make company/ LLP names different from existing companies/LLPs?**

The use of the definite or indefinite article (a, an, the) in company names does not make any difference, e.g. Congenial Tours Ltd, A Congenial Tours Ltd and The Congenial Tours Ltd are considered as resembling /identical names.

### **Q: If the word/words having same meaning in different languages in company /LLP name are considered different?**

The words used in company names having same meanings in different languages are considered same e.g.;

- Green Energy (Pvt) Ltd and Sabz Tawanayi (Pvt) Ltd are considered as resembling /identical names.
- Agricultural Development Bank Pakistan and Zarai Taraqiati Bank Pakistan are considered as resembling /identical names.

### **Q: If mere use of name of a place/ city in a company/ LLP name is considered as different?**

The addition of the name of a place to an existing name does not make any difference; e.g.; Salvage Technologies (Pvt) Ltd, Salvage Technologies Islamabad (Pvt) Ltd and Salvage Islamabad Technologies (Pvt) Ltd are considered as resembling /identical names.

### **Q: If addition of number (either in figure or word) makes difference in company / LLP names?**

The mere addition of alpha-numeric (either number or words) in company name does not make any difference e.g. Thunder (Pvt) Ltd, Thunder One (Pvt) Ltd and 1Thunder (Pvt) Ltd are considered as resembling /identical names.

### **Q: If the word(s) derived from a dictionary word (and/ or depicts same meaning) make difference in company/ LLP names?**

The different forms of a word in company names does not make difference, e.g.;

- Noor Constructor (Pvt) Ltd and Noor Construction (Pvt) Ltd are considered as resembling /identical names.
- Noor Real Estate (Pvt.) Limited, Noor Realtors (Pvt.) Ltd and Noor Realty (Pvt.) Ltd are considered as resembling /identical names.
- Noor Real Estate (Pvt.) Ltd and Noor Estate (Pvt.) Ltd are considered as resembling /identical names.

### **Q: If first two words, being universal truth, are used by different company/ LLP names?**

In case where first two words, being universal truth e.g. **blue ocean, green leaf, red brick** of the company names are same, such name may be allowed by addition of any other dictionary/ significant word at the end.

### **Q: If the first word in a company/ LLP name is a dictionary word, can it be used by another company/ LLP name?**

If first word, being a dictionary word in company names is same e.g. green, the same may be allowed with addition of a different word, having same principal line of business e.g. Green (Pvt) Ltd and Green Flower (Pvt.) Ltd having same principal line of business, shall be considered as different.

### **Q: If word National can be used in company/ LLP name?**

As per Regulation 5(2) (xxxi) of the Companies Regulations, 2024, the word "National" or any other similar sounding word that gives the impression of a "government" or "public sector" may only be allowed to Government patronage company. Hence, it should not be used for any private entity.

### **Q: If word Pakistan/Pak can be used in company/ LLP name?**

In case where word Pakistan/Pak is used in company name:

- As prefix, documentary proof of connection with Government needs to be provided
- As suffix in company name, proper justification to the satisfaction of registrar needs to be provided.
- where words 'of Pakistan' is used as suffix in company name, documentary proof of connection with Government needs to be provided.

### **Q: If a company name is identical to struck off/ ceased/ wound-up company?**

In case a company name is identical to a struck off/ wound-up/ ceased company name, that name may be allowed after due diligence upon satisfaction of Registrar.

### **Q: If a proposed company name is identical to a name kept by a company previously (before change of name)?**

In case a company name is identical to a company name that was kept by a company previously and later it has been changed by the company and adopted some other name, registrar may exercise due diligence while allowing such company name.

### **Q: Which company name is inappropriate?**

The company name is said to be inappropriate if it contains word/ words that does not match with principle line of business/ objects of the company or meaning of the name have negative impression/impact.

### **Q: If the words capital, commodities and security can be used in company/LLP names?**

The use of word commodity /commodities (other than member of PMEX), security (other than security guard services company or IT /cyber security), capital (other than its use in a brokerage house/non-banking finance company), shall not be allowed.

### **Q: What are restricted/undesirable words?**

The company name shall not contain restricted/ undesirable words e.g. garrison, GMBH, PTE, SEZ, FEZ, Inc., LLC, incorporated or any other word, until proper justification is provided to the satisfaction of the registrar.

### **Q: What are deceptive company/ LLP names?**

A company/LLP name is said to be deceptive, *inter-alia*, if;

- (a) It contains famous business name/ trade name.
- (b) It is identical to multinational companies/ international brands.
- (c) It has resemblance with federal or provincial govt./ famous personality/govt. projects/ international projects/ army or navy or air force related names or their projects or operations / national or international organizations.

### **Q: What is the criteria of incorporating subsidiary /wholly owned subsidiary of a company registered outside Pakistan?**

The company incorporated outside Pakistan shall provide a copy of board resolution to incorporate subsidiary /wholly owned subsidiary in Pakistan.

### **Q: What is the procedure for a local company to change its name?**

To change its name, a company is required to pass a special resolution and file an application to the registrar for the name change, complying with sections 12 and 13 of the Act and relevant regulations. The application shall be accompanied with name availability letter, an amended copy of the Memorandum & Articles of Association, an affidavit, and a copy of NOC/permission/letter of intent from the competent authority, if applicable, for licensed entities. The special resolution shall also be filed on prescribed For-26 along with admissible fee.

### **Q: What happens after a domestic company files a name change application?**

The registrar will review the application to ensure all requirements under the Act and regulations are met. Upon satisfaction, the registrar will register the new name in place of the former name and issue a certificate of change of name as per Annexure-D of the Regulations.

## 1.3 INCORPORATION OF A COMPANY:

### **Q: What is company?**

A company is a body corporate registered under the Companies Act 2017, and has separate legal status, which can sue and can be sued in its own name.

### **Q: What are types of companies?**

A company can be:

- A company limited by shares
- A company limited by guarantee
- An unlimited company

### **Q: What is company limited by shares?**

Company limited by shares means a company having the liability of its members limited by the memorandum to the extent of amount, if any, remaining unpaid on the shares respectively held by them.

### **Q: What are kinds of companies limited by shares?**

A company limited by share may be incorporated having following forms:

- Single member company
- Private limited company
- Public limited company

### **Q: What is single member company?**

A company formed by one person is known as single member company (SMC) company

### **Q: Who can be nominee in a Single Member Company (SMC)?**

Nominee shall be the relative of the single member i.e spouse, father, mother, brother, sister, son or daughter

### **Q: What is a private limited company?**

A company formed by two or more persons is known as private company. A private company restricts the right to transfer its shares and prohibits any invitation to the public to subscribe for the shares, or debentures or redeemable capital of the company. The maximum number of members of a private limited company should not be more than 50.

### **Q: What is a public limited company?**

Any company which does not fall under the definition of a private company is considered a public company. A public company should have at least three or more members.

### **Q: What is a company limited by guarantee?**

A company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up.

It includes Non-profit organizations (NPO) registered pursuant to license under section 42 of the Act and other companies incorporated as limited by guarantee.

### **Q: What is an unlimited Company?**

A company whose members liability is unlimited is known as unlimited company.

### **Q: What is a specialized company?**

The companies having specialized business such as banking companies, insurance companies, Non-banking Finance Companies (NBFC), brokerage house etc. fall under the category of specialized companies which are required to obtain license before starting its operations.

### **Q: What is Limited Liability Partnership (LLP)?**

A Limited Liability Partnership (LLP) is a form of business incorporated under LLP Act, 2017 having status of a legal entity separate from its partners and have perpetual succession. Any two or more persons, associated for carrying on a lawful business with a view to profit, may form an LLP.

### **Q: What documents are required to form LLP?**

- CNICs/passports of the partners
- LLP agreement/deed

Format available at following link <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/applications/>

### **Q: What is Trade Organization (TO)?**

A trade organization is a company formed with the objective of promoting interest of specific sector, class or community in the area of trade and commerce like Chamber of Commerce & Industry. Trade Organizations are required to obtain license from Directorate General Trade Organization (DGTO) to incorporate as a company with the SECP.

### **Q: What is the procedure for registration of association not for profit under section 42 of the Companies Act, 2017?**

Registration of NPO is a three steps process:

**Step 1:** Name Reservation

**Step 2:** Obtain license under section 42 of the Companies Act, 2017. Detailed procedure and document are prescribed in the Companies Regulations, 2024. The regulations are available at <https://www.secp.gov.pk/laws/regulations/>

**Step 3:** Filing of Company incorporation application either offline or online.

### **Q: What is holding company?**

A holding company is a company which controls the composition of the board of other company or exercise or control more than 50% of its voting rights by itself or together with one or more of its subsidiary companies

### **Q: What is an Associated Company?**

An associated company or associated undertaking has been defined in section 2(1)(4) of the Act, and means any two or more companies/undertaking interconnected with each other, as per the detailed definition provided in the Act. Moreover, a company is said to be an associated company of other if its member/director directly or indirectly holds not less than 20% shares in that company and companies are under common management.

### **Q: What is public sector company?**

Public sector company means a company, whether public or private, which is directly or indirectly controlled, beneficially owned or not less than fifty-one percent of the voting securities or voting power of which are held by the Government or any agency of the Government and includes a public sector association not for profit license under section 42 of the Act.

### **Q: What is foreign company?**

Foreign company means any company or body corporate incorporated outside Pakistan, which either has a place of business or liaison office the Pakistan or conducts any business activity in Pakistan.

### **Q: What is principal line of business?**

Principal line of business means the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher. Principal line of business should always commensurate with the name of the company.

### **Q: What is correspondence and registered office address?**

A company can be formed by providing a correspondence address in case the company has no registered office address at the time of incorporation, whereas it is mandatory to provide registered office address within 30 days of its incorporation.

### **Q: What is authorized and paid-up capital?**

Authorized capital means such capital as is authorized by the memorandum of the company to be the maximum amount of share capital of the company. Paid up capital means an amount of capital which is actually taken up by the subscribers/members of the company.

### **Q: Is there any minimum limit of authorized capital?**

Yes, each subscriber shall subscribe at least one share and the authorized capital shall be equal or greater than the minimum shares subscribed by each subscriber.

### **Q: Who is the subscriber and director?**

The person who subscribes the shares of the company is called subscriber. Every subscriber can be a director of the company but not necessarily that every director is the subscriber of the company

### **Q: What is nominee director?**

Nominee director is a person who represents the body corporate/company having shares in the company.

### **Q: What is independent director?**

An independent director means a director who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the company, its associated companies, subsidiaries holding company or directors; and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any form of conflict of interest.

### **Q: What is memorandum and articles of association?**

Memorandum of association is the basic constituting documents of the company. MOA contains the name, province, objects and capital of the company. Whereas, AOA contains the internal bye laws of the company.

### **Q: Where can I get format of MOA/AOA?**

Format of more than 100 sectors are available on SECP website at <https://www.secp.gov.pk/company-formation/memorandum-and-articles-of-association/memorandum-of-association/>

### **Q: What documents are required to form a company manually?**

#### **Manual submission:**

- Application for reservation of name App-1
- Company Incorporation Form-1
- Memorandum & articles of association;
- Copies of CNICs/passport of promoters and chief executive &
- Original paid challan evidencing the payment of fee as prescribed in schedule seven of the Companies Act, 2017.
- Power of attorney/authority letter (if required)

Incorporation form and MOA/AOA can be downloaded at <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/>

### **Q: What documents are required to form a company online?**

#### **Online Submission:**

- Fill-in application form for name reservation and company incorporation (Form-1, MOA/AOA are auto generated)
- Attach copy of CNICs/passport of promoters

- Submit the process and pay fee

Please visit at this link for online incorporation <https://leap.secp.gov.pk/#/user/login>

### **Q: Can I register matrimonial services company?**

Matrimonial services company is registered with the SECP after receipt of security clearance from Ministry of Interior. (MOI). Documents submitted by the company to the SECP are forwarded to Ministry of Interior for clearance.

### **Q: What additional documents are required in case of foreign director/subscriber in a local company?**

Following additional documents are required.

- Undertaking &
- Biodata of foreign subscriber/ director

Requirements of undertaking:

- If undertaking is executed in Pakistan, it should be on stamp paper issued in the name of proposed subscriber /director, duly witnessed and attested by Oath Commissioner/Notary Public.
- If undertaking is executed outside Pakistan, it should be duly certified by public officer/notary public of country of origin and signed by Pakistani diplomat posted in that country or apostilled by the designated competent authority of the state of origin of the foreign public document, who have acceded to the Hague Convention abolishing the requirement of Legalization for foreign public documents (Apostille Convention) of 1961 and such state is also recognized by the Government of Pakistan for receiving of apostilled documents;

Formats available at following link <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/statutory-forms/>

### **Q: What additional documents are required in case of foreign company as subscriber?**

Following additional documents are required.

1. BOD resolution of the foreign company specifying proposed shareholding and name of nominee director and authorized person.
2. Certificate of incorporation/business license of the foreign company
3. Copy of the statute/charter/memorandum & articles of association or other instrument constituting or defining the constitution of the foreign company
4. An undertaking by the foreign company and the nominee director/foreign director
5. Latest Annual Return of the foreign subscriber company showing the details of its directors (attestation not required)
6. Profile of foreign company (attestation not required)
7. Biodata (attestation not required)

Documents mentioned at Sr.1 to 4 are required to be duly:

- Certified to be a true copy by the public officer in the country where the foreign company or foreign body corporate is incorporated to whose custody the original is committed; or
- certified to be a true copy by a Notary public of the country where the foreign company or foreign body corporate is incorporated; or
- certified to be a true copy of an affidavit from an authorized officer of the foreign company or foreign body corporate in the country where the company is incorporated or;
- apostilled by the designated competent authority of the state of origin of the foreign public document, who have acceded to the Hague Convention abolishing the requirement of Legalisation for foreign public documents (Apostille Convention) of 1961 and such state is also recognized by the Government of Pakistan for receiving of apostilled documents:

Provided further that the signature and seal of the official referred to in clause (i) or the certificate of the Notary Public referred to in clause (ii) above shall be authenticated by a Pakistan diplomatic consular or consulate officer

and the affidavit of the officer of the foreign company or foreign body corporate referred to in clause (iii) above shall be signed before a Pakistan diplomatic consular or consulate officer

Formats of biodata, board resolution and undertaking are available at following link <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/statutory-forms/>

### **Q: What additional documents are required to incorporate security services company?**

Security services companies are incorporated after issuance of NOC by Ministry of Interior (MOI). Documents required to incorporate security services company are available on SECP website at

<https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/applications/>

### **Q: Additional requirements for incorporation of public sector company?**

Notification of the Government duly containing therein name of the proposed company, capital structure, and composition of proposed company board as per the criteria mentioned in Public Sector Companies (Corporate Governance) Rules, 2013

### **Q: How can I get certificate of incorporation?**

Incorporation process is end-to-end digitized. Digitally signed certificate of incorporation is sent to the company through email, the same can also be downloaded after login in to eZfile.

### **Q: Where can I get NTN of the company?**

SECP data is integrated with FBR for registration of NTN. Information provided by applicant during filling incorporation process is forwarded to FBR for registration of NTN. NTN is issued by FBR if complete/accurate information has been provided by the applicant.

### **Q: How to submit the incorporation application online**

First step for incorporation of company is to create User ID by clicking eZfile at <https://leap.secp.gov.pk/#/user/signup-select>. After creation of user, login to eZfile, the dashboard of USER will open. Click "Reserve a LLP/Company Name" and start the process of incorporation (either standalone or combined). Select the type of the company and punch in the required data. Please note that the tab on the left side of the screen will turn Green on punching all the mandatory fields, otherwise system will not allow to submit the application. Sign the application by all the directors/subscribers through applying 04-digit PIN, issued at the time of user creation. Click Submit button and Pay the fee through available modes. Upon payment of fee, application shall be landed in the portal of the dealing officer of SECP for further processing. Any decision on the application, shall be communicated through the system and notification will be generated on the given email of the company.

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## **1.4 FOREIGN COMPANIES:**

### **Q: Is provisions of the Companies Regulations, 2024 applicable on foreign companies?**

No, provisions of Companies regulations, 2024 shall not be applicable on the foreign companies as the processes relating to foreign companies have not been digitalized under eZfile. Therefore, existing foreign Companies shall continue to adhere with the provisions of the Foreign Companies, Regulations, 2018.

### **Q: Who is considered the ultimate beneficial owner of a foreign company?**

The ultimate beneficial owner is a natural person who owns or controls the foreign company, directly or indirectly, through at least 25% of shares or voting rights, or by exercising effective control through other means.

### **Q: What does "control through other means" entail in determining the UBO?**



"Control through other means" refers to indirect control over a foreign company that might not be evident through direct ownership or voting rights. This control can be exercised:

- Through a chain of ownership, where control is established indirectly through multiple layers of entities.
- By close relatives or associates who have significant influence or control over the company's finances or decision-making processes.

### **Q: What documents does a foreign company need to submit to establish a place of business in Pakistan?**

The foreign company needs to submit documents such as the copy of certificate of incorporation in the country of origin, Board Resolution and identity documents of directors and authorized persons, translated into English (if not already in English), Permission from Board of Investment, along with applicable specified Form.

### **Q: What additional particulars of ultimate beneficial owners need to be maintained by the foreign company?**

Additional particulars include name, nationality, residential address, and other details of individuals owning or controlling at least 25% of shares or voting rights indirectly, along with details of entities in the ownership chain as provided in the applicable regulation.

### **Q: What alterations in documents require registration with the registrar?**

Alterations such as changes in the company's constitution, address, directors, authorized representative or principal officer need to be registered using specified Form within thirty days of the alteration.

### **Q: What accounts does a foreign company need to file annually?**

It needs to file accounts related to its operations in Pakistan along with lists of Pakistani members and debenture-holders and places of business in Pakistan as well as global accounts within the specified time as provided under section 437 of the companies Act, 2017.

### **Q: What should a foreign company do if it intends to cease its place of business in Pakistan?**

It shall give a thirty-day notice to the registrar on specified Form along with published advertisements and letter from Board of Investment regarding closure of business in Pakistan.

### **Q: How should documents required to be filed by a foreign company be certified?**

They should be certified by public officers, Notary Public, or through affidavits, with authentication by Pakistan diplomatic consular officers or apostilled by the designated competent authority of the state of origin of the foreign public document who have acceded to the Hague convention.

### **Q: How should translations of documents be certified?**

Translations made outside Pakistan should be authenticated by public officers or Notary Public, with authentication by Pakistan diplomatic consular officers or apostilled by the designated competent authority of the state of origin of the foreign public document who have acceded to the Hague convention. Translations made within Pakistan should be authenticated by an affidavit from a knowledgeable individual.

### **Q: What are the consequences of non-compliance with the regulations for foreign companies in Pakistan?**

Non-compliance may lead to penalties, refusal of registration or other legal actions as per the Act and applicable regulations.

### **Q: What are the annual reporting obligations for foreign companies operating in Pakistan?**

Foreign companies need to file annual accounts related to their operations in Pakistan as well as in the country of origin within the specified timeframes, along with list of Pakistani Members and Debenture-holders and of the places of business of the company in Pakistan.

### 1.5 COMPLIANCE & REPORTING:

**Q: How should forms, returns, applications, documents or reports be filed with the Commission or the Registrar?**

These can be filed either online using the SECP's online portal i.e. **eZfile** accessible at <https://leap.secp.gov.pk/#/landing-page> or e-service platform for some processes or in physical form, duly signed by the authorized officer or intermediary and accompanied by necessary documents and proof of fee payment.

**Q: What are the requirements for filing documents in physical form?**

Documents filed in physical form shall be in printed or typed form. They shall include all necessary supporting documents and an original paid bank challan or other evidence of fee payment, unless filed online. Relevant statutory forms can be downloaded from SECP's website at (<https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/>). For manual documents to be filed under eZfile, fee challan can be generated using the following link (<https://leap.secp.gov.pk/#/offline-application-helper>)

**Q: What specific details shall be included in an application or appeal?**

Applications or appeals should clearly state the facts, grounds, claims or relief applied for, referencing the relevant provisions of the Act. They shall also include any referenced documents and be verified by a notarized affidavit. In addition to this, a duly paid challan as per applicable fee in terms of Seventh Schedule of the Companies Act, 2017 shall also be enclosed with the application or appeal.

**Q: What additional documentation might the Commission or Registrar request?**

The Commission or Registrar may request documentary proof regarding the status, designation or entitlement of the person making or authenticating the application.

**Q: How should fees, charges or other amounts be paid under the Act?**

Fees can be paid via credit card, debit card, other approved online payment methods (i.e. 1bill (1link) (digital banking, mobile banking, easy paisa, ATM or over the counter) or a bank challan deposited at a designated bank branch. The original challan shall be furnished along with the relevant document, return, or application, except for online submissions.

**Q: Is the fee for applications or appeals refundable?**

No, the fee paid for any application or appeal under the Act is a non-refundable processing fee as prescribed under the Seventh Schedule to the Companies Act, 2017.

**Q: How is an application or document deemed to have been received by the Commission or Registrar?**

It is deemed to have been received on the day it is delivered to the office of the Commission or Registrar either manually or in electronic mode.

**Q: What methods can be used to serve documents to a company or its officers?**

Documents can be served at the company's registered office, through post, courier service, electronic means (including facsimile and email) or by leaving it at the registered office. If necessary, documents can also be served at the residential address of the company's officers.

**Q: How should reports, notices and other documents be circulated to members, debenture-holders or creditors?**

These documents should be served at the registered address of the recipient or the address provided by them if they have no registered address in Pakistan. This can be done against an acknowledgment, by post, courier service, electronic means or any other manner notified by the Commission.

**Q: What should an existing company do if the principal line of business is not stated at serial number 1 of its Memorandum of Association?**

The company shall notify the registrar of its principal line of business within three months from the commencement of these regulations using Form-4 along with a revised Memorandum of Association indicating the principal line of business at serial number 1 of the object clause.

**Q: What is the timeframe for reporting any change in the principal line of business?**

Any change or alteration in the principal line of business shall be reported to the registrar within 30 days from the date of the change using Form-4.

**Q: How should a company proceed with the alteration of its memorandum under section 32 of the Act?**

The company shall submit a petition to the Commission within 90 days from passing the special resolution. This submission should include copies of the special resolution, amended Memorandum and Articles of Association, a comparative statement, no objection certificates from all registered creditors and, if applicable, NOC from the relevant department of the Commission or other authority.

**Q: What happens if a company fails to file the petition within the specified period?**

The company shall pass a fresh special resolution if it fails to file the petition within the specified period of 90 days.

**Q: Does changing the principal line of business require filing a petition?**

No, changing the principal line of business requires filing of special resolution along-with reporting on prescribed Form-4 and does not necessitate filing a petition except where a company adopts any business activity or report any change therein which is subject to licence, registration, permission or approval under any law.

**Q: What is the process for a company to convert its status under sections 46, 47, 48, and 49 of the Act?**

The company shall apply to the Commission for approval within 90 days from passing the special resolution in the following circumstances;

- Conversion of a public company into a private company or a single member company; or
- Conversion of a private company into a single-member company; or  
Conversion of an unlimited company into a limited company; or
- Conversion of a company limited by guarantee into a company limited by shares

The application shall be accompanied with the extract of special resolution, amended Memorandum and Articles of Association, necessary NOCs, and, in some cases, additional documents such as particulars of persons agreeing to take shares and an auditor's certificate.

### **Q: What if the application for conversion is not filed within the specified period?**

The company shall pass a fresh special resolution if it fails to file the application within the specified period of 90 days.

### **Q: What are the scenarios for conversion of status where application to the Commission is not required?**

Following are the circumstances of conversions where the companies are not required to file application with the Commission rather it shall alter its articles of association and file with the registrar a copy of the memorandum and articles of association as altered along with special resolution.

- Private company (including single member company) into a public company [Section 46(5)]
- Single member company into a private company [Section 47(5)]
- Limited company into an unlimited company [Section 48(4)]
- Company limited by shares into a company limited by guarantee [Section 49(5)].

### **Q: When shall a company file a return of allotment of shares?**

A company shall file a return of allotment of shares with the registrar within 45 days after the date of allotment, using Form-3.

### **Q: What additional verification is needed when shares are allotted for consideration other than cash?**

The documents filed with the return of allotment shall be verified by an affidavit from an authorized officer and, where applicable, certification by the public officer having custody of the original document.

### **Q: What additional information is required if shares are allotted to foreign individuals or entities?**

Following additional information and documents as specified in Regulation 19 shall be submitted when shares are allotted to foreign nationals, companies or bodies corporate.

- Profile of the foreign company or foreign body corporate including detail of its directors, their nationality and country of origin;
- Copy of passport;
- Latest return/any other document showing particulars of directors;
- Copy of its charter, statute or memorandum and articles;
- Copy of the certificate of incorporation,
- Board resolution by the foreign company for appointment of nominee and authorization to acquire shares in the proposed company;
- An undertaking on the specified format as per Annexure-S duly attested by notary public, etc.

### **Q: What should scheduled banks or financial institutions do if a company defaults in filing a return of allotment?**

The financial institution may file the return of allotment with the registrar, including relevant agreements, contractual arrangements, court orders, or documents evidencing the company's obligation to issue shares.

### **Q: How can a company issue further shares for other than right?**

A company may issue further shares for other than right by passing a special resolution and complying with relevant regulation 110 of the Companies Regulations, 2024 including seeking the Commission's approval if it is a public company.

### **Q: How should a member of a private company proceed if they wish to sell their shares?**

In terms of section 76 of the Act and regulation 40 of the Companies Regulations, the member shall notify the board of their intention through a notice, offering the shares at a specific or negotiated price. If all members decline the offer, the shares may be sold to an outsider, but not at a price lower than the offered price.

**Q: Are there any exceptions to the transfer of shares regulation?**

Yes, the regulation does not apply to the transfer of qualification shares required by directors, shares transferred by operation of law or shares gifted to family members.

**Q: When shall a company inform the registrar about a significant change in shareholding?**

A company shall inform the registrar within 15 days if there is a change of more than 25% in its shareholding, membership or voting rights using Form-3 and supported by an affidavit confirming the correctness of the contents. However, the Commission vide circular No.09 of 2024 dated March 22, 2024 clarified provisions of section 465(4) read with 510 of the Companies Act 2017 that a company other than listed company, may also file Form-3 with the registrar about any change of twenty five percent or less in its shareholding or membership or voting rights. The above circular has been issued to address practical difficulties being faced in reporting transfer of shareholding and in order to keep the record of shareholding of companies updated.

**Q: What is the procedure for issuing a physical share certificate?**

A share certificate is issued in pursuance of a board resolution and upon surrender to the company, letter of allotment. The certificate shall include specific details such as certificate number, folio number, name of company, authorized and paid up capital of the company at the time of issuance of certificate, date of issue, name(s) of the person(s) in whose favor the certificate is issued, class and kind of share, par value of share and in case of transfer, name of transferee, date of transfer, signature of authorized officer of the company

**Q: Can a duplicate share certificate be issued?**

Yes, a duplicate share certificate can be issued following the provisions of section 73 of the Act and regulation 42 of the Companies Regulations and shall mention the date of initial issuance and the word "DUPLICATE".

**Q: Who shall sign the share certificates?**

Share certificates shall be signed by two directors duly authorized by the Board, or by the single director in the case of a single member company.

**Q: What is the procedure for registering securities of a bearer nature issued by a company?**

If a company has issued equity or debt securities of a bearer nature, it shall publish a notice in at least one national daily newspaper in English and Urdu, requiring holders to surrender these securities for registration. Holders shall comply within three months of the notice's publication. Upon surrender, the company will verify the securities and register the holder's name in the appropriate register.

**Q: What should holders of bearer securities do upon receiving the company's notice?**

Holders should surrender their bearer securities to the company within three months of the notice's publication. The company will then register these securities in the holder's name after appropriate verification.

**Q: What happens if a holder fails to surrender their bearer securities within the specified period?**

If a holder fails to surrender their securities within the three-month period, the company shall apply to the court for an order to cancel the securities. The company shall also publish a notice in national daily newspapers in English and Urdu within fourteen days of the application.

**Q: How will the company account for surrendered and registered or cancelled bearer securities?**

The company will include details of surrendered and registered or cancelled bearer securities in its next annual return.

**Q: What record shall a company maintain for bearer securities issued before the new regulations?**

The company shall prepare and maintain a register of such securities, including particulars of the holders, issuance dates and details of surrender or cancellation, as per Form-15.

**Q: What steps shall a company take to replace its physical shares with book-entry form shares?**

The company shall apply to a Central Depository for the declaration of its shares as eligible securities and comply with the Central Depository's requirements for issuing shares in book-entry form, as required by the notification under section 72 of the Act.

**Q: How should copies of instruments or deeds related to charges, mortgages, or pledges be verified when filed with the registrar?**

Documents for verification of contents in the copy of instruments depends on the location of the property. For property situated in Pakistan, verification shall be done through an affidavit filed by an authorized officer or certification by a public officer with custody of the original document. For property situated outside Pakistan, verification shall be done through an affidavit filed by an authorized officer of the company or a person interested in the mortgage, charge, or pledge.

**Q: What is the maximum limit of remuneration for an appointed receiver or manager under section 117 of the Act?**

The maximum limit of remuneration shall be the amount as fixed by the court in the order for the appointment of the receiver or manager.

**Q: What steps shall a company take to identify its ultimate beneficial owners (UBOs)?**

Within three months of the coming into force of section 123A of the Act, the company shall issue a notice to every member or representative holding at least 25% of shares or voting rights, asking them to identify and provide information about the UBOs as per Form-16.

**Q: What information shall members provide in response to the notice about UBOs?**

Members shall submit a declaration using Form-17 within fourteen days, providing the name, address, and other particulars necessary to identify the UBO.

**Q: What happens if a new member acquires shares after the initial notice is issued?**

New members shall submit the required declaration about the UBO within fourteen days of their name being entered in the register of members.

**Q: What should be done if there is a change in the particulars of a UBO?**

Any change in UBO particulars shall be declared to the company within fourteen days using Form-18, detailing the nature of the change and relevant particulars.

**Q: What records shall the company maintain regarding UBOs?**

The company shall maintain a register of UBOs including the details i.e. Name, Father's/Spouse's Name, CNIC/NICOP/Passport number and date of issue, Nationality and country of origin (for foreign or dual nationals), Usual residential address, Email address, Date of acquiring shareholding, control, or interest, Details of indirect shareholding through intermediary companies or legal entities, including the ultimate beneficial owner of those intermediaries

**Q: What should the company do after receiving declarations about UBOs?**

The company shall update its register of UBOs within fifteen days of receiving the declaration and submit a compliance declaration to the registrar using Form-19 along with its annual return.

**Q: Who is responsible for providing UBO information to regulatory authorities?**

The board of directors shall authorize the CEO or one of its directors or officers to provide UBO information to the registrar or any other authority, as required, and the details of this officer shall be furnished to the registrar.

**Q: What action should a company take if a member does not provide the required UBO information?**

The company shall apply to the Commission for further action if a member does not provide the necessary information in response to the notice in the form and manner specified in regulation 5 of the Companies (Distribution of Dividends) Regulations, 2017.

**Q: Who is considered an ultimate beneficial owner (UBO)?**

A UBO is a natural person who ultimately owns or controls a company through at least 25% shares or voting rights, or by exercising effective control through other means, such as a chain of ownership or influence over the company's finances or decisions.

**Q: What does mean "Control through other means"?**

'Control through other means' may be exercised through a chain of ownership or through close relatives or associates having significant influence or control over the finances or decisions of the company.

**Q: What is the threshold for capital expenditure approval by the board in public interest and large companies?**

For public interest and large companies, any single capital expenditure item exceeding twenty-five million rupees requires board approval. Disposal of fixed assets exceeding five million rupees or one percent of the total assets, whichever is lower, also requires board approval.

**Q: What are the thresholds for medium and small companies regarding capital expenditure and disposal of assets?**

For medium and small companies, any single capital expenditure item exceeding five million rupees requires board approval. Disposal of fixed assets exceeding one million rupees or one percent of the total assets, whichever is lower, also requires board approval.

**Q: Can a committee approve expenditures below the specified thresholds?**

Yes, a committee comprising at least one director can approve expenditures below the specified thresholds. This committee shall submit a bi-annual post facto report to the board for information.

**Q: Is board approval required for capital expenditure on land and buildings?**

Yes, any capital expenditure on land and buildings requires mandatory board approval regardless of the amount.

### **Q: What form should be used to file returns regarding directors and officers with the registrar?**

Returns should be filed using Form-9, which shall be verified and supported by necessary documentation, such as resignation letters and affidavits, if applicable.

### **Q: What should a company do if the Court orders rectification of the register of members or directors?**

The company shall file a notice of rectification with the registrar within fifteen days of receiving the Court order, including name of the court, the date of the order, case number, case title, details of the order and the rectification made. Subsequent statutory returns shall comply with the Court order.

### **Q: What is required under Regulation 51 regarding contracts or arrangements involving directors?**

Under Regulation 51, a company is required to maintain one or more separate registers that contain detailed particulars of all contracts or arrangements in which any director has an interest. This is in line with the provisions of section 209 of the Companies Act.

### **Q: What specific details shall be included in the registers for such contracts or arrangements?**

The registers shall include the following particulars:

- The date of the contract or arrangement.
- The names of the parties involved.
- The principal terms and conditions of the contract or arrangement.
- The amount involved in the contract or arrangement.
- The name of the director who is interested in the contract or arrangement.
- The name of the association and the extent or nature of the director's interest, as well as the director's relationship with the association.
- The date on which the director's interest or concern in the contract or arrangement arises or changes.

### **Q: When shall a director disclose their interest in a contract or arrangement to the company?**

A director shall disclose their interest or any change in their interest, as specified in clauses (v), (vi), and (vii) of sub-regulation (1) of regulation 51, to the company within thirty days.

### **Q: Why is it important to maintain such registers in a company?**

Maintaining these registers is crucial for transparency and accountability, ensuring that any potential conflicts of interest involving directors are documented and can be reviewed as necessary. This helps in upholding the integrity of the company's operations and in compliance with legal obligations.

### **Q: What are the qualifications required for a company secretary in a public company?**

According to Section 194 of the Act, a company secretary in a public company shall meet one of the following criteria:

- Be a member of a recognized body of professional accountants or corporate/chartered secretaries.
- Hold a master's degree in business administration, commerce, or be a law graduate from a university recognized by the Higher Education Commission of Pakistan, or possess an equivalent foreign qualification. Additionally, they shall have at least five years of relevant experience for a listed company or two years for other public companies.
- Be a retired government servant in BS-18 or equivalent or above with at least fifteen years of service.



**Q: Can a company secretary already engaged under previous regulations continue in their role?**

Yes, a person already engaged as a company secretary under the Companies (General Provisions and Forms) Rules, 1985 or the Companies (General Provisions and Forms) Regulations, 2018 may continue in that capacity.

**Q: What is the requirement for female representation on the board of a public interest company?**

The board of a public interest company, which is not listed, shall have at least one female director who holds at least a bachelor's degree from an institution recognized by the Higher Education Commission.

**Q: How should a single member company report a change in nominee or their particulars?**

A single member company shall report any change in nominee or their particulars, or appointment in case of conversion to a single member company, within fifteen days to the registrar using Form-9.

**Q: What is the expected conduct of shareholders during general meetings?**

Shareholders shall observe following conduct in general meeting :

- Avoid bringing material that may cause a threat to participants or premises.
- Focus on agenda items covered in the meeting notice.
- Restrict comments and discussions to company affairs.
- Avoid disclosing political affiliations or offending the religious sensibilities of other members.

**Q: How should a company conduct a meeting if members participate via video link?**

When providing a video link facility:

- The company shall mention in the notice that participation via video link may be arranged on demand by members holding at least 10% of the total paid-up capital.
- The chairman and company secretary shall ensure only members or proxy holders attend via video link and maintain the integrity of the meeting.
- Adequate facilities should be available without interruption or distortion, and a coordinator should be appointed at the video conference location.
- The company secretary shall secure a tele/video recording of the proceedings and keep it along with other relevant records.

**Q: What is the fee for obtaining a copy of the Inspector's report?**

The fee for obtaining a copy of the Inspector's report is equivalent to the fee payable to the registrar for a certified copy or extract of any document or register as specified in the Seventh Schedule to the Act.

**Q: How should substantial shareholders or officers report their shareholding in foreign companies?**

Substantial shareholders or officers shall report their shareholding or other interests in foreign companies to their company within thirty days of acquiring such position or interest. The company then submits this information to the registrar on Form-11 along with the annual return or within thirty days from the end of the calendar year if no annual return is required.

**Q: What is the purpose of the notice required under Section 285?**

The notice under Section 285 is issued by a transferee company to dissenting shareholders of a transferor company or to shareholders who have not assented to a scheme or contract. This notice informs them of the transferee company's intention to acquire their shares under an approved scheme.

### **Q: Who is required to give the notice under Section 285?**

The notice shall be given by the transferee company to:

- Dissenting shareholders of the transferor company, as per sub-section (1) of Section 285.
- Shareholders of the transferor company who have not assented to the scheme or contract, as per clause (a) of sub-section (2) of Section 285.

### **Q: What information should be included in the notice?**

The notice may include, but is not limited to, the following details:

- Date of approval of the scheme or contract.
- Date of the notice.
- Number of shares involved, especially if the offer is limited to specific classes of shareholders.
- Description of the relevant class or classes of shares.
- Date on which the acquisition of shares is proposed.

### **Q: What is required when filing a scheme of amalgamation for wholly owned subsidiaries or companies?**

In the case of amalgamation of wholly owned subsidiaries or companies wholly owned by a person, the transferee company shall file a copy of the scheme of amalgamation as approved by the board of each amalgamating company. This filing shall be done using Form-8 with the registrar within thirty days of the date of the resolution.

### **Q. What happens if the amalgamating companies pass their resolutions on different dates?**

If the resolutions are passed on different dates by the amalgamating companies, the transferee company shall file Form-8 along with the scheme of amalgamation within thirty days from the date of the latest passed resolution.

### **Q. What is an inactive company under the Companies Act?**

An inactive company is one that has ceased operations and meets specific criteria under Section 424 of the Companies Act. A company other than a listed company may also apply for this status through a special resolution passed in a general meeting.

### **Q. How does a company apply for inactive status?**

A company wishing to obtain inactive status shall pass a special resolution in a general meeting and then file an application on the specified format, App-2, to the registrar. Upon review, the registrar may grant inactive status and issue a certificate in the form set out in Annexure-M.

### **Q. What happens if a company has not filed financial statements or annual returns for two consecutive years?**

If a company fails to file financial statements or annual returns for two consecutive financial years, the registrar will issue a notice to the company. Following this, the registrar may enter the company's name in the register maintained for inactive companies.

### **Q. What are the compliance requirements for an inactive company?**

To retain inactive status, a company shall:

- Have at least one director (for single-member companies), two directors (for private limited companies), or three directors (for public limited companies).
- File an annual return on Form-A along with the payment of the annual fee as per the Seventh Schedule to the Act, within 30 days from the close of each calendar year.

### **Q: Can an inactive company return to active status?**

Yes, a company that has previously been granted inactive status can return to active status by passing a special resolution in a general meeting and applying to the registrar using the specified format, App-2. The registrar will review the application and, if approved, grant active status and issue a certificate in the form set out in Annexure-N.

### **Q: Where should retained funds be invested by the liquidator during voluntary winding up?**

Retained funds should be invested in Special Saving Certificates or deposited/invested in National Savings Schemes in the name of the company in liquidation.

### **Q: What are the requirements for a company to retain its inactive status?**

An inactive company shall:

- Have at least one director (for a single member company), two directors (for a private limited company), or three directors (for a public limited company).
- File an annual return on Form-A with the payment of the annual fee within 30 days from the close of each calendar year.

### **Q: How should documents in foreign languages be handled when filed with the registrar?**

Documents not in English or Urdu shall be accompanied by a translation certified as correct. If translated outside Pakistan, it shall be authenticated by a relevant public officer or notary public and further authenticated by a Pakistani diplomatic officer. If translated within Pakistan, it shall be authenticated by an affidavit from a person with adequate language knowledge.

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## **1.6 COMPANY REGISTRATION OFFICES:**

### **Q: What is the purpose of Company Registration Offices (CROs)?**

CROs are established for the registration of companies and performing other duties under the relevant provisions of the Company Law.

### **Q: How many CROs are there and where are they located?**

There are nine CROs located in Faisalabad, Gilgit, Islamabad, Karachi, Lahore, Multan, Peshawar, Quetta and Sukkur.

### **Q: Can CROs operate beyond their territorial jurisdiction?**

Yes, CROs may function beyond their territorial jurisdiction as notified by the Commission from time to time.

### **Q: What is the role of the Business Centre mentioned in regulation 71?**

The Business Centre, established by the Commission, handles the registration of companies and performs other duties under the Act.

### **Q: What are Facilitation Centres and their purpose?**

Facilitation Centres may be established by the Commission to aid companies and investors and perform other notified duties.

### **Q: How are company documents processed when submitted physically?**

Physical documents are entered into an electronic diary system, assigned a unique computer-generated sequential number and scanned to ensure legibility before being uploaded to the electronic database.

### **Q: How is information maintained in the electronic database?**

The Registrar concerned is responsible for maintaining accurate information in the electronic database and rectifying any discrepancies immediately.

### **Q: What happens when a company changes its registered office location?**

The registrar concerned of the old jurisdiction sends all physical records/documents to the registrar concerned of the new jurisdiction within seven days of registering the relevant return containing such change.

### **Q: How can one obtain a duplicate certificate?**

Upon inquiry as to the loss, destruction, defacement or mutilation of the original certificate and approval from the Registrar of Companies, a duplicate certificate marked "[DUPLICATE]" shall be issued by registrar concerned, containing specific details of issuance.

### **Q: What is the process for obtaining copies of documents filed with the CRO?**

Copies may be requested by anyone and will be issued by the registrar concerned which may contain the qualifications or remarks under the particular circumstances with appropriate qualifications or remarks regarding the document's contents and any pending issues etc.

### **Q: Can the public inspect company documents?**

Yes, members of the public may inspect such registers and records of documents as under the Act they are entitled to inspect subject to such payment of fee as provided in the Seventh Schedule to the Act. The inspection of documents shall be carried out in the presence of the registrar concerned or an official authorized by him, during specified hours.

### **Q: What are the responsibilities of the registrar regarding legal proceedings?**

The Commission or the Registrar of Companies may authorize the registrar concerned or any other person to institute or cause to be instituted any legal proceedings or defend or conduct or cause to be defended or conducted any prosecution or other legal proceedings under the Act.

### **Q: What actions can the registrar take if a document is found defective after acceptance?**

The registrar concerned may cancel the recording of the document after obtaining appropriate evidence and providing the company an opportunity to be heard.

### **Q: How long are company records preserved?**

Physical records are preserved for ten years for existing companies and five years for dissolved companies, with certain key documents kept permanently. The physical documents and records filed at the incorporation of a company, as well as any records related to the dissolution of a company, shall be permanently preserved in physical form. Furthermore, before any physical documents and records are destroyed, it shall be ensured that each document is properly preserved in electronic form permanently. The documents filed through eService shall be preserved permanently.

**Q: What is a CUIIN and when is it assigned?**

A CUIIN (Corporate Unique Identification Number) means a sequential computer generated registration number assigned to every company including foreign company

**Q: What happens if a document is presented after more than two years of its due date?**

The registrar may accept such documents if they are found in order, subject to the payment of the specified additional fee as provided in section 468 of the Companies Act, 2017.

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### 1.7 ASSOCIATIONS FOR CHARITABLE AND NOT FOR PROFIT OBJECTS:

**Q: What is the purpose of obtaining a license under Section 42 of the Companies Act, 2017?**

A license under Section 42 allows an association to operate as a non-profit organization promoting single or multiple objects such as charitable, scientific, religious, or educational purposes.

**Q: Who can apply for a license under Section 42?**

An association desirous of obtaining a license under section 42 of the Act shall make an application to the Commission to promote non-profit objectives, provided they comply with the necessary requirements and have experienced promoters in the relevant fields.

**Q: How can an association apply for a license under Section 42?**

The association shall make an application in the specified format (App-3) along with all required supporting documents through an authorized promoter or authorized person.

**Q: Is there a requirement for promoter experience in single or multiple object applications?**

Yes, in case of single object company, the chief executive shall also possess adequate relevant experience in the field of that object; whereas in case of multiple objects company, it shall have at least one director in each field of object who possesses adequate relevant experience in that field so that all the directors collectively have adequate experience related to each object.

**Q: What experience is required for the promoters of an association?**

For a single-object promotion, at least one promoter should have adequate experience in the relevant field. For multiple objects, there should be experienced promoters for each field.

**Q: How does the Commission review an application for a license?**

The Commission may conduct inquiries and request additional information or clarification including internal and external due diligence. It assesses the fit and proper criteria of promoters, proposed directors and the CEO and also ensures that all other requirements are fulfilled.

**Q: What criteria shall be met for the license to be granted?**

The promoters, proposed directors, and the proposed CEO shall meet the fit and proper criteria specified in regulation 101. All other requirements shall be fulfilled and it should be in the public interest to grant the license.

**Q: What steps shall be taken after a license is granted?**

The association shall apply for incorporation as a public limited company within 90 days of the license issuance. This period may be extended under special circumstances upon application by the promoters for another 90 days subsequent to which the license shall be deemed cancelled.

**Q: What are the consequences of not applying for incorporation within the specified time?**

If the association does not apply for incorporation within the specified or extended time, the license shall be deemed cancelled.

**Q: Are there any conditions attached to the license under section 42 of the Act?**

Yes, conditions include utilizing funds solely for promoting its objects, being registered as a public limited company and ensuring compliance with anti-money laundering and counter-terrorism financing laws, among others as provided in the regulation 100.

**Q: How should a company utilize its resources under the license?**

The company shall use all its money, property, donations or income solely for promoting its objects and cannot divert resources for other purposes.

**Q: What are the requirements regarding the company's registration and liability limits?**

The company shall be registered as a public limited company with at least three promoters. The liability limit for each member shall not be less than one hundred thousand rupees or an amount as notified by the Commission.

**Q: Are there specific requirements for start-up donations and payments to directors?**

- Promoters are required to make a start-up donation of reasonable amount not less than two hundred thousand Rupees unless they are government entities or statutory bodies, in which case the start-up donation shall be contributed by such entity or body.
- Directors and the chief executive officer may be reimbursed for actual expenses and receive meeting fees, which shall be disclosed in the directors' report.
- Payment of remuneration and other benefits shall be allowed only to the chief executive officer and directors who are non-members and are in the whole-time employment of the company: Provided that this condition shall not be applicable on the chief executive officer and directors who are members and are in the whole-time employment of non-bank microfinance company licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;

**Q: What are the restrictions on payments and benefits to members and their relatives?**

Payments of remuneration or other benefits by the company or its subsidiary entity for services or otherwise to members of the company or to their close relatives whether holding an office in the company or its subsidiary or not,

shall be prohibited, Provided that the prohibition shall continue to apply for a period of one year after a member quits from the membership of the company.

**Q: Can the company make changes to its memorandum and articles of association?**

Yes, the company may alter its Memorandum and articles of association subject to the prior approval of the Commission.

**Q: What are the restrictions on patronage claims and political activities?**

The company shall not claim patronage from any government, authority or renowned personalities and organizations unless written consent is obtained. Additionally, the company is prohibited from engaging in political activities or contributing funds to political entities.

**Q: What criteria shall new members and directors meet?**

New members shall meet fit and proper criteria as contained in the regulations, except members representing or nominated by Government or an institution or authority or other statutory body of the Federal or Provincial Government(s). In case of appointment/re-appointment/election/re-election of directors and chief executive officer, the company shall ensure fit and proper criteria and obtain affidavits from the incoming director or the Chief Executive officer confirming that he/she meets the fit and proper criteria in terms of these regulations.

**Q: Are there specific requirements for investments and disclosures?**

The company may make investments, whatsoever, in any of its associated undertakings subject to compliance of the requirements of section 199 of the Act and the regulations made thereunder. The board shall also frame and follow a broad policy specifying mechanism for such investments and shall carry out due diligence before making such investment and shall also disclose interest of directors of the company, if any;

**Q: What are the additional conditions may be imposed?**

- The company's name shall include the phrase "A company set up under section 42 of the Companies Act, 2017."
- Income and profits shall be used exclusively for company objectives, with no distribution to members.
- The company shall close its accounts on June 30 each year.
- Donations from foreign sources require prior permission from relevant authorities.
- Funds, grants, and donations shall be received through proper banking channels.
- The company shall maintain registers of donors and donees and comply with anti-money laundering regulations.

**Q: What are the requirements regarding donations and contributions received by the company?**

- Donations and contributions shall be received through proper banking channels, with amounts up to twenty thousand rupees allowed in cash, recorded properly and deposited within three working days.
- Donations and charitable assets shall be used exclusively for charitable purposes and should not be utilized to the benefits of the entities and individuals designated under the UNSC sanctions list.
- The company shall maintain a register of donors and donations, including detailed information about each donation.

**Q: Are there any specific requirements for the company's financial management and internal controls?**

Yes, the company shall:

- Establish and maintain a system of sound internal controls, including policies, procedures, record management, and financial management systems.
- Ensure that no associated individuals or entities are listed on the UNSC sanctions list.
- Maintain registers of donors, donations, donees, and beneficiaries.

**Q: What conditions apply to the appointment and remuneration of directors and the chief executive officer?**

- Directors and the chief executive officer may be reimbursed for actual expenses for attending meetings or they may also receive meeting fees, which shall be disclosed in the directors' report.
- Remuneration and benefits are allowed only for those in full-time employment, with exceptions for certain non-bank microfinance companies.
- The fit and proper criteria shall be met for appointments, with required affidavits and compliance with additional conditions for government or statutory body nominees.

**Q: How should the company handle changes or additional conditions imposed by the Commission?**

- All conditions, including any new ones imposed by the Commission, shall be complied with.
- If any conditions in the license contradict these regulations, they will be considered ineffective.
- The company shall continuously adhere to both the existing and any newly imposed conditions by the Commission.

**Q. What is the "fit and proper" criteria?**

The "fit and proper" criteria ensure that promoters, members, directors and the chief executive officer (CEO) of an association meet specific standards of integrity, solvency, and qualification to effectively manage and oversee the association.

**Q: Who shall meet the fit and proper criteria?**

Promoters, members, directors and the chief executive officer shall meet the fit and proper criteria at all times.

**Q. Who assesses the "fit and proper" criteria?**

The Commission assesses the fitness and propriety of promoters, directors and the CEO at the time of granting the license. However, the company itself assesses the fitness and propriety of its members, directors, and CEO for any changes after incorporation.

**Q. What happens if someone no longer meets the "fit and proper" criteria?**

The company is responsible for replacing any promoter, director, member or CEO who does not comply with the "fit and proper" criteria at any point in time.

**Q. What factors are considered in assessing the "fit and proper" criteria?**

Several relevant factors are considered, including but not limited to Integrity and track record, Solvency and financial soundness, Qualification and experience.

**Q. What are the integrity and track record requirements?**

A person shall:



- Not be associated with money laundering or terrorist financing activities, illegal banking business, illegal deposit taking or financial dealings.
- Not be a tax defaulter by himself or the companies in which he was promoter or a director or major shareholder.
- Not be part of the companies in which he was promoter or a director or major shareholder which involved in fraudulent or illegal activities.
- Not have been convicted of fraud, breach of trust, or an offense involving moral turpitude.
- Not have actively managed a company whose registration or license was revoked due to financial irregularities or malpractices.
- Not be ineligible under any legislation.
- Not be involved in anti-state activities or undesirable activities.
- Not be involved in MLM, Pyramid, Ponzi schemes, or lottery businesses.
- Not have entered a plea bargain with regulatory bodies or law enforcement agencies for serious investigations.

### **Q. What are the solvency and financial soundness requirements?**

A person shall not have any overdue payments to financial institutions exceeding Rs. 200,000/- appearing in the latest Consumer Credit Information Report (CCIR). This applies to:

- The individual themselves.
- Companies, firms, or sole proprietorships where the individual is a beneficial owner, promoter, partner, or proprietor.

### **Q. Are there any exceptions to the solvency requirement?**

Yes, exceptions include:

- The persons who holds qualification shares or who are acting as an independent director.
- In case, the overdue or past due payment not exceeding Rs.200,000/- appearing in CCIR, has already been settled and the proof of the same has been provided.
- Overdue payments not exceeding Rs. 200,000/- due to inadvertence or disputes with financial institutions, accompanied by an undertaking.

### **Q. What are the qualification and experience requirements?**

A person shall have adequate qualifications and relevant experience in order to act as promoter, director or a Chief executive officer of the company. Specific requirements include:

- For single-object companies, the CEO shall have relevant experience in the field of that object.
- For multiple-object companies, there shall be at least one director with experience in each field of the proposed objects.

### **Q: On what grounds can the Commission revoke a license?**

Grounds for revocation include non-compliance with conditions imposed by these regulations, disqualification of promoters or officers and violation of regulations or the Act.

### **Q. What happens if a license is revoked due to non-compliance with the "fit and proper" criteria?**

If a license is revoked:

- The company shall cease to enjoy exemptions and privileges conferred upon it by virtue of license granted under section 42 of the Act.

- The company shall prepare and audit its financial statements for the period starting from the day following the date of last audited financial statements till date of revocation of license in case the latest available audited financial statements are older than three months.
- The board of directors within a period of ten days of revocation of license shall approve a transferee company for asset transfer.
- The company within ninety days from the revocation of license shall transfer its assets to the approved transferee company and file a report with the registrar.

### **Q. How can a company voluntarily surrender its license?**

A company may apply to the Commission for voluntary surrender of its license. The Commission will assess the application and, if deemed expedient, revoke the license. The company shall then follow the specified procedures for transferring assets and complying with the relevant regulations.

### **Q: Can the conditions imposed by the Commission be changed?**

The conditions imposed by the Commission are included in the memorandum of association of the company and shall be adhered to unless changed by the Commission.

### **Q: What financial disclosures are required?**

The company shall disclose funds, grants, donations received, and the policy for receipt, investment, and utilization of Islamic donations in its financial statements.

### **Q Does a company require to prepare financial statements**

Yes. The company shall ensure that its income and expenditure accounts clearly exhibit a statement of all funds, grants, contributions, donations received from local and foreign sources separately. Financial statements shall disclose amount of such donations and avenues where utilized. The directors' report prepared under the Act shall also include information, pertaining to—

- (i) compliance with the relevant provisions of the Act;
- (ii) compliance with all the provisions and conditions of these regulations;
- (iii) compliance with the all conditions provided in the license (if any); and
- (iv) confirmation to the effect that prior security clearance in terms of these regulations, in respect of foreign donation, foreign member, foreign director and foreign chief executive officer, if any, has been obtained.

### **Q: Is monthly reporting required?**

Yes, the company shall submit a monthly statement of funds received from local and foreign sources if the amount is equivalent to or exceeds five million rupees.

### **Q: Is security clearance required for foreign funding or directors?**

Yes, prior security clearance is required for foreign funding, foreign promoters, directors, or a foreign chief executive officer.

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## **1.8 FURTHER ISSUE OF CAPITAL BY UNLISTED COMPANIES:**

### **Q: What types of capital issuance does this chapter apply to for unlisted companies?**

This chapter applies to unlisted companies issuing further capital by way of Right shares, Other than right shares, Bonus shares, Employee stock option schemes (ESOS) & Shares with different rights including preference shares.

**Q: What is meant by "unlisted companies" in these regulations?**

Unlisted companies include all companies other than listed and foreign companies.

**Q: What are the general conditions an unlisted company shall comply with when issuing right shares?**

The conditions include:

- Board approval for increasing share capital;
- No offering of fractional shares; fractions to be consolidated and proceeds paid to entitled shareholders;
- Specific details in the board's decision including issue quantum, price, purpose, utilization of proceeds, benefits, risks, and justification for premium or discount;
- Specification on whether bonus shares qualify for right entitlement if issued simultaneously;
- Sending a letter of offer and circular to all members, along with the board's resolution;
- Allotment of unsubscribed shares within specified timelines or the issue will be extinguished;

**Q: Can right issues be issued at a discount to face value?**

Yes, subject to compliance with the requirement of section 82 of the Act, a company may issue right shares at a discount to face value.

**Q: What happens if a right issue is not completed within the specified timeline and manner?**

If a right issue is not completed within the specified timeline and manner, it will stand extinguished.

**Q: Can a right issue be varied, postponed, withdrawn, or cancelled after being announced by the board?**

No, once announced, a right issue cannot be varied, postponed, withdrawn, or cancelled, except if it is not completed within the specified timeline.

**Q: What are the conditions for an unlisted company to issue bonus shares?**

The issue of bonus shares shall be approved by the board and once announced, cannot be varied, postponed, withdrawn, or cancelled.

**Q: What conditions shall a public unlisted company meet to issue shares by way of other than right offer?**

The conditions include:

- Board proposal and approval.
- Shareholder approval through a special resolution.
- Commission's approval for the issuance in case of public companies.
- Specific details in the board's proposal including issue quantum, price, consideration, recipient details, purpose, benefits, and consent from recipients.
- Advertising for claims on non-cash assets.
- Transfer of non-cash assets to the company within 60 days of Commission approval.
- Ensuring recipients have no overdues or defaults.

**Q: Can a private company issue further shares by way of other than right?**

Yes, a private company can issue further shares under specific conditions and requirements notified by the Commission.

### **Q: What steps shall the board take before issuing shares with different rights?**

The board of directors shall recommend the issue of shares with different rights through a resolution. This resolution shall detail:

- The description of the different types of shares (e.g., ordinary shares, preference shares).
- The specific rights and privileges attached to each type or class of shares.
- Whether the shares are issued as right shares or otherwise.
- The entitlement of shareholders to participate in profits or surplus funds.
- The entitlement to surplus assets and profits on winding-up.
- The basis of dividend payments on preference shares (cumulative or non-cumulative).
- The mode, mechanism, and manner of conversion if the shares are convertible into ordinary shares.
- Rights regarding dividends, participation in general meetings, and voting before and after conversion of preference shares.
- The mode and manner of redemption if the shares are redeemable.
- Any other features deemed appropriate by the board.

### **Q: What additional details shall be included in the board's decision when issuing shares with different rights?**

In addition to the particulars required under previous regulations, the board's decision shall include:

- A detailed description of different kinds of shares and their rights.
- Specifics about whether the shares are being issued as right shares or otherwise.
- Information about shareholder entitlements to profits, surplus assets, and dividends.
- Details on the conversion process, if applicable, and rights before and after conversion.
- Redemption terms and any additional features determined by the board.

### **Q: What approvals are required for issuing shares with different rights?**

The issue of shares with different rights shall be authorized by a special resolution. For unlisted companies, compliance with Regulation 110 is required if the shares are offered other than by right. For public companies, approval from the Commission is also necessary if the shares are offered in this manner. If the shares are issued by right, Regulation 108 shall be followed.

### **Q: Can the company amend the terms and conditions of the issued shares with different rights?**

No, the company cannot amend, alter, vary, or reassess the terms and conditions of such shares without the approval of the holders of those shares carrying differential rights.

### **Q: What actions can the Commission take if a company acts contrary to the terms of the share issue?**

If a company acts contrary to the provisions regarding the terms of the share issue, the Commission may:

- Direct the company to redeem the entire issue immediately and compensate the shareholders with interest.
- Direct the company to convert the entire issue into ordinary shares immediately.
- Provide any other direction deemed appropriate through an order after giving the company an opportunity to be heard.

### **Q: What are the initial requirements for an unlisted company to issue shares under an employee stock option scheme (ESOS)?**

To issue shares under an ESOS, an unlisted company shall ensure:

- The company's articles of association explicitly authorize the offer of the scheme.
- The board forms a compensation committee to administer the scheme. For public sector companies, the chairman shall be an independent director, while for other companies, it should be the chief executive or another authorized director.
- The board considers and resolves to offer the scheme.
- The offer of the scheme is authorized by a special resolution.

### **Q: Under what circumstances special resolution are needed in an ESOS?**

Additional approvals are required for:

- Granting options to employees of a subsidiary or holding company, which requires a separate special resolution.
- Granting options to identified employees amounting to or exceeding 1% of the issued capital in any one year, which also requires a separate special resolution.
- The special resolution shall include details of any litigation related to previous ESOS and shall be announced within six months of passing the resolution. Failure to do so requires a new resolution.

### **Q: What conditions apply if shares are issued at a discount under the ESOS?**

If shares are issued at a discount to the face value, the company shall obtain approval from both shareholders and the Commission under section 82 of the Act.

### **Q: What are the rules regarding the vesting and transfer of options granted under the ESOS?**

- There shall be a minimum period of one year between the grant and vesting of options.
- Options granted in lieu of options from a merged or amalgamated company can have their vesting period adjusted based on the previous scheme.
- Options cannot be transferred to others except under specific circumstances such as death, permanent incapacity, or resignation/termination, where vested options may be retained or passed to legal heirs/nominees.

### **Q. What is the entitlement pool in an ESOS and how is it determined?**

The entitlement pool refers to the number of shares that can be issued under an employee stock option scheme, determined by the compensation committee and approved by shareholders through a special resolution.

### **Q: What are the limits on the entitlement pool under the ESOS?**

The entitlement pool is capped at:

- 10% of the enhanced paid-up capital of the company in a year.
- 25% of the enhanced paid-up capital of the company at any point in time.

The "Entitlement Pool" refers to the number of shares that can be issued under the ESOS, as determined by the compensation committee and approved by shareholders through a special resolution.

### **Q. Are the eligible valuers registered with the Commission?**

Yes, valuers eligible under the Act are deemed to be registered with the Commission and can conduct valuations subject to fulfilling the requirements of regulations 113 and 114.

### **Q. Who regulates and monitors the eligible valuers?**

The valuers remain regulated, administered, and monitored by the entities in which they are originally registered, in addition to complying with the requirements of the Act.

### **Q. Are there any exceptions to the application of regulations 113 to 115?**

Yes, regulations 113 to 115 do not apply to valuers engaged in the valuation of banking transactions, as they continue to be regulated under applicable laws.

### **Q. What are the qualifications and experience required for valuation?**

Valuers shall meet specific qualifications and experience criteria depending on the type of assets being valued, such as movable property, immovable property, stocks, shares, etc., as outlined in Regulation 114.

### **Q. How recent should a valuation be?**

A valuation should not be older than six months from the date of allotment in the case of a private company or from the date of submission of the application to the Commission in the case of a public unlisted company seeking approval.

### **Q. What happens if a valuer fails to perform professional duties or misconducts?**

The relevant entity or agency may take necessary action against the valuer for misconduct or failure to perform professional duties and may cancel the registration of such a valuer, as stated in Regulation 114(3) and (4).

### **Q. What information should a valuation report include?**

valuation report should include detailed information about each asset being valued, including title verification, physical existence, purchase details, basis of valuation, and present market value, as specified in Regulation 115.

### **Q: Who is eligible to conduct valuations required under these regulations?**

Valuations in respect of property, stocks, shares, debentures, securities, goodwill, or other assets or liabilities of a company may be conducted by Consulting Engineers registered with Pakistan Engineering Council, practicing chartered accountants with satisfactory Quality Control Review by the Institute of Chartered Accountants of Pakistan, or any other person notified by the Commission.

### **Q: What general conditions shall be met for increasing capital by way of further issue of shares?**

General conditions include:

- Increase shall not exceed authorized capital stipulated in the memorandum and articles of association.
- Differences in classes or kinds of shares shall be distinctly mentioned in the letter of offer and directors' report to members.

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## **1.9 UNLISTED COMPANIES (BUY-BACK OF SHARES):**

### **Q: To which companies does this chapter apply?**

These regulations shall apply to the buy-back of shares of unlisted & Private companies in pursuance of section 88 of the Companies Act, 2017.

### **Q: What are the eligibility requirements for a company to buy back its shares?**

A public unlisted or a private company may buy back its shares if it meets the following conditions:

- It has distributable profits or reserves for the purpose of purchasing its own shares.
- A start-up company may use other resources for purchasing its own shares as long as it remains solvent.
- If the company's business activity is subject to license or approval by the Commission, it has obtained the necessary permission.
- It has obtained approval from its members through a special resolution.
- The board of directors recommends and approves the purchase, ensuring that the funds for the purchase are available and that the company can meet all financial obligations on time for the next twelve months.
- The secured creditors have no objections to the purchase.

### **Q: Under what circumstances is the board of directors of a purchasing company prohibited from proposing or recommending a purchase?**

The board of directors shall not propose or recommend a purchase if:

- Winding up proceedings have commenced.
- A scheme of arrangement, compromise, reconstruction, merger, or demerger is approved unless the purchase is part of such a scheme.
- The company is not compliant with the provisions of the Act, rules, and regulations framed thereunder.

### **Q: What steps shall the board of directors take to approve the purchase of shares?**

The board of directors shall:

- Recommend and approve the purchase specifying the number of shares, purpose, purchase price, period within which purchase shall be made, source of funds, justification for the purchase, and its effect on the company's financial position.
- Hold a general meeting to pass the special resolution within 45 days of the board's approval.
- Send a notice of the general meeting with necessary information and a declaration as per format provided under the Companies Regularization, 2024 signed by at least two directors one of whom may be chief executive to the effect that the board has made full enquiry into the affairs of the company and have concluded that the company is capable of meeting its liabilities and will not be rendered insolvent for twelve months from the date of declaration adopted by the board

### **Q: What is the timeline for dispatching the offer letter after passing the special resolution?**

Within three days of passing the special resolution, the purchasing company shall dispatch the offer letter to all existing members. The offer letter shall be signed by at least two directors, or by the sole director in the case of a Single Member Company.

### **Q: How is the offer letter sent to the members?**

The offer letter may be sent through registered mail, courier, or electronic communication.

### **Q: What is the time limit for members to accept the offer?**

The offer letter shall set a time limit of not less than seven days from the date of the offer for acceptance. If the offer is not accepted within this specified time period, it will be deemed declined.

### **Q: How are the shares offered to the members?**

The offer for purchase of shares shall be made in proportion to the existing shares already held by the members.

### **Q: Can the purchase of shares be non-proportionate?**

Yes, if all members entitled to attend and vote at any meeting convened to approve the purchase of shares agree, a resolution may be proposed and passed unanimously for the purchase of shares on a non-proportionate basis.

### **Q: How do members accept or decline the offer?**

Members shall submit an acceptance or decline letter to the purchasing company within the time period specified in the offer letter. In case of acceptance, members shall also surrender physical share certificates or provide authorization for shares held in book entry form.

### **Q: What is the procedure for payment of accepted shares?**

The purchasing company shall make the payment for accepted shares through a banking channel within ten days of the close of the offer.

### **Q: What happens if a member declines the offer?**

If the whole or any part of the shares offered is declined by any member, the directors shall offer these shares to other members of the company in proportion to the existing shares already held by them. This subsequent offer shall be made within seven days from the close of the initial offer.

### **Q: How are the purchased shares cancelled?**

Purchased shares are cancelled immediately after completion of the purchase:

- Physical shares are marked as cancelled within seven days.
- Shares in book entry form follow the procedure prescribed by the central depository for cancellation.

### **Q: What are the obligations of the purchasing company during the buy-back process?**

The purchasing company shall:

- Send the notice of the general meeting and relevant information and documents to all members.
- Dispatch the offer letter to the members.
- Make payment for the shares in cash through the banking channel which shall be out of the distributable profits or reserves specifically maintained for this purpose.
- Mark physical shares as cancelled and follow the prescribed procedure for shares in book entry form.
- File the special resolution and a Final Return with the registrar within fifteen days of the resolution and completion of the purchase, respectively.

### **Q: What are the restrictions on the purchasing company after the buy-back?**

The purchasing company shall not:

- Apply for voluntary winding up within twelve months of the purchase.
- Make another purchase within six months from the last date of subscription for any further issue of capital.
- Be converted into another type of company if the number of members falls below the minimum required.
- Purchase its own shares if it results in no members holding shares.

### **Q: What powers does the Commission have regarding the buy-back process?**

The Commission has the power to issue directions to the purchasing company, its directors, officers, or any other person to:



- Stop the purchase or sale at any stage.
- Take or refrain from taking certain actions as determined by the Commission.
- Carry out necessary steps to rectify the situation.

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### 1.10 REGISTRATION OF INTERMEDIARY:

#### **Q: Can anyone function as an intermediary without registration?**

Any individual or firm or LLP or company which is registered with the Commission to function as intermediaries for providing services under Section 455 of the Act may function as such.

#### **Q: What are the eligibility criteria for an individual to register as an intermediary?**

An individual shall meet one of the following criteria:

- Hold a valid practice certificate from the Institute of Chartered Accountants of Pakistan (ICAP) or Institute of Cost and Management Accountants of Pakistan (ICMAP).
- Be a practicing member of ACCA, CPA, CMA, or a recognized foreign accountancy organization.
- Hold an LLB degree and be licensed by the concerned Bar Council.
- Have an MBA (Finance), M.Com, or LLM with at least two years of corporate affairs experience.
- Possess other qualifications as notified by the Commission.

In case of a company or a firm or a limited liability partnership, it shall have at least

- one year of experience in handling corporate affairs Provided that where at least one director of the company or partner of the firm or limited liability partnership meet the qualification and experience.
- the individual, partners of the firm or limited liability partnership or employees (to whom functions of intermediary are delegated) of the company who are members of any professional institute; are compliant with the Continuous Learning requirements outlined by the relevant institute/body;

#### **Q: What other general requirements shall be met for registration?**

Applicants shall have a National Tax Number, an established office in Pakistan with adequate infrastructure, compliant IT infrastructure if using e-services, and should not be insolvent or convicted of moral turpitude or any offence under the Pakistan Penal Code.

#### **Q: How does one apply for registration as an intermediary?**

Applications shall be submitted to the Commission on the specified format (App-5) along with a non-refundable fee and requisite documents.

#### **Q: What happens if there is a change in the information provided in the application?**

Any changes in the information provided to the Commission shall be communicated within seven days using the specified format (App-5).

#### **Q: How is the certificate of registration granted?**

Upon satisfaction that the applicant is eligible, the Commission grants a certificate of registration as per Annexure-O of regulations, which is valid for three years unless cancelled earlier.

### **Q: How can a registered intermediary renew their registration?**

Intermediaries shall apply for renewal one month prior to expiry using the specified format (App-5) and pay the non-refundable fee. The existing registration remains valid until the renewal process is complete.

### **Q: On what grounds can the Commission refuse registration/Renewal?**

The Commission may refuse or cancel registration if the applicant fails to meet eligibility requirements, quality of the services rendered by the application are unsatisfactory, the companies have filed complaints against them, or for any other ground as deemed appropriate by the Commission. However, the intermediary will be given a hearing before refusal or cancellation.

### **Q: Under what circumstances can the Commission cancel the registration of an intermediary?**

The Commission may cancel the registration of an intermediary through a written order after providing an opportunity for a hearing if any of the following conditions are met:

- The intermediary has provided false, incomplete, or misleading documents or representation without authorization.
- The intermediary is found guilty of negligence, default, breach of duty, or breach of trust.
- The intermediary fails to commence activity within twelve months of being granted the certificate of registration.
- The intermediary fails to apply for registration as required in regulation 130 or fails to renew the registration within the time specified in sub-regulation (1) of regulation 127.
- Any other reasonable ground as deemed appropriate by the Commission.

### **Q: What is the time frame for an intermediary to commence activity after obtaining registration?**

An intermediary shall commence activity within twelve months of obtaining the certificate of registration. Failure to do so may result in the cancellation of their registration.

### **Q. What happens if an intermediary fails to renew their registration on time?**

If an intermediary fails to apply for registration as required in regulation 130 or fails to renew the registration within the specified time in sub-regulation (1) of regulation 127, their registration may be cancelled by the Commission.

### **Q: Can the Commission cancel registration on grounds other than those listed?**

Yes, the Commission may cancel the registration if there are other reasonable grounds deemed appropriate by the Commission.

### **Q: What are the intermediary's responsibilities if their registration is cancelled?**

If an intermediary's registration is cancelled, they will be personally responsible for the liabilities and obligations arising from the actions leading to the cancellation. They will not be eligible for re-registration for up to five years.

### **Q: Can an intermediary re-register immediately after their registration is cancelled?**

No, an intermediary whose registration has been cancelled will not be eligible for re-registration for a period of up to five years.

### **Q: What shall an intermediary do if proceedings for cancellation of their registration have been initiated?**

If proceedings for cancellation of registration have been initiated, the intermediary will not be allowed to submit any documents on behalf of the company or promoters of a proposed company or foreign company. They shall make alternate arrangements for document submission in this regard.

### **Q: What are the responsibilities of a registered intermediary?**

Registered intermediaries shall act with due care, ensure compliance with the Act, maintain records, and ensure confidentiality of documents. They shall also meet continuous professional development requirements and comply with the Commission's directions.

### **Q: What should a company do upon appointing an authorized intermediary?**

The company shall notify the registrar within seven days, providing necessary information including the intermediary's registration number, effective date, and authorized signatories' details.

### **Q: What information shall be included in the notice to the registrar regarding the appointment of an authorized intermediary?**

The notice shall include the following information:

- Registration number of the intermediary
- Name of the intermediary
- Effective date of filing documents on behalf of the company
- Name and CNIC of the employee, partner, or director authorized by the intermediary to sign documents
- Specimen signature of the authorized individual

### **Q: Is there a filing fee for notifying the registrar about the appointment of an authorized intermediary?**

Yes, the notification shall be accompanied by the filing fee as specified in the Seventh Schedule to the Act.

### **Q: What should be done if there is a change in the authorized intermediary or the authorized individual?**

Any change in the intermediary or the employee, partner, or director authorized to sign documents shall be notified to the registrar within seven days of the change or before filing the first document through the new authorized individual, whichever is earlier.

### **Q: What information shall be included in the notice to the registrar about a change in the authorized intermediary or the authorized individual?**

The notice shall contain:

- Registration number of the new intermediary (if applicable)
- Name of the new intermediary (if applicable)
- Effective date of filing documents on behalf of the company
- Name and CNIC of the new employee, partner, or director authorized to sign documents
- Specimen signature of the new authorized individual

### **Q: What shall be done if the authorized intermediary is removed?**

The company or the foreign company shall notify the registrar within seven days of the removal of the authorized intermediary. The notification shall include the necessary information and the filing fee as specified in the Seventh Schedule to the Act.

### **Q: Can documents be filed on behalf of the company during the notification process of a change or removal of an intermediary?**

No, the company or the foreign company shall ensure that no documents are filed on its behalf by the authorized intermediary until the notice of change or removal is given to the registrar.

### **Q: What if there is a change in partners or directors?**

Any change shall be filed with the Commission within seven days, ensuring the new partners or directors meet the eligibility criteria.

### **Q: Who can appoint an authorized intermediary for filing documents under the Act?**

- The promoters of the proposed company;
- The company with the approval of its board of directors;
- The foreign company with the approval of the principal officer.

### **Q: How many registered intermediaries can be appointed by the company or promoters for filing documents?**

Only one registered intermediary can be appointed to act as an authorized intermediary for filing documents required under the Act on behalf of the company, promoters of the proposed company or foreign company. However, if proceedings for cancellation of registration of the authorized intermediary have been initiated by the Commission, the company, promoters of the proposed company, or foreign company may appoint another registered intermediary to act as the authorized intermediary.

### **Q: Who can sign documents on behalf of the company or promoters?**

The authorized intermediary shall authorize only one employee, partner, or director, as the case may be, to sign documents on behalf of the company, promoters of the proposed company, or foreign company.

### **Q: Can multiple employees of an authorized intermediary sign documents on behalf of a company?**

No, only one employee, partner, or director of the authorized intermediary can be authorized to sign documents on behalf of the company, promoters of the proposed company, or foreign company.

### **Q: Can the authorized intermediary delegate their functions?**

Yes, but only to qualified employees, partners, or directors, ensuring they meet the eligibility requirements specified.

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## **1.11 GROUP REGISTRATION:**

### **Q: What is a "Group" for the purposes of these regulations?**

A "Group" refers to a holding company and its subsidiary companies registered with the Commission under regulation 139.

### **Q: How can a company apply for registration as a Group?**

A company shall apply using format App-6 to the Commission, along with the following documents:

- A statement showing details of the holding company and its subsidiaries, their sponsors, directors, and shareholding pattern (Appendix-A to App-6).
- An affidavit by the directors of the holding company (Appendix-B to App-6).
- A resolution from the board of directors of the holding company and its subsidiaries for the formation of a Group.
- Original challan or evidence of payment of the fee specified in the Seventh Schedule to the Act (not required for online filings).
- Any other information required by the Commission.

### **Q: What happens after the application for registration as a Group is submitted?**

If the Commission is satisfied with the application, it will register the holding company and its subsidiary companies as a Group and issue a certificate of registration as per Annexure-Q-1.

### **Q: What should a holding company do if there is a change in the composition of the Group?**

The holding company shall inform the Commission immediately by submitting a revised application using format App-6, including:

- A revised statement showing updated details (Appendix-A to App-6).
- The original certificate of registration of the Group or the certificate of change in the composition of the Group.
- An updated affidavit by the directors (Appendix-B to App-6).
- Original challan or evidence of payment of the fee (not required for online filings).
- Any other information required by the Commission.

### **Q: What does the Commission do after receiving the application for a change in the composition of the Group?**

The Commission will alter its records and issue a certificate of change in the composition of the Group as per Annexure-Q-2.

### **Q: What if the holding company fails to inform the Commission about the change in the Group's composition?**

The Commission will impose a penalty on the holding company, change the Group's composition, and issue a certificate of change in the composition of the Group as per Annexure-Q-2.

### **Q: Can the registration of a Group be cancelled?**

Yes, the Commission may cancel the registration if any company within the Group fails to comply with the regulations or any directions given by the Commission, after providing an opportunity for a hearing. The holding company can also apply for cancellation, stating the reasons, and if the Commission is satisfied, it may cancel the registration, through an order in writing.

### **Q: What are the obligations of the holding company within a Group?**

The holding company shall ensure:

- Group companies are in compliance with the Code of Corporate Governance.
- The group is in compliance with International Accounting Standards and International Financial Reporting Standards applicable in Pakistan.

- Transactions with associated companies and undertakings are conducted and recorded on an arm's length basis.
- Compliance with any other requirements specified by the Commission.

### **Q: How does a Group apply for designation for tax relief?**

The holding company shall apply using format App-6 and provide the following documents:

- In the case of a designation letter for Group taxation where the holding company has 100% owned subsidiaries:
  - Certificate of registration as a Group.
  - Certificate of change in the composition of the Group (if any).
  - National Tax Numbers (NTNs) of the Group companies and their directors.
  - A certificate from a firm of Chartered Accountants confirming compliance with these regulations.
  - Any other document required by the Commission.
- In the case of designation letter for Group Relief:
  - A copy of Certificate of registration as a Group.
  - A copy of Certificate of change in the composition of the Group (if any).
  - NTN of the Group companies and their directors.
  - Evidence of ownership of the share capital of subsidiary companies (55% for listed, 75% for others).
  - Board approval for the surrendering and claiming of loss.
  - A certificate from a firm of Chartered Accountants confirming compliance with these regulations.
  - Any other document required by the Commission.

### **Q: What happens after the Commission receives the application for designation?**

If the Commission is satisfied that the Group complies with the Companies regulations, all companies within the Group are locally incorporated, and their accounting periods are the same, it will issue a designation letter for Group taxation (Annexure-R-1) or Group relief (Annexure-R-2).

### **Q: What if the registration of a Group is cancelled after designation?**

The Commission will immediately inform the tax authorities of the cancellation or any change in the composition of the Group.

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## **1.12 EASY EXIT OF DEFUNCT COMPANIES:**

### **Q: Which companies are eligible to apply for striking off their names from the register of companies?**

Defunct private and public non-listed companies, including associations not for profit licensed under section 42 of the Companies Act, 2017, that are not carrying on business and are not in operation, and are desirous of striking their names off the register of companies under section 426 of the Act.

### **Q: Which companies are excluded from applying for striking off?**

The following companies cannot apply for striking off:

- Subsidiaries of listed companies.
- Foreign companies.
- Trade organizations licensed under the Trade Organization Act, 2013.

- Companies with outstanding liabilities related to loans obtained from the banks of financial institutions, taxes, utility charges, or obligations to government departments or private parties.
- Companies against which investigations, enquiries or inspections are either pending or are in process of initiation or with pending legal matters.
- Companies with disputes regarding management or shareholding.
- Companies involved in illegal or fraudulent activities.
- Housing and real estate development or marketing companies.
- Companies involved in soliciting public deposits with incomplete obligations.

### **Q: What defines a "defunct company"?**

A defunct company is one that:

- Has no known assets and liabilities.
- Is not carrying on any business and is not in operation.

### **Q: What is the procedure for a defunct company to apply for striking off its name?**

Provisions of Companies regulations, 2024 shall not be applicable as the processes relating to foreign companies have not been digitalized under eZfile. Therefore, a defunct company shall continue to adhere to the provisions of Companies (Easy Exit) Regulations, 2014 for applying for striking off its name.

### **Q: Are there additional requirements for companies under specific licensing regimes or public sector companies?**

Yes, companies under specific licensing regimes or those with approvals from authorities shall provide a no-objection certificate from the respective authority. Public sector companies shall provide a no-objection certificate or approval from the controlling government body, agency, or statutory body, as the case may be.

### **Q: What happens after an application for striking off is submitted?**

The registrar shall examine the application to ensure all regulatory requirements are met. The registrar may request additional information or clarification, and any deficiencies shall be addressed within 30 days or an extended time allowed by the registrar. Failure to address deficiencies within the specified time results in the application being declined.

### **Q: What is the process if the registrar is satisfied with the application?**

If satisfied, the registrar will publish a notice under section 426 of the Act in the Official Gazette stating that the company's name will be struck off the register after 90 days unless cause is shown otherwise. This notice will also be placed on the Commission's website for public information.

### **Q: What happens if objections or reservations are received?**

The registrar will examine any objections or reservations in detail to decide on the application and inform the applicant accordingly.

### **Q: What if no objections are received and the registrar is satisfied?**

If no objections are received and the registrar is satisfied that the company has no known assets and liabilities and is not carrying on any business, the registrar will strike off the company's name from the register after 90 days and publish a notice in the Official Gazette in terms of sub-section (3) of the Section 426 of the Act. The company will then be dissolved upon publication.

### Q: How long does the process take from the publication of the initial notice to the final striking off?

The process takes at least 90 days from the date of the initial notice publication in the Official Gazette, assuming no objections are raised and the application meets all requirements.

## PART 2 – “EZFILE” A NEW ONLINE PORTAL

### 2.1 GENERAL:

#### Q. What is *eZfile*?

Securities & Exchange Commission of Pakistan (“SECP”) has envisioned a digital transformation program named “Leading Efficiency through Automation Prowess” (LEAP) to position SECP as a role-model regulator through end-to-end automation of its business processes. The entire project was designed to unfold in four distinct phases. The company registry part of the LEAP program is called “*eZfile*”, which has replaced the SECP’s current online filing system ‘eServices’. The new online portal named *eZfile* is designed to enhance user experience by simplifying navigation through the registration process, facilitating easy access to information and streamlining the submission of returns/documents. It encompasses communication features, allowing users to receive updates, alerts, notifications and announcements pertaining to corporate registry matters, as envisaged in the company law.

#### Q. What are the key benefits of using the *eZfile* system?

The key benefits of using the *eZfile* system are as follows:

- **End-to-End Digitization:** *eZfile* is an end-to-end digitalized system. The system offers a complete digital process for incorporation of companies and post incorporation processes, significantly enhancing the transparency of processes filed and reducing the reliance on paper-based submissions.
- **User-Centric Design:** *eZfile*’s interface is designed with the focus on user experience, making it easy to navigate and use, which enhances the overall experience for companies.
- **Multiple Submission Modes:** Allows for flexibility in how companies can submit their filings, catering to their specific needs.
- **Content Personalization:** The platform tailors its content to the needs of each user, making information more relevant and improving efficiency.
- **360-Degree View of a Company:** Users can get a complete overview of a company’s compliance status and history, offering insights into their compliance standing.
- **Reduced Turnaround Time:** User can review every process form before its submission in order to ensure submission of accurate form which speeds up the submission and review process, saving valuable time for companies.
- **24/7 Availability:** *eZfile* will be accessible 24/7 across different time zones for making timely compliance.
- **Automated Approvals:** The system eliminates the need for manual processing, facilitates automated validation and verification process, leading to quicker approval times for submissions.



## FREQUENTLY ASKED QUESTIONS (FAQs) ON COMPANIES REGULATIONS, 2024 & EZFILE

- **Informed Decision-Making:** System generates notifications via email / SMS informing applicant at every step. By providing necessary company information and data, eZfile helps companies and users make informed decisions.
- **Automated Escalations and Delegations:** Streamlines task management within the registry.
- **Analytics & Monitoring:** eZfile offers dashboards, business intelligence, enhanced data visualization, business data analytics, process monitoring, and alerts to provide timely information, insights into filings status, and notify users about filing status updates or required actions.
- **Built Checks and Validations:** eZfile employs robust user authentication mechanisms to verify the identity of users accessing the portal. Access control ensures that only authorized individuals, such as company representatives or professionals, can submit filings. Role-based access permissions restrict actions based on user roles and responsibilities.

### Q. How a user can access eZfile Portal?

To access the **eZfile Portal**, follow these steps:

- Visit the SECP website [www.secp.gov.pk](http://www.secp.gov.pk) .
- Click on the **eZfile** button at the top bar to access the portal.
- Here, you can create your signup by clicking on the **Signup** button given at the top right corner or alternatively can login directly by clicking on the **Login** button.
- To know the complete procedure for registration in SECP eZfile portal, watch this **User Registration tutorial** for guidance: [User Registration Tutorial \(https://www.secp.gov.pk/media-center/videos/\)](https://www.secp.gov.pk/media-center/videos/)

### Q. How does eZfile differ from eServices system?

Moving from the eServices platform to eZfile marks a substantial change in the SECP's approach to digital transformation and corporate regulation. While eServices reliably handled filing and compliance tasks, eZfile provides a more advanced and efficient user experience. To offer clarity, here's a comparison between the two platforms.

Sr. No.	eServices	eZfile
1	Processes in eService portal were available haphazardly and in non-symmetric manner.	The processes have been categorized on dashboard in a systematic manner i.e. periodic filing, event-based filing, change request filing have been categorized separately enabling friendly user experience.
2	The approval and disposal mechanism of different processes is not digitalized.	eZfile is an end-to-end digitalized system that generally does not require any manual intervention. Certificates / Acknowledgements / Rejection orders shall be issued digitally.
3	No provisions of issuance of auto-alerts/reminders or any guidelines / pop-up messages are available.	Provision of issuance of auto alerts/reminders for mandatory compliances is available. Moreover, guiding material of the relevant processes is available for the facilitation of the external users.
4	eService does not have in built process validations; therefore, processes are largely dependent upon	eZfile facilitates automated validation and verification process that have the potential to

## FREQUENTLY ASKED QUESTIONS (FAQs) ON COMPANIES REGULATIONS, 2024 & EZFILE

	the due diligence of registrars resulting in delayed processing.	expedite registration procedures, resulting in faster approvals and reduction in delays.
5	eServices portal does not have the reporting Dashboard and customized report generation facility.	eZfile would enable the management to oversee the working performance through dashboards as well as generate various types of reports for management decision.
6	Non-availability of history log / processes submitted by companies.	A 360-degree view of a company is available to user. This includes the entire history of activities performed on the company profile including processes submitted/rejected/accepted.
7	Various processes related to foreign companies, winding up, mergers, conversions, regulatory approvals, intermediaries' registration are not automated in eservices and are being dealt manually.	All the processes will be digitized under eZfile.
8	All the automated processes are available in eservice portal irrespective of the requirements applicable on a specific kind of companies which negatively affect the design and user experience.	Not all processes are applicable to all types of entities, rather relevant filing options specific to the type of company are available based on applicability of the service to the specific kind of company.
9	No mechanism of digital consent of incoming directors/Chief Executive was available.	Online mechanism of seeking consent from the incoming directors/Chief Executive is in place.

### Q. What types of businesses can be registered through the eZfile portal?

Through the eZfile portal, businesses can be registered through the following types of corporate entities::

- **Limited Liability Partnerships (LLPs):** eZfile facilitates the registration and incorporation of LLPs under Limited Liability Partnership Act 2017, making it easier for partners to establish their business.
- **Private Limited Companies:** Entrepreneurs and business owners can use eZfile to register private limited companies under Companies Act 2017, which are commonly chosen for their flexibility and limited liability.
- **Single-Member Companies:** Individuals seeking to operate a company as a single owner can register single-member companies under Companies Act 2017 through eZfile.
- **Public Companies:** eZfile supports the registration of public companies under Companies Act 2017, which can issue shares to the public and are subject to additional regulatory requirements.
- **Not-for-Profit Organizations (NPOs):** NPOs, including associations, foundations, and charitable organizations under Companies Act 2017, can also use eZfile for registration.
- **Foreign Companies:** Foreign companies intending to establish a place of business in Pakistan under Companies Act 2017, can utilize eZfile for their registration process (Digitization in process).
- **Trade Organizations:** The chambers of commerce and other trade bodies licenced under Trade Organization Act, 2013 can also use eZfile for registration.

### Q. Which company processes/forms can be filed using eZfile?

Here is the detail of the processes that can be filed under eZfile:

**LLP Registry:** This phase was launched on June 22, 2023, and it focuses on Limited Liability Partnerships (LLPs). The processes covered include:

- LLP Name Reservation [Standalone]
- LLP Incorporation [Standalone]
- LLP Name reservation & Incorporation [Combined]

- Change/Rectification of name of LLP
- Filing of Consent to Act as Partner / Designated Partner
- Notice of Induction and Cessation of Partners and Designated Partners
- Change of Registered Office
- Change in LLP Agreement
- UBO Declaration

**Company Formation and Selective Post Incorporation Processes:** This phase was launched on February 12, 2024 and it focuses on Company Incorporation and major post incorporation processes including:

❖ **Name Reservation and Company Incorporation**

- Name reservation and Company incorporation [Combined process]
- Name reservation [Standalone process]
- Incorporation of companies under section 42 of the Act.
- Company Incorporation [standalone process]

❖ **Change Request**

- Change / Rectification of Name [Including Name reservation]
- Change in registered office Address;
  - Within same city
  - From one city to another city within same province
  - From one province to another province
- Change in address for Books of Accounts

❖ **Periodic Filing**

- Annual filing including Annual Return, UBO Declaration, Annual Accounts, Global Register of beneficial ownership
- Quarterly Accounts Filing
- Filing of Accounts before AGM by listed companies
- Filing of particulars of Global Register for beneficial ownership

❖ **Event based Filings and Notices**

- Induction, cessation, or any change in particulars of directors and officers
- Increase in authorized capital
- Cancellation, Consolidation, Division & Sub-division of shares
- Return of allotments of shares
- Change in shareholding more than 25%
- Change in Voting rights
- Change in membership
- Special Resolution
- UBO Filing – [Event Based]

❖ **Misc. Processes**

- Apply for certified True copy- Digital
- Apply for certified True copy-By General Public

❖ **Common Processes**

- Add authorized officer
- Remove authorized Officer
- Add an authorized intermediary
- Remove an authorized intermediary
- Add an authorized employee

- Remove an authorized employee
- Activation from offline to online company
- Payment Process
- Manual Challan Generation process

Please note that subsequent phases includes additional processes such as remaining post incorporation processes like Registration/modification/satisfaction of mortgages/charges, foreign company module, striking off name of company through easy exit, winding up, mergers, conversion of status, regulatory approvals, licensing, adjudication, supervision etc.

### **Q. How can I download manual forms for offline filing?**

If you need to download manual forms for offline filing related to corporate statutory filings with the Securities & Exchange Commission of Pakistan (SECP), you can find these on the SECP website. These forms cover various compliance requirements for companies. Here's how to access them:

- Click on the following link to access the list of available statutory forms [Statutory Forms | SECP \(https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/\)](https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/)
- Here, you'll find a comprehensive list of forms related to company incorporation and post incorporation processes.
- Click on the relevant form(s) to download these in **Word** format.
- Ensure that you fill out the forms accurately and submit these at the relevant Company Registration Office along with applicable paid fee challan, as required.
- Remember to refer to the specific form instructions and guidelines provided by the SECP for successful offline filing.

### **Q. What is the status of processes already filed under "eServices" that are still pending/under review?**

Applicants may follow up the status of company processes already filed under e-services with the concerned dealing officer at the relevant Company Registration Office for its early disposal in eService portal. Once those processes are disposed off, the accepted data shall be transited into eZfile enabling the user to start filing in eZfile.

### **Q. How can I get help relating to eZfile or any other guiding material, users' manual or video guides etc?**

If you need assistance with eZfile or require access to guiding materials such as user manuals or video guides, here's how you can find helpful resources:

1. **User Manual:**
  - For detailed instructions on filing statutory returns using eZfile, refer to the User Manual available on the SECP's [General Guide Books](#) page. The manual offers step-by-step guidance to ensure a smooth filing process.
2. **Video Tutorials:**
  - Explore various video tutorials on the SECP's [Videos – Media Center](#) page. These tutorials cover a range of topics, including:
    - Introduction to eZfile
    - eZfile User Registration
    - Company Name Reservation and Incorporation
    - Annual Filing
    - Induction / cessation of Company directors and other officers
    - Allotment of Shares
    - Change of Company Name
    - Applying for Certified True copies

### Q. What should I do if I encounter some technical issues or need assistance regarding eZfile?

If you encounter technical issues or need assistance with eZfile, follow these steps:

1. **User Manual:**
  - For detailed instructions on filing statutory returns using eZfile, refer to the **User Manual** available on the [General Guide books | SECP page](#).
  - The manual provides step-by-step guidance, ensuring a smooth filing process.
2. **Video Tutorials:**
  - Explore various video tutorials available on the [Videos – Media Center | SECP page](#):
3. **Live Queries:**
  - During working hours, you can contact the **Securities & Exchange Commission of Pakistan (SECP)** via WhatsApp at **0306-9365625** for live queries.
4. **Email Queries/Issues:**
  - Submit your queries or issues related to eZfile to <https://XS.secp.gov.pk/>
  - The SECP team will address your concerns and provide necessary guidance.

### Q. Can I track the status of my applications on eZfile?

Yes, you can track the status of your applications on eZfile by logging into your account and checking the "Application Status" section. Here, you will find updates on the progress of your application i.e. Draft, Payment Pending, Under Review, Objection Raised, Objection resolved, including any requests for additional information or documentation.

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## 2.2 USER REGISTRATION:

### Q. How can I create user ID?

User ID can be created by clicking eZfile at <https://leap.secp.gov.pk/#/user/signup-select>

**Note:** Make sure that user name (spelling) is mentioned exactly as per CNIC or passport in the user profile. For detailed guidance on step by step procedure on User Registration with eZfile, please refer to the exclusive Video Tutorial available on the subject at <https://www.secp.gov.pk/media-center/videos/> or the detailed **User Manual** available on SECP website at <https://www.secp.gov.pk/media-center/guide-books/general-guide-books/>.

### Q. What information do I need to provide during the user registration process?

When registering as a user on eZfile, applicant is required to provide the following information:

1. **Personal Details:**
  - For Pakistani Nationals:
    - Name as per CNIC
    - CNIC/NICOP number
    - Date of Birth and Date of expiry
    - Mobile number
    - Email address
  - For Foreign Nationals:
    - Name as per passport
    - Passport Number
    - Passport expiry date
    - Email address

### **Q. Who can create user ID?**

Pakistani National having valid CNIC/NICOP or Foreign National having valid Passport can create user ID by clicking signup button at <https://leap.secp.gov.pk/#/user/signup-select>.

### **Q. What are the requirements of creation user ID of Pakistani National having CNIC?**

- Valid CNIC
- Cell number registered in the name of applicant /user
- Valid email address

### **Q. What are the requirements of creation of user in ID of Pakistani National having NICOP?**

- Valid NICOP
- Valid email address

*Note: For NICOP holder, it is mandatory to provide proof of country of stay at the time of company incorporation.*

### **Q. What are the requirements for creation of foreign user?**

Foreign user can be created by clicking signup to eZfile, verification code is sent at user/applicant email address. Upon entering verification code, the user is created/registered. However, at the time of submission of incorporation application, the applicant is required to attach attested copy of his/her passport and picture.

### **Q. How user can access eZfile, if the user is already registered in eServices?**

User can login to eZfile by entering the same credentials of eServices. In case of any issue, lodge query at <https://xs.secp.gov.pk>

### **Q. If my User ID was already registered in eServices, do I need to create a new ID for eZfile?**

No, if your user id is already registered in eServices then you can use the same user credentials to login into the eZfile. If you encounter any issues, you can submit query at <https://xs.secp.gov.pk/>.

### **Q. How can a company be linked with the User ID?**

If the user is a director, subscriber or CEO in the company, the name of company shall automatically be available in his/her user ID for future filing. If you have any issues, you can submit queries at <https://xs.secp.gov.pk/>.

### **Q. Can I update my registration information after completing the initial registration?**

After completing the initial registration, you can update your personal information by following procedure.

1. Log In:
  - Log in to your eZfile account using your credentials.
2. Access Profile Settings:
  - Once logged in, click on the "Profile Tab" available on the left side of the screen.
3. Update Information:
  - Within the profile settings, you can:
    - Change your contact details (such as email address or phone number).
    - Reset your PIN if needed.
    - Change your password.

### **Q. What would be the name if the user has only one-word name like “Ali”?**

The user is required to enter his/her name as “First Name” instead of mentioning the same name in “middle name” or “last name” box.

### **Q. What would be the name if the user has two-words name like “Ali Hassan”?**

The user is required to enter his/her name, Ali as “First Name” and Hassan as “last name”.

### **Q. What is PIN?**

PIN is four-digit unique code which is sent to applicant upon completion of user ID process. Password protected file is sent to applicant which can be decoded by entering password. PIN is like digital signature of user which is used to digitally sign and submit the process to SECP.

### **Q. How can I correct my name in my user profile?**

- Login to eZfile
- Click on the profile icon to Open their profile
- Click on the Pencil Icon next to the Name in the profile to edit their name.
- Enter the updated name
- Click on the "Update" Button to save the updated name

### **Q. How can I correct name of existing director or CEO or other officers in company’s profile?**

- First update the name in the user profile, following the steps above
- The user initiates a change in particular in induction cessation process, ensure that name of person is updated to match name in user profile. An error message will show the name of the user that is set in user profile, in case the two are different. User will not be able to proceed until the names in user profile matches the name of the officer

### **Q. How can I correct name of newly inducted director or CEO or other officers in company’s profile?**

- First update the name in the user profile, following the steps above
- In order to update the name of a newly inducted officer in an in-flight process, such as company incorporation or induction of officer process, the user will have to, delete the officer with the incorrect name being added/ inducted in the process application and add the officer again. The system will automatically pick the corrected name from the company profile. The name system will not allow the user to proceed until the name in company profile matches the name being added in the process.

### **Q. How to recover password, if the password is forgotten?**

User can use following forgot password option to reset the password by clicking the link available on eZfile at <https://leap.secp.gov.pk/#/user/reset-password>.

- The user will click forgot password option available on eZfile landing page.
- Upon clicking forgot password, user will enter his CNIC/NICOP No. and registered mobile number. After PMD verification, OTP will be sent to his registered mobile number.
- If the user is not PMD verified, OTP will not be generated and system will display this message to the applicant.
- System will ask the user to provide registered mobile number against CNIC number of the applicant. (in case mobile number is not in the applicant name, the applicant will transfer the mobile number in his name)
- Upon entering the mobile number, OTP shall be delivered to the applicant on his mobile.
- User will enter OTP in the system.
- In next step, user shall be able to set password.

Upon login to the eZfile, the User can change his/her email address, cell number or PIN.

**Q. What is the procedure, if user is unable to recover the password by using forgot password option?**

User can send a query to eZfile team at <https://xs.secp.gov.pk/>

**Q. What is the solution, if the user is stuck during user registration process due to any reason or message appears that the user is already associated as a stakeholder?**

User can contact eZfile team by sending a query at <https://xs.secp.gov.pk/>.

**Q. What is the process of user registration if the user/applicant is added as director /subscriber etc. during company incorporation but the user is not already registered in eZfile?**

A link is sent to director /subscriber /applicant through email by the system with the instructions to create user ID. Upon clicking the link user can create user ID for signing up the process.

**Q. What does it mean, if a message appears while creating user ID that “registration is pending”?**

This message means that user is already added by some other applicant while filling company incorporation form /process and a link has already been shared on his/her email to create user ID. In this case, user is required to click on the link for creation of user ID. In this case user cannot create login through eZfile landing page.

**Q. What does it mean, if a message appears at user registration process that expiry date of CNIC is INVALID?**

This message shows that the expiry mentioned on the CNIC and NADRA record is mismatched. In this case, user needs to contact NADRA for updation of record.

**Q: What is the procedure of changing/updating eZfile account password or PIN?**

In eZfile, applicant can change his/her password or PIN by login to eZfile account and clicking update profile button/option within his /her user account.

**Q. What is the fee for user registration?**

Fee of Rs.200/- is charged for user registration which includes NADRA and PMD (mobile verification) charges. User can be registered without paying fee, however, fee is charged at time to of submission of first process to the SECP after creation of user ID.

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## 2.3 CHALLAN GENERATION:

**Q. How can I generate a manual challan for manual submission forms/applications in eZfile?**

To generate a manual challan for manual submission forms/applications in **eZfile**, follow these steps:

1. Open [Ezfile Home Page](#)
2. Click on the [Manual Challan Generator](#).
3. Select the purpose for which you need the manual challan:
  - Name Reservation
  - Company Incorporation
  - Combined Company Name Reservation & Incorporation
  - Company Filing and Compliance



- LLP Incorporation
  - Combined LLP Name Reservation & Incorporation
  - LLP Filing and Compliance
  - Certified True Copy
  - Group Registration
4. You can make payment of the generated challan through PSID using the **1 Bill** option available on all the important mobile/online banking applications or ATM.

### **Q. How can I make a payment for a manual challan generated in eZfile?**

You can make payment of the generated challan through PSID using the **1 Bill** option available on any mobile/online banking application or ATM or all branches of all banks.

### **Q. Can I make multiple payments using a single Challan form?**

When using eZfile, you can generate a challan for a single process only. Each challan corresponds to a specific purpose, and you'll need to create separate challans for different processes or transactions. If you have multiple payments, you'll need to generate separate challans for each one.

### **Q. What payment methods are accepted for Challan payments on ezfile?**

Payment of eZfile Challan can be made through below mentioned mediums:

- Payment can be made in all the branches of all the banks.
- Through PSID using the **1 Bill** option available on any mobile/online banking application or ATM.
- Through PSID using the **1 Bill** option available on easypaisa or Jazz Cash applications.

### **Q. Is the old manual challan under eServices still applicable?**

Yes, manual challan is still applicable but only to the extent of following processes:

- Registration/ modification/ satisfaction of mortgage/ charge.
- Certified true copy of processes submitted prior to launch of eZfile i.e. 15-02-2024.
- Filing of statutory returns of foreign Companies.
- Company Easy Exit Regulations (CEER)
- Penalty Imposed
- Inspection of Company File
- Various Applications to be filed under the Companies Act, 2017

### **Q. I have inadvertently paid the fee using the old SECP challan. How can I get a refund?**

As per policy, challan generated against filing fee is not refundable.

### **Q. Is there a deadline for making Challan payments?**

Yes, challan is required to be deposited within a month of the date of its generation.

### **Q. How do I confirm that my Challan payment has been successfully processed?**

Upon payment of challan, system shows payment has been successfully made and process shifts from awaiting payment to Under Review.

### Q. What should I do if I encounter difficulties or errors during the Challan payment

If you encounter any difficulty or error during the challan payment process, please feel free to contact SECP via WhatsApp at **0306-9365625** or submit queries to <https://xs.secp.gov.pk/>.

## 2.4 NAME RESERVATION AND COMPANY INCORPORATION:

### Q. How can I initiate the process of standalone name Reservation through eZfile.

#### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the **eZfile** Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **eZfile Dashboard**.
- Choose the **Reserve an LLP/Company Name** option.
- Select the relevant option i.e.
  - Reservation of name for new LLP/Company incorporation or
  - Combined name reservation & Incorporation or
  - Reservation of name for change of name of existing LLP/Company.
- Select LLP / Company Type
- After selecting relevant company type, confirm the liability of members depending upon the type of the company type selected i.e. limited by shares or unlimited in case of Single member company/Private company/Public Company and Limited by guarantee having share capital or limited by guarantee not having share capital in case of companies formed u/s 42 & 45 and Trade Organization etc.

#### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Enter the desired company name to check its availability. The system will search the database to ensure the name is not already in use or reserved. Also provide significance of the proposed name along-with documentary evidence, if required.
  - The applicant may choose three names in the order of priority; however, selection of one name is mandatory and other two names are optional.
  - Select the sector and principal line of business ("PLB") from dropdown list. The applicant may also add three additional clauses relating to PLB.
  - Fill in the required data with respect to **Applicant information**.
- **Step 2: Attach Mandatory Documents:**
  - Attach required documents (if applicable).
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
  - The user may review the form before submission by clicking the "Review Form" Button.
  - Press the submit button available on the right top of the page.
- **Step 4: Payment:**
  - Proceed to payment by clicking "Pay Now."

#### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues a Name reservation letter upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

*Note:- For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the General Guide books | SECP page.*

### **Q. How can I initiate the combined process of name Reservation & Incorporation through eZfile.**

- 1. Applicant Login:**
  - Log in to your registered eZfile account and navigate to your landing page.
  - Initiate the combined process by clicking on "Name Reservation."
- 2. Company Type Selection:**
  - Select the relevant company type from the Company Type selection page and click "Proceed."
  - Review the description text about the chosen company type.
- 3. Proposed Name Check:**
  - Enter the proposed company name in the search bar and click "Check Availability."
  - The system will display results with reserved names and indicate if the name contains prohibited or restricted words.
  - If the name is not 100% matched with an existing one, click "Propose."
- 4. Provide Additional Information:**
  - Optionally provide the significance of the proposed name and supporting documents.
  - You can add up to two more names if desired.
- 5. Enter Form specific information:**
  - **Business Objects:**
    1. Select the Sector and Principal Line of Business.
    2. Optionally add multiple Additional Object Clauses.
    3. Ensure business objects align with the company name. Modifications will reflect in the Memorandum of Association.
  - **Review and Update Names:**
    1. Review, update, remove, or rearrange the proposed names.
  - **Applicant Information:**
    1. Fill out the applicant information.
  - **Business Objects Review:**
    1. Review and update business objects information if necessary.
  - **Company Information:**
    1. Fill in details about the capital structure, company address, and contact information.
  - **Stakeholder Details:**
    1. Add information for natural persons and body corporate partners.
    2. Provide necessary documents like CNIC for Pakistani nationals and passports for foreign nationals.
  - **Memorandum & Articles of Association:**
    1. Make amendments to the Articles of Association if needed.
    2. Download the Memorandum of Association.
  - **Certified True Copy Option:**
    1. Choose whether you want a Certified True Copy of the incorporation documents.
  - **Third-Party Information:**
    1. Fill in third-party information, including FBR (mandatory) and EOBI/PESSI/SESSI/BESSI (optional).
  - **Attach Mandatory Documents:**
    1. Attach required documents (if applicable).
- 6. Final Submission:**

- Each member applies their valid PINs to digitally confirm their status in the company and to activate the "Submit" button.
  - Review the Statutory Form at any point and finalize the application.
- 7. Signatory Selection and PIN Application:**
- Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
  - The user may review the form before submission by clicking the "Review Form" Button.
  - Press the submit button available on the right top of the page.
- 8. Payment:**
- Proceed to payment via Credit/Debit Card or other available payment channels.
  - Check the application status on your home page.

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the General Guide books | SECP page.*

### **Q. How can I initiate the standalone process of Incorporation through eZfile.**

- 1. Navigate to Incorporation:**
  - After name approval, navigate to the "My Companies/LLPs" tab and click "Start LLP/Company Incorporation."
- 2. Review and Proceed:**
  - Review the proposed name details and business objects.
  - Click "Next" to proceed.
- 3. Enter Form specific information:**
  - **Company Information:**
    - Fill in details about the capital structure, company address, and contact information.
  - **Stakeholder Details:**
    - Add information for natural persons and body corporate partners/Shareholders.
    - Provide necessary documents like CNIC for Pakistani nationals and passports for foreign nationals.
  - **Memorandum & Articles of Association:**
    - View, edit, and download the Articles and Memorandum of Association.
  - **Certified True Copy Option:**
    - Choose whether you want a Certified True Copy of the incorporation documents.
  - **Third-Party Information:**
    - Fill in third-party information, including FBR (mandatory) and EOBI/PESSI/SESSI/BESSI (optional).
- 4. Attach Mandatory Documents:**
  - Attach required documents (if applicable).
    -
- 5. Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
  - The user may review the form before submission by clicking the "Review Form" Button.
  - Press the submit button available on the right top of the page.

### 6. Payment:

- Proceed to payment via Credit/Debit Card or other available payment channels.
- Check the application status on your home page.

*Note:- For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the General Guide books | SECP page.*

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## 2.4 REGISTERED OFFICE ADDRESS:

**Q. How can I initiate the process of filing a change of registered office address from one city to another within the same province through eZfile.**

### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the **eZfile** Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **eZfile Dashboard**.
- Choose the **Filing and Compliance** option.
- Select the respective company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Change in Registered Office Address" available under the head of "Change profile".

### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data by editing District, City and address line.
  - Enter date of change of registered address.
  - Fill in the required data with respect to **special resolution**. If the special resolution has already been filed, user may also tag the previously filed special resolution with the process.
  - Applicant may click the check box if certified true copy of the Form is required (Optional)
- **Step 2: Attach Mandatory Documents:**
  - Attach required documents (if applicable).
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
  - The user may review the form before submission by clicking the "Review Form" Button.
  - Press the submit button available on the right top of the page.
- **Step 4: Payment:**
  - Proceed to payment by clicking "Pay Now."

### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues an acknowledgement of filing upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

**Q. How can I initiate the process of filing a change of registered office address from one province to another through eZfile.**

### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **eZfile dashboard**.
- Choose the **Filing and Compliance** option.
- Select the respective company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Change in Registered Office Address" available under the head of "Change profile".

### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data by editing Province, District, City and address line.
  - Enter date of change of registered address.
  - Fill in the required data with respect to special resolution. If the special resolution specific to the process has already been filed, user may also tag the same with the process.
  - Applicant can view the system generated MOA, as MOA is updated in case of change of address from one province to another Or can attach amended Memorandum of Association, in case of physically filed MoA
  - Applicant may click the check box if certified true copy of the Form is required (Optional)
- **Step 2: Attach Mandatory Documents:**
  - Attach required documents like NOC of creditors, permission from competent authority etc. (if applicable)
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
  - The user may review the form before submission by clicking the "Review Form" Button.
  - Press the submit button available on the right top of the page.
- **Step 4: Payment:**
  - Proceed to payment by clicking "Pay Now."

### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues a filing certificate upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

*Note: For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

**Q. How can I initiate the process of filing a change of registered office address within the same city through eZfile.**

### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **eZfile dashboard**.
- Choose the **Filing and Compliance** option.
- Select the respective company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Change in Registered Office Address" available under the head of "Change profile".

### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data by editing address line.
  - Enter date of change of registered address.
  - Applicant may click the check box if certified true copy of the Form is required (Optional)
  - (Optional)
- **Step 2: Attach Mandatory Documents:**
  - Attach any required documents (if applicable).
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
  - The user may review the form before submission by clicking the "Review Form" Button.
  - Press the submit button available on the right top of the page.
  -
- **Step 4: Payment:**
  - Proceed to payment by clicking "Pay Now."

### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues a acknowledgement of filing upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

### Q. What information do I need to provide when filing a change of registered office address?

You are required to provide following information in case of change of registered office address. The system shall auto-populate the relevant returns/documents based on the information provided by the user

- For change of registered office address within same City** – new registered office address and date of change of address are required to be provided.
- For change of registered office address from one city to another within same Province** – New District, New City, new registered office address, date of change of address and particulars with regard of passing of special are required to be provided.

- c) **For change of registered office address from one Province to another** - New District, City, Name of Province/Islamabad capital territory, detailed registered office address, date of change of address, NOC from creditors and particulars with regard of passing of special are required to be provided.

**Q. Are there any fees associated with filing a change of registered office address?**

Yes, the filing fee is applicable as prescribed in Seventh Schedule of the Companies Act, 2017

Particulars	Offline Submission	Online Submission
Within same city	Rs. 1,650/- for filing of Form-21	Rs. 1,100/- for filing of Form-21
From one city to another within the same province	Rs. 1,650/- each for filing of Form-21 and Form-26	Rs. 1,100/- each for filing of Form-21 and Form-26
From one province to another	Rs. 1,650/- each for filing of Form-21 and Form-26 and; Rs. 10,000/- for filing of Petition	Rs. 1,100/- each for filing of Form-21 and Form-26 and; Rs. 5,000/- for filing of Petition

**Q. Can I track the status of my filing regarding change of registered office address.**

You can track status of your application for change of registered office of the company by following below given step(s):

1. Use the eZfile dashboard to track the status of your filings.
  - The Payment pending status shows that fee has not been paid.
  - Under Review status shows that fee has been paid and process is under examination in DO portal.
  - Objection Raised status shows that DO has raised objection and applicant has to remove discrepancies and resubmit process to DO.
  - Approved status shows that application has been accepted and acknowledgement of filing has been issued

**Q. How do I change the address for my company's books of accounts?**

**1. Log On to eZfile:**

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

**2. Select the Relevant Process/Form:**

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Change in Registered Address for Book of Accounts" available under the head of "Change profile".



### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data by editing address line.
  - Enter date of **change of address and date of Resolution of Board** of directors. It shall be ensured that date of resolution of Board shall be on or prior to date of change of address.
  - Applicant can specify if certified true copy is required (Optional)
- **Step 2: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
- **Step 3: Payment:**
  - Proceed to payment by clicking "Pay Now."

### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues a acknowledgement of filing upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

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## 2.5 APPLYING FOR CERTIFIED COPY:

### Q. I am not a registered user in eZfile, can I apply for certified true copy of documents of another company

Yes, you can apply for certified true copy of documents of another company, if you are not registered user in eZfile.

### Q. How can I apply for manual certified true copy of documents of another company, if I am not registered user in eZfile or I am registered user in eZfile and I want to avail manual CTC option.

- Access EZFILE webpage
- Click on manual challan generator option and select Certified True Copy option
- 4 options will be displayed for selection, as below
  - mortgage,
  - Foreign Company,
  - Company processes initiated before 15-02-2024; and
  - company processes initiated on/after 15-02-2024,
- Selection of any of first three options, will route you to eservices challan generator page, where you can fill CTC form as per eservices.
- Selection of 4<sup>th</sup> option will lead you to eZfile challan generation page.
- Enter the name or CUIIN of a company, concerned CRO of the company and registered office address of the company will be displayed. Upon proceeding, system will land you to next page where you will fill basic information about yourself and the address where you want the CTC to be delivered.
- Proceed and system will land you on the page where documents filed by the company after 15-02-2024 will be visible and you can select documents and apply for your CTC application.
- Pay the fee and submit CTC challan in concerned CRO and you can collect the CTC over the counter or you can opt to dispatch CTC to your selected address.

**Q. How can I apply for online digital certified true copy of documents filed by another company, if I am registered user in eZfile.**

You can apply for digital certified true copy, if you are registered user in eZfile. Here are the simple steps.

1. Login to your eZfile account, click on menu and click on Digital Certified true copy
2. Enter the name of company or CUIIN for which you want CTC, Detail of company will be displayed
3. System will display 4 options to select among, selection of any of first 3 options will route you to eservices page, selection of 4<sup>th</sup> option will route you to eZfile digital certified true copy page, where you can select the documents for CTC and proceed with fee payment.

**Q. How can I apply for a digital certified true copy of documents filed by my own company in eServices or eZfile.**

**A) To apply digital Certified true Copies of documents submitted/ filed through eServices / eZfile, please follow below mentioned steps:**

**1. Login to your eZfile account:**

2. choose the relevant company in "My Companies/LLP" section. Once the desired company is selected, you will click on the "View Details" button available at the end of the card.
3. Dashboard screen of the company will appear. Click on "Apply for Certify true Copy Form" under the "Filing Processes" section.
4. System will display 4 options, upon selection of any one of the first three options, you will be routed to eservices page, where you can click on Digital Certified True Copy option to avail CTC of documents filed in eservices.
5. Upon selecting 4<sup>th</sup> option, you will land on CTC form of eZfile, where you can select required documents.
6. The system shall automatically calculate the fee as per your selection.
  - **Step 2: Signatory Selection and PIN Application:**
    - Choose the authorized signatory or intermediary as the declarant.
    - Apply the PIN of the authorized signatory to enable form submission.
  - **Step 3: Payment:**
    - Proceed to payment.

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## 2.6 INDUCTION, CESSATION OR ANY CHANGE IN PARTICULARS OF DIRECTORS AND OTHER OFFICERS :

**Q. How to add new directors/CEO/Auditors and other officers in eZfile?**

Here's a step-by-step guide for adding new directors, CEOs, auditors, and other officers in eZfile:

1. **Login and Selection:**
  - Log in to eZfile using your credentials.
  - Select your company under "My Companies/LLP" and click "View Details" to access the company dashboard.
2. **Initiation:**
  - Navigate to the "Event-based Filing" section.
  - Choose "Induction, Cessation, and Change in Particulars of Company Directors and Officers" to initiate the process.
3. **Adding Officers:**
  - Click "Add Natural person to add any director / CEO / officer or click on Add Body Corporate to add auditor firm or legal advisor firm" .

- Provide their details, including designation and identification:
  - For registered individuals: CNIC, NICOP, or Passport Number.
  - For others: Identification details, mobile number, and email.
- Upload the required documents.
- 4. **Validation and Notification:**
  - Validate the entered information.
  - Upon successful validation, click **“Add and Notify”** to officially record the new officer and notify them via email.
- 5. **Submission and Payment:**
  - Review details for accuracy.
  - Select an **Authorized Officer** or **Intermediary** as the declarant.
  - Apply their PIN as a digital signature.
  - Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).
- 6. **Confirmation:**
  - After payment, you’ll receive confirmation of your submission.
  - Check the status of your application through the eZfile dashboard.
- 7. **User Guide and Video Tutorial:**
  - For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).
  - Explore various video tutorials available on the [Videos – Media Center | SECP page](#):
- 8. **Assistance and Support:**
  - Submit your queries or issues related to **eZfile** to <https://XS.secp.gov.pk/>

### Q. How can i re-elect/re-appoint directors/CEO/Auditors and other officers in eZfile?

Here’s a step-by-step guide for newer-appointment / re-election of directors, CEOs, auditors, and other officers in **eZfile**:

1. **Login and Selection:**
  - Log in to **eZfile** using your credentials.
  - Select your company under **“My Companies/LLP”** and click **“View Details”** to access the company dashboard.
2. **Initiation:**
  - Navigate to the **“Event-based Filing”** section.
  - Choose **“Induction, Cessation, and Change in Particulars of Company Directors and Officers”** to initiate the process.
3. **Re-appointment of a Director/CEO/Auditor or any other officer:**
  - To re-appoint a director/CEO/Auditor or any other officer, click on the three colons given next to that officers's information under the **“Existing directors and officers”** section.
  - Select the appropriate option i.e. re-appointment or re-election as the case may be.
  - On re-election / re-appointment of directors / CEO, the incoming person shall receive a notification seeking his confirmation with respect to his appointment. The incoming person, if not registered user in eZfile, shall register himself and provide digital confirmation by applying his PIN. It may be noted that without digital verification, the authorized user would not be able to submit the return.
4. **Entering Information:**
  - Fill in the required details related to the re-appointment/re-election, including the effective date.
  - Upload any necessary documents that support the cessation (if applicable).
5. **Submission and Payment:**
  - Review details for accuracy.
  - Select an **Authorized Officer** or **Intermediary** as the declarant.
  - Apply their PIN as a digital signature.
  - Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).

6. **Confirmation:**
  - After payment, you'll receive confirmation of your submission.
  - Check the status of your application through the eZfile dashboard.
7. **User Guide and Video Tutorial:**
  - For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).
  - Explore various video tutorials available on the [Videos – Media Center | SECP page](#):
8. **Assistance and Support:**
  - Submit your queries or issues related to **eZfile** to <https://XS.secp.gov.pk/>

### Q. How can I report resignation/retirement/removal of existing directors in eZfile?

To report the resignation, retirement, or removal of existing directors in eZfile, follow these steps:

1. **Login and Selection:**
  - Access eZfile with your user credentials.
  - Under “My Companies/LLP”, find and select your company, then click “View Details” to proceed to the company dashboard.
2. **Initiation of Cessation:**
  - Look for the “Event-based Filing” section within the dashboard.
  - Choose the option for “Induction, Cessation, and Change in Particulars of Company Directors and Officers” to start the cessation process.
3. **Cessation of Director:**
  - To change a director, click on the three colons given next to the director's information under the “Existing directors and officers” section and choose “Cessation” option.
  - Then, proceed to select the appropriate reason for change, such as resignation, retirement, or removal, from the options provided.
4. **Entering Information:**
  - Fill in the required details related to the cessation event, including the effective date and reason for cessation.
  - Upload any necessary documents that support the cessation (if applicable).
5. **Submission and Payment:**
  - Review details for accuracy.
  - Select an **Authorized Officer** or **Intermediary** as the declarant.
  - Apply their PIN as a digital signature.
  - Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).
6. **Confirmation:**
  - After payment, you'll receive confirmation of your submission.
  - Check the status of your application through the eZfile dashboard.
7. **User Guide and Video Tutorial:**
  - For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).
  - Explore various video tutorials available on the [Videos – Media Center | SECP page](#):
8. **Assistance and Support:**
  - Submit your queries or issues related to **eZfile** to <https://XS.secp.gov.pk/>

### Q. How can I report resignation/retirement/removal of existing Chief Executive in eZfile?

To report the resignation, retirement, or removal of existing Chief Executive (CEO) in eZfile, follow these steps:

### 1. Login and Selection:

- Access eZfile with your user credentials.
- Under “My Companies/LLP”, find and select your company, then click “View Details” to proceed to the company dashboard.

### 2. Initiation of Cessation:

- Look for the “Event-based Filing” section within the dashboard.
- Choose the option for “Induction, Cessation, and Change in Particulars of Company Directors and Officers” to start the cessation process.

### 3. Cessation of CEO:

- To change a CEO, click on the three colons given next to the CEO's information under the “Existing directors and officers” section and choose “Cessation” option.
- Then, proceed to select the appropriate reason for change, such as resignation, retirement, or removal, from the options provided.
- In case of removal of CEO by the members, the company may be required to file special resolution i.e. Form-26.

### 4. Entering Information:

- Fill in the required details related to the cessation event, including the effective date and reason for cessation.
- Upload any necessary documents that support the cessation (if applicable).
- In case of removal of CEO by the company by a special resolution, add details relating to special resolution and attach copy of the resolution/minutes of the general meeting in the attachment section.

### 5. Submission and Payment:

- Review details for accuracy.
- Select an **Authorized Officer** or **Intermediary** as the declarant.
- Apply their PIN as a digital signature.
- Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).

### 6. Confirmation:

- After payment, you'll receive confirmation of your submission.
- Check the status of your application through the eZfile dashboard.

### 7. User Guide and Video Tutorial:

- *For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*
- Explore various video tutorials available on the [Videos – Media Center | SECP page](#):

### 8. Assistance and Support:

- Submit your queries or issues related to eZfile to <https://XS.secp.gov.pk/>

## Q. How can I report resignation/retirement/removal of existing Auditors in eZfile?

To report the resignation, retirement, or removal of existing auditor in eZfile, follow these steps:

### 1. Login and Selection:

- Access eZfile with your user credentials.
- Under “My Companies/LLP”, find and select your company, then click “View Details” to proceed to the company dashboard.

### 2. Initiation of Cessation:

- Look for the “Event-based Filing” section within the dashboard.
- Choose the option for “Induction, Cessation, and Change in Particulars of Company Directors and Officers” to start the cessation process.

### 3. Cessation of Auditor:

- To change an auditor, click on the three colons given next to the auditor's information under the "Existing directors and officers" section and choose "Cessation" option.
- Then, proceed to select the appropriate reason for change such as resignation, retirement, or removal, from the options provided.

#### 4. Entering Information:

- Fill in the required details related to the cessation event, including the effective date and reason for cessation.
- Upload any necessary documents that support the cessation (if applicable).
- In case of removal of auditor, also add details relating to special resolution and attach copy of the resolution/minutes of the general meeting in the attachment section.

#### 5. Submission and Payment:

- Review details for accuracy.
- Select an **Authorized Officer** or **Intermediary** as the declarant.
- Apply their PIN as a digital signature.
- Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).

#### 6. Confirmation:

- After payment, you'll receive confirmation of your submission.
- Check the status of your application through the eZfile dashboard.

#### 7. User Guide and Video Tutorial:

- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).
- Explore various video tutorials available on the [Videos – Media Center | SECP page](#):

#### 8. Assistance and Support:

- Submit your queries or issues related to **eZfile** to <https://XS.secp.gov.pk/>

### Q. How can I report resignation/retirement/removal of other officers in eZfile?

To report the resignation, retirement, or removal of other officers like company secretary, CFO or legal advisor in eZfile, follow these steps:

#### 1. Login and Selection:

- Access eZfile with your user credentials.
- Under "My Companies/LLP", find and select your company, then click "View Details" to proceed to the company dashboard.

#### 2. Initiation of Cessation:

- Look for the "Event-based Filing" section within the dashboard.
- Choose the option for "Induction, Cessation, and Change in Particulars of Company Directors and Officers" to start the cessation process.

#### 3. Cessation of officer:

- To change an officer, click on the three colons given next to the officer's information under the "Existing directors and officers" section and choose "Cessation" option.
- Then, proceed to select the appropriate reason for change, such as resignation, retirement, or removal, from the options provided.

#### 4. Entering Information:

- Fill in the required details related to the cessation event, including the effective date and reason for cessation.
- Upload any necessary documents that support the cessation (if applicable).

#### 5. Submission and Payment:

- Review details for accuracy.
- Select an **Authorized Officer** or **Intermediary** as the declarant.
- Apply their PIN as a digital signature.

- Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).

### 6. Confirmation:

- After payment, you'll receive confirmation of your submission.
- Check the status of your application through the eZfile dashboard.

### 7. User Guide and Video Tutorial:

- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).
- Explore various video tutorials available on the [Videos – Media Center | SECP page](#):

### 8. Assistance and Support:

- Submit your queries or issues related to **eZfile** to <https://XS.secp.gov.pk/>

## Q. How can I report changes in the particulars of existing directors/CEO/Auditors and other officers in eZfile?

To report change in particulars of officers like company secretary, CFO or legal advisor in eZfile, follow these steps:

### • Login and Selection:

- Access eZfile with your user credentials.
- Under "My Companies/LLP", find and select your company, then click "View Details" to proceed to the company dashboard.

### 9. Initiation of change in particulars:

- Look for the "Event-based Filing" section within the dashboard.
- Choose the option for "Induction, Cessation, and Change in Particulars of Company Directors and Officers" to start the process.

### 10. Change in particulars of officers:

- To report change in particulars of officer, click on the pencil button given next to the officer's information under the "Existing directors and officers".
- Then, proceed to select the changes in particulars and select the date of change.

### 7. Entering Information:

- Change the required particulars, including the effective date of change.

### 8. Submission and Payment:

- Review details for accuracy.
- Select an **Authorized Officer** or **Intermediary** as the declarant.
- Apply their PIN as a digital signature.
- Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).

### 9. Confirmation:

- After payment, you'll receive confirmation of your submission.
- Check the status of your application through the eZfile dashboard.

## Q. What is fee structure?

The filing fee is applicable as prescribed in Seventh Schedule of the Companies Act, 2017.

Particulars	Offline Submission	Online Submission
Induction/Cessation/Change in particulars	Rs. 1,650/- for filing of Form-9	Rs. 1,100/- for filing of Form-9
Removal of CEO/Auditor	Rs. 1,650/- each for filing of Form-9 and Form-26	Rs. 1,100/- each for filing of Form-9 and Form-26

### Q. How can I add consent to act as director/CEO of a company?

To appoint a person as a director or CEO in eZfile and add their consent to act in these roles, follow these steps:

1. **Starting the Appointment Process:**
  - Log into eZfile with your credentials.
  - Select your company by clicking on "My Companies" or "LLP" and then click on "View Details" for the appropriate company to access the dashboard.
2. **Adding New Director or CEO:**
  - Navigate to the "Event-based Filing" section and select "Induction, Cessation, and Change in Particulars of Company Directors and Officers".
  - Click on the " Add Natural Person" button to start adding information of a new director or CEO.
3. **Entering Details for Registered Individuals:**
  - If the person to be appointed is already registered with SECP, enter their CNIC (for local nationals) or passport number (for foreigners). The system will automatically populate their personal details.
  - Upload all required documents for the person being added and validate the information.
4. **Appointment and Consent:**
  - Click on the "Add and Notify" button to appoint the individual. **For those already registered with SECP, this action, coupled with the subsequent application of their PIN, serves as their consent to act as a director or CEO.**
5. **For Unregistered Individuals:**
  - If the person is not previously registered with SECP, enter their Identity Card Number, mobile number, and email address.
  - The system will verify the mobile number and Identity Card. After entering the address and other required information, the "Add and Notify" button will become enabled.
  - A signup link is sent to the newly added person via email. They shall click on this link to sign up according to the provided procedure.
6. **Completing the Induction Process:**
  - Once the signup is completed, the appointed person will log into their user account. The induction process will be listed under "My Processes", containing all details of their appointment.
  - **The appointed person then applies their PIN, which is considered as digital consent to act as a director or CEO.**

This process ensures that the appointment of directors or CEOs in eZfile is compliant with regulatory requirements, with the application of a PIN confirming their consent to take on the responsibilities of their role.

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## 2.7 SPECIAL RESOLUTION:

### Q. Under what circumstances a special resolution is passed by a company, and how is it reported to SECP?

Special Resolution means a resolution which is passed by a majority of not less than three-fourths of such members of the company entitled to vote as are present in person or by proxy or vote through postal ballot at a general meeting.

Special resolution is required under various provisions of Companies Act, 2017 i.e. Change of Company Name, Alteration in Memorandum & Articles of Association, Change of registered office address from one city to another in the same province, change of registered office address from one city in a province to a city in another province, change of status of a company, Increase in authorized capital, Issuance of shares other than right, reduction in capital, Investment in Associated Company, related party transaction, Removal of CEO and Auditor, winding-up of the company etc.



Moreover, every special resolution passed by a company is required to be reported to the registrar through filing of Form 26 within 15 days from the passing thereof in terms of section 150 of the Companies Act, 2017.

### **Q. What should I do if the company intend to report passing of special resolution with shorter notice.**

A company other than listed can pass a special resolution by holding an Extra Ordinary General Meeting on shorter notice if all the members entitled to attend and vote, so agree. The same can be reported to the registrar by selecting the radio button “I Confirm that all the members agreed to hold the meeting on shorter notice” appearing below special Resolution intention while filing of Form 26.

### **Q. How can I file Form 26 with the registrar through eZfile?**

Applicant may follow the procedure as detailed below for filing of Form 26 (Special resolution) with registrar:

#### **1. Log On to eZfile:**

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you’re a new user.

#### **2. Select the Relevant Process/Form:**

- Upon successful login, you’ll reach the **eZfile dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named “Special Resolution” available under the head of “Event Based Filing”.

#### **3. Enter Form-Specific**

- **Step 1:**
  - Fill in the required data with respect to **special resolution**
  - Applicant can specify if certified true copy is required (Optional)
- **Step 2: Attach copy of Special Resolution (if applicable) and other Form specific required documents:**
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
- **Step 4: Payment:**
  - Proceed to payment by clicking “Pay Now.”

#### **4. Monitor Submission Status:**

- Use the eZfile dashboard to track the status of your filings.
- The system issues an acknowledgement of filing upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s) as pointed out in the observation letter.

*Note:- For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the General Guide books | SECP page.*

## 2.8 ANNUAL FILING:

**Q. Is it compulsory to file annual return, induction, cessation of directors and other officers, UBO declarations and Global register of Beneficial Ownership simultaneously through eZfile?**

- a) **Annual Return (Form A or Form 24):** Every company is required to file its annual return on prescribed Form A or Form 24, subject to the exceptions provided in section 130(5) and 132(4) of the Companies Act, 2017.
- b) **Intimation of Ultimate Beneficial Owners in a company u/s 123A (Form 19):** A company is required to maintain information of its ultimate beneficial owners in terms of Section 123A of the Companies Act, 2017. Moreover, every company is required to file a declaration on prescribed Form 19 with the registrar within fifteen days from the receipt of declaration from members and thereafter along with its annual return.  
The term “ultimate beneficial owner” means a natural person who ultimately owns or controls a company, whether directly or indirectly, through at least twenty five percent shares or voting rights or by exercising effective control in that company through such other means, as may be specified.
- c) **Intimation of Global Beneficial Ownership u/s 452 (Form 11):** Every substantial shareholder or officer of a company having shareholding in a foreign company or body corporate shall report to the company his shareholding or any other interest on a specified form within thirty days of holding such position or interest. The company shall submit all the aforesaid information received by it during the year to the registrar on prescribed Form 11, along with the annual return. Moreover, any investment made by the company in securities or other interest, in a foreign company or body corporate shall also be reported to the registrar along with the annual return. In case of no change, filing of Form 11 is not required.
- d) **Annual Audited Financial Statements:** In terms of section 233 of the Act, every public company and private company with a paid-up capital exceeding rupees ten million shall file their audited financial statements with the registrar in accordance with the provisions of the Act. Moreover, it is mandatory for Public listed companies to file their quarterly accounts with the registrar in terms of section 237 of the Companies Act, 2017.

**Q. How can I submit annual return, annual accounts, Global Register of Beneficial Ownership and return for Ultimate Beneficial Ownership (UBO) separately through eZfile?**

### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you’re a new user.

### 2. Select the Relevant Process/Form:

- Upon successful login, you’ll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named “Annual Filing” available under the head of “Periodic Filing”.
- Select the desired option from the following options which will pop up on the screen:
  - Annual Returns i.e. Form A

- Global Register u/s 452 i.e. Form 11
- UBO Declaration u/s 123-Ai.e. Form 19
- Annual Accounts

Please note that the users may have the option to choose a specific filing year and select any or all individual filing options i.e. Annual return, Annual Accounts, UBO Filing and Global Register for Beneficial Owners.

### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data.
- **Step 2: Attach Mandatory Documents:**
  - Attach required documents (if applicable).
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
- **Step 4: Payment:**
  - Proceed to payment by clicking "Pay Now."

### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues a acknowledgement of filing upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

2. It may be noted that the system shall generate relevant returns based on the information provided by the user i.e. Form-A, Form-9 (in case of changes in particulars of directors, CEO and other officers), Form-3 (in case of transfer of shares more than 25%). Moreover, processes submitted in a combined manner shall be separated into individual processes with unique application IDs. The user shall separately deal each process and click on the "Pay Now" button for payment of fee. Upon successful payment, the individual processes shall be triggered to DO's portal.

*Note:- For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

### Q. How payment would be made if all processes included in Annual filing are filed simultaneously?

For each submitted process under annual filing, separate payment needs to be made. Payment of eZfile Challans can be made through below mentioned mediums:

- Payment can be made in all the branches of all the banks.
- Through PSID using the **1 Bill** option available on any mobile/online banking application or ATM.
- Through PSID using the **1 Bill** option available on easypaisa or Jazz Cash applications.

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## 2.9 INCREASE IN AUTHORIZED/PAID-UP CAPITAL AND TRANSFER OF SHARES:

### Q. How do I report an increase in authorized capital of a company through eZfile?

Here's a step-by-step guide for reporting an increase in authorized capital using eZfile:

1. **Initiating the Filing Process:**
  - Log into your eZfile account.
  - Click on the **"Filing and Compliance"** button on the dashboard.
  - Select **"Increase in Authorized Capital"** from the **"Event Based Filing"** options to begin the filing process.
2. **Filling Out the Application:**
  - Upon selection, you'll be directed to a comprehensive application section.
  - Certain fields such as email, phone number, address, and existing authorized capital are pre-filled by the LEAP for convenience.
  - Add details for the increase in authorized capital as required.
  - Review and confirm the accuracy of these pre-filled details, making any necessary adjustments to reflect the current increase.
3. **Resolution and Documents:**
  - Choose the basis for the increase:
    - Either through a **"Special Resolution"** passed by the company.
    - Or in pursuance of an obligation under an agreement and accordingly enter the relevant details.
    - Subsequently, attach the copy of special resolution for increase in the authorized capital in the relevant attachment section and/or attach amended Memorandum of Association, in case of physically filed Memorandum of Association , if applicable
  - If required, select the checkbox to request a **Certified True Copy of the return** for your records.
4. **Submission and Payment:**
  - Review details for accuracy.
  - Select an **Authorized Officer** or **Intermediary** as the declarant.
  - Apply their **PIN** as a digital signature.
  - Submit the completed application and proceed to payment (credit/debit card or **1 Bill**).
5. **Confirmation:**
  - After payment, you will receive confirmation of your submission.
  - Check the status of your application through the eZfile dashboard.

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

### **Q. How do I report an increase in paid-up capital (allotment of shares) of the company to SECP under eZfile?**

Here's a step-by-step guide for reporting allotment of shares (including cash/non-cash and bonus allotment of shares) through eZfile:

1. **System Login and Selection:**
  - **Login to the System:** Start by logging into the eZfile system.
  - **Select Your Company:** Click on the "My Companies/ LLP" button and choose the desired company.
  - **View Company Details:** Once the company is selected, click on the "View Details" button at the end of the card.
2. **Initiate Allotment Process:**
  - **Access the Dashboard:** The dashboard screen will appear.
  - **Start the Allotment Process:** In the "Event Based Filing" section, click on the "Allotment of Shares" option.
3. **Enter Allotment Details:**

- **View Pre-Filled Information:** The application will display with pre-filled information such as total authorized capital and total paid-up capital.
- **Select the First Date of Allotment:** Choose the date when the allotment starts.
- **Enter Allotment Details:** Depending on the type of allotment (cash, non-cash, or bonus shares), fill in the details accordingly, including the type and class of shares, number of shares, and total consideration amount.
- **System Calculations:** The system will automatically calculate any premium or discount after the consideration amount is entered.
- **Specify the Allotment Type:** Mention whether it is a rights issue or another type of issue.

#### 4. Finalization and Submission:

- **Complete and Submit the Application:** After entering all details, click the "Done" button, choose "No" if it is not a rights issue, then "Done" again, and select any pre-filed special resolution if applicable.
- **Add Applicant Details:** Click on the "**Details of Allottees**" button and provide details such as CNIC number, name, address, and nationality of each allottee and details of allotment.
- **Attach Required Documents:** Upload documents relevant to the type of allotment, like auditors' certificates for cash allotments, contracts and valuation reports for non-cash allotments, and board resolution copies for bonus shares allotments.

#### 5. Review and Payment:

- **Declaration and Review:** Provide details of the declarant, who could be an authorized intermediary or officer. Acknowledge the declaration and enter the declarant PIN for review.
- **Payment:** After validating the PIN and completing the application, enable the submit button. Proceed to payment by pressing the "Proceed to Pay" button, where you can pay via credit card, debit card, or **1 Bill**.

#### 6. Confirmation and Support:

- **Confirmation:** Upon successful payment, the system will confirm the completion of the process and display a confirmation message.

*Note:-- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#). Moreover, explore video tutorial about allotment of shares available on the [Videos – Media Center | SECP page](#)*

#### **Q. How do I report allotment of shares at premium through eZfile?**

In eZfile, the system automatically calculates the premium amount based on the entered number of shares and the consideration paid for them. For more details, please refer to the User Manual and video tutorial available at our website.

#### **Q. How do I report allotment of shares at a discount through eZfile?**

In eZfile, the system automatically calculates the discount amount based on the entered number of shares and the consideration paid for them. For more details, please refer to the User Manual available and video tutorial at our website.

### Q. How do I report other than right allotment of shares through eZfile?

The share allotment process under eZfile allows you to specify whether the allotment being reported is a right issue or other than right issue. You can select the appropriate option based on the nature of the share allotment when filing under eZfile. For more details, please refer to the User Manual and video tutorial available at our website.

### Q. How do I report transfer of shares?

A company is required to inform the registrar about any change of more than twenty five percent in its shareholding or membership or voting rights through filing Form 3 within 15 days after the day on which the threshold of more than twenty five percent is reached.

However, as per Circular No 9 of 2024, a company other than a listed company may also file Form 3 with the registrar about any change of twenty five percent or less than twenty five percent in its shareholding or membership or voting rights.

### Q. How do I add particulars of transferee?

#### 1. Log On to eZfile:

- Visit the **Securities & Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Change in shareholding more than 25%" available under the head of "Event Based Filing".
- Click on "Click here to add transfer of shares" option available under the head Transfer of shares and select one of the of the radio button options given as under:
  - Pakistani Citizen
  - Foreign National
  - Body Corporate
- After entering detail of transferor, option to add particulars of transferee become available. Please fill the required particulars of transferee, attach the requisite documents and click on done button.
- Upload documents relevant to transfer of shares, if applicable. Applicant can specify if certified true copy is required (Optional)

#### 3. Review and Payment:

- **Declaration and Review:** Provide details of the declarant, who could be an authorized intermediary or authorized officer. Acknowledge the declaration and enter the declarant PIN for review.
- **Payment:** After validating the PIN and completing the application, enable the submit button. Proceed to payment by pressing the "Proceed to Pay" button, where you can pay via credit card, debit card, or **1 Bill**.

#### 4. Confirmation and Support:

- **Confirmation:** Upon successful payment, the system will confirm the completion of the process and display a confirmation message.

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

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## 2.10 CHANGE OF COMPANY NAME:

### Q. What is the procedure for change of name of my company on eZfile?

First of all, the user shall reserve the new name for the existing company through normal name reservation procedure. Once, the name is reserved, user shall initiate the change of name process.

#### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.
- Note: In case of Sign Up for creation of account, if CNIC data is not accessible from NADRA. Please contact NADRA office for correction of CNIC data.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Change/ Rectification of Name" available under the head of "Filing processes".

Note: In case if company is not available in the user account please contact to attach the user in company (Filing and Compliance) through [xs.secp.gov.pk](http://xs.secp.gov.pk) or contact the relevant CRO.

#### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data by selecting Reserved Name (for information with regard to reservation of Name, please see relevant FAQ on company name reservation or the User Manual) and reason for change/ rectification.
  - Fill in the required data with respect to special resolution.
  - You can also select the option of Fast Track registration Service (FTRS) to process your case on fast track basis.
- **Step 2: Attach Mandatory Documents:**
  - Attach required documents (if applicable).
- **Step 3: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.
- **Step 4: Payment:**
  - Proceed to payment by clicking "Pay Now."

#### 4. Monitor Submission Status:

- Use the eZfile dashboard to track the status of your filings.
- The system issues a acknowledgement of filing upon acceptance.
- If discrepancies arise, you may need to resubmit the process after necessary correction(s).

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books | SECP page](#). Moreover, explore video tutorial for change of name process available on the [Videos – Media Center | SECP page](#)*

### **Q. Is there any fee associated with filing a change of name application?**

Yes, fee for change of name of the company is applicable as prescribed in Seventh Schedule of the Companies Act, 2017.

### **Q. Can I track the status of my change of name application filing?**

You can track status of your application for change/ rectification of name by following below given steps:

2. Use the eZfile dashboard to track the status of your filings.
3. The system issues a change of name certificate and acknowledgement of filing upon acceptance.
4. If discrepancies arise, you may need to resubmit the process after necessary correction(s).

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## **2.11 COMMON PROCESSES:**

### **Q. How can I add an authorized officer for my company in eZfile?**

To add an authorized officer, please follow below mentioned steps:

#### **1. Log On to eZfile:**

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### **2. Select the Relevant Process/Form:**

- Upon successful login, you'll reach the **eZfile dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Add authorized officer" available under the head of "User Management".

#### **3. Enter Form-Specific Information:**

- **Step 1: Form Specific Input:**
  - Select the officer, which you want to appoint as authorized officer of the company and fill in the relevant data.
- **Step 2: Signatory Selection and PIN Application:**
  - Apply PIN of the applicant and click on save button.
  - All the directors shall log in the eZfile and are required to apply their PINs against the application (Below answer covers the scenario regarding non-application of PIN by all directors)



- After successful application of PIN of all the directors, submission button will be activated and you will be able to submit application.
- The system will automatically add the authorize officer of the company.
- Note that for replacing the existing authorized officer, company has to first remove the existing authorized officer.

### **Q. Is it possible to add an authorized officer without the application of a PIN from other directors?**

Yes, an authorized officer can be added without application of PIN from other directors. In this case if PIN of all the directors is not applied within 48 hours of the initiation of application, system gives the option to attach board resolution signed by majority of directors in light of Direction No. 4 of 2017. The company shall submit the application and once the process is approved by the dealing registrar, authorized officer of the company will be added.

### **Q. How can I remove an authorized officer for my company in eZfile?**

**To Remove an authorized officer, please follow below mentioned steps:**

#### **1. Log On to eZfile:**

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### **2. Select the Relevant Process/Form:**

- Upon successful login, you'll reach the **eZfile dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Remove authorized officer" available under the head of "User Management".

#### **3. Enter Form-Specific Information:**

- **Step 1: Form Specific Input:**
  - Fill in the relevant data.
- **Step 2: Signatory Selection and PIN Application:**
  - Apply PIN of the applicant and click on save button.
  - All the directors shall log in the eZfile and are required to apply their PINs against the application.
  - After successful application of PIN of all the directors, submission button will be activated and you will be able to submit application.

*Note:- For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

### **Q. Can I add more than one authorized officer or intermediary to a company?**

No, a company can add only one authorized officer or intermediary at a time.

### **Q. How can I add an authorized intermediary in a company in eZfile?**

**To add an authorized intermediary, please follow below mentioned steps:**

#### **1. Log On to eZfile:**

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Add authorized Intermediary" available under the head of "User Management".

### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data.
- **Step 2: Signatory Selection and PIN Application:**
  - Choose the authorized signatory as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.

## Q. How can I remove an authorized intermediary in a company in eZfile?

To Remove an authorized Intermediary, please follow below mentioned steps:

### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Remove authorized intermediary" available under the head of "User Management".

### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data.
- **Step 2: Signatory Selection and PIN Application:**
  - Choose the authorized signatory as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.

*Note:- For detailed guidance on filing statutory returns using eZfile, please refer to the **User Manual** available on the [General Guide books | SECP page](#).*

### Q. If an authorized intermediary is not appearing in the provided list, how can I add them?

If the authorized intermediary is not appearing in the list, please feel free to contact SECP via WhatsApp at **0306-9365625** or submit your queries or issues related to eZfile to <https://XS.secp.gov.pk/>

### Q. How can I add an authorized employee?

To add an authorized Employee, please follow below mentioned steps:

#### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Add an authorized employee" available under the head of "User Management".
- Fill in the required information.

#### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data.
- **Step 2: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.

### Q. How can I remove an authorized employee?

To Remove an authorized employee, please follow below mentioned steps:

#### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- All available processes/forms under eZfile for the selected company will be accessible.
- Click on process named "Remove authorized employee" available under the head of "User Management".
- Fill in the required information.

#### 3. Enter Form-Specific Information:

- **Step 1: Form Specific Input:**
  - Fill in the relevant data.
- **Step 2: Signatory Selection and PIN Application:**
  - Choose the authorized signatory or intermediary as the declarant.
  - Apply the PIN of the authorized signatory to enable form submission.

*Note:- For detailed guidance on filing statutory returns using **eZfile**, please refer to the **User Manual** available on the [General Guide books](#) / [SECP page](#).*

### Q. How can I convert my offline company to online?

#### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.
- Note: Please ensure that all physically filed documents in SECP have already been updated in data base.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Choose the **Filing and Compliance** option.
- Select the company for which filing is required.
- Click on convert to online.
- Attached board resolution.
- Click on submit button.

### Q. How can I rectify my profile data and under what circumstances can a data rectification form be submitted by the company?

You can rectify company profile data through data rectification form. However, data rectification form can only be submitted to update following information:

- Mobile Number.
- Email Address.
- Registered off Address of the company.

Applicant may follow the procedure given below in order to submit data rectification form

#### 1. Log On to eZfile:

- Visit the **Securities and Exchange Commission of Pakistan (SECP)** website.
- Click on the [eZfile](#) Portal link to access the platform.
- Log in to your account or sign up if you're a new user.

#### 2. Select the Relevant Process/Form:

- Upon successful login, you'll reach the **LEAP dashboard**.
- Select the company for which Data Rectification is required.
- Click on Data Rectification option.
- Click Three colon available against company information and edit the data as desired and click Done.
- Apply and Validate PIN
- Click on submit button.

## PART 3 – OTHER TOPICS

### 3.1 AUDITOR APPOINTMENT AND REMOVAL UNDER THE COMPANIES ACT, 2017:

**Q. What is the requirement for audit of the financial statements under the provisions of the Companies Act, 2017 (“Act”)?**

Under section 223 of the Companies Act, 2017, the financial statement shall be audited by the auditor of the company. However, this requirement shall not apply to a private company having the paid-up capital not exceeding one million rupees or such higher amount of paid up capital as may be notified by the Commission.

**Q. Who appoints the first auditor of a company, and within what timeframe?**

The board of directors must appoint the first auditor(s) within **90 days** of the company's incorporation.

**Q. How long does the first auditor serve?**

The first auditor serves until the conclusion of the first annual general meeting (AGM).

**Q. Who appoints auditors in subsequent years?**

Auditors are appointed by the company at each AGM, based on the board's recommendation and after obtaining the proposed auditors' consent.

### Q. Can shareholders propose an auditor for appointment?

Yes, shareholders holding at least **10%** of the company's shares can propose an auditor by providing notice at least **7 days** before the AGM, along with the auditor's consent.

### Q. What rights does a retiring auditor have if another auditor is proposed?

The retiring auditor can submit a written representation to the company at least **2 days** before the AGM, which must be read out at the meeting. The auditor or their authorized representative must attend the meeting in person.

### Q. How can an auditor be removed before their term ends?

An auditor can be removed by passing a **special resolution** at a general meeting.

### Q. How Auditor can be appointed in a casual vacancy?

The Board of the company may appoint auditor in a casual vacancy. However, where the auditors are removed during their tenure, the board shall appoint the auditors with prior approval of the Commission.

### Q. What is a casual vacancy in the office of an auditor, and how is it filled?

A casual vacancy arises due to events like resignation/removal/death of an auditor. The board must fill this vacancy within **30 days**, and the appointed auditor serves until the next AGM.

### Q. What happens if the company fails to appoint an auditor within the specified time?

If the company fails to appoint an auditor within the specified timeframes, the Commission may direct the company to make the appointment or appoint an auditor itself.

### Q. Who determines the remuneration of the auditors?

The remuneration is fixed by the company in a general meeting or by the board/Commission if they appointed the auditor.

### Q. What qualifications are required for an auditor of a company?

a) The auditor of a public company or a private company which is subsidiary of a public company or a private company having paid up capital of three million rupees or more must be a **chartered accountant** with a valid certificate of practice or a firm of chartered accountants.

b) The auditor of a company other than specified in above clause (a), must be a chartered accountant or cost and management accountant having valid certificate of practice from the respective institute or a firm of chartered accountants or cost and management accountants.

### Q. Is there any specific Auditor qualification for Public Interest Companies?

All Public Interest Companies are required to appoint an external auditors, a firm of auditors, which holds satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan under section 36I of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

**Q. Can a person who was a director of the company three years ago be appointed as an auditor?**

No, individuals who were directors, officers, or employees of the company at any time during the preceding **three years** are disqualified from being appointed as auditors.

**Q. Are there restrictions on auditors holding shares in the company they audit?**

Yes, auditors, their spouses, minor children, or all partners in a firm must not hold any shares in the company or its associated companies. If shares are held prior to appointment, they must be disclosed and disposed of within **90 days** of appointment.

**Q. What are the consequences if an unqualified person is appointed as an auditor?**

The appointment is void, and the Commission may appoint a qualified person as Auditor in their place. The unqualified person may also face penalties.

**Q. Is the company required to inform the registrar about the appointment of an auditor?**

Yes, the company must notify the registrar within **14 days** of the auditor's appointment, including the auditor's written consent.

**Q. What happens if an auditor becomes disqualified during their term?**

The auditor is deemed to have vacated their office from the date of disqualification.

**Q. Are formats of the Auditors report on financial statements are prescribed?**

Yes. The formats of the Auditors report on financial statements are prescribed in the Auditors (Reporting Obligations) Regulations, 2018.

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### 3.2 UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN) FOR ICAP PRACTICING MEMBERS:

**Q. What is Unique Document Identification Number (UDIN)?**

Unique Document Identification Number (UDIN) is an alpha numeric number auto generated from the designated portal of the Institute of Chartered Accountants of Pakistan, to be placed on auditors' reports signed by the statutory Auditor.

**Q. What is the objective of UDIN?**

The objective of UDIN for auditors' reports is to enhance the trust of users of audited financial statements in the authenticity of the auditors' reports that these have been issued by statutory auditors.

**Q. Whether UDIN is mandatory for every type of auditors' reports issued?**

UDIN is mandatory for all type of reports issued under the Auditors (Reporting Obligations) Regulations, 2018 (Regulations),

**Q. Who can generate UDIN?**

## FREQUENTLY ASKED QUESTIONS (FAQs) ON COMPANIES REGULATIONS, 2024 & EZFILE

Relevant engagement partner of the auditor can obtain UDIN as an authorized user, from the designated portal of ICAP.

### **Q. Can all the auditors have access to the UDIN portal?**

Presently only practicing members of the Institute of Chartered Accountants of Pakistan (ICAP) can access the UDIN portal.

### **Q. When to generate UDIN?**

UDIN is to be generated on or before the date of signing of audit report.

### **Q. Where UDIN is required to be mentioned/placed on auditors' reports?**

UDIN shall be placed/printed below the date and place mentioned on the auditors' reports.

### **Q. What is the consequence of not placing UDIN on the auditors' reports?**

The SECP may impose a penalty, as specified under sub-section (2) of section 512 of the Companies Act, 2017, in case of any contravention of the requirements of these Regulations. Further, SECP may also refer the matter to ICAP for disciplinary actions against the Auditor under the provisions of the Chartered Accountants Ordinance, 1961.

### **Q. Who can verify UDIN?**

Any user of financial statements including, authorities, regulators, banks, and others may require UDIN verification.

### **Q. What is procedure for UDIN verification?**

The users of the financial statement can electronically verify the authenticity of auditors' reports from ICAP's UDIN Portal. The link is <https://member.icap.org.pk/udin/index.php>.

### **Q. How user's of financial statements can verify UDIN?**

<b>Step 1</b>	Please click on Verify UDIN
<b>Step 2</b>	A window for entering few details for verification will open.
<b>Step 3</b>	Enter the details such as Name of the Authority, Mobile Number and Email-id of the person searching the UDIN and the UDIN.
<b>Step 4</b>	Enter OTP received on mobile / email.
<b>Step 5</b>	If the UDIN does not confirms then a message of same will appear and if UDIN confirms then a window will open to ask for certain financial information from the document for which the UDIN is required to be verified.
<b>Step 6</b>	The Authorities/Regulators/Banks/others shall enter such information
<b>Step 7</b>	When information matches the screen will display the message UDIN Verified



	If the information does not match the screen will display UDIN Not verified	
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**Q. When UDIN portal notifies that “UDIN is verified”, what does that mean?**

When UDIN is verified, it is only authenticated that the report is issued by the person appointed as the Auditor.

**Q. What option is available to verifier when the web portal notifies as “UDIN Not verified”?**

When “UDIN not verified” notifications appear on UDIN portal, the verifier shall refer this case back to the person who has submitted the reports to them and/or may also seek written confirmation from respective audit partner for authentication of audit reports issued by them.

**Q. Would the UDIN require to be mentioned on Auditors’ Reports, which are part of published financial statements?**

Yes, Auditors have to ensure that UDIN is mentioned on Auditors’ Report which is part of published financial statement.

**Q. Whether Separate UDIN would be required by Joint Auditors?**

In case of joint auditors, all the signing auditors have to obtain UDIN Separately and mention their UDINs individually on the reports signed by them.

**Q. What format needs to be followed by the Auditors in the auditor’s report?**

Auditors must follow the reporting format prescribed in the Auditors (Reporting Obligations) Regulations, 2018.

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### 3.3 XS-COMPLAINTS REGARDING EZFILE PORTAL:

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#### 1.1 GENERAL OVERVIEW

**1. What is SECP-XS?**

SECP-XS is an omnichannel platform that allows users to file, track, and resolve complaints or queries related to sectors regulated by the SECP.

**2. What are the key features of SECP-XS?**

- Sector-specific complaint categorization.
- Real-time complaint tracking.
- Secure communication and resolution updates.
- Document upload for evidence.

**3. Who can use SECP-XS?**

Both company representatives and the general public can use SECP-XS for lodging complaints or queries related to SECP-regulated processes.

**4. Can I have an elaborative guideline of XS Complaint guide book?**

Detailed XS queries and guidelines can be accessed at <https://xs.secp.gov.pk/login/secp-xs-user-guide.pdf>

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#### 1.2 REGISTRATION AND LOGIN

5. **How do I log in to SECP-XS?**  
Users with an eZfile account can log in directly using their eZfile credentials. Alternatively, users can register on SECP-XS by providing their CNIC, NICOP, or Passport details.
6. **What should I do if I forget my password?**  
Use the "Forgot Password" option on the login page. Choose the relevant platform (eZfile or SECP-XS) to reset your password.
7. **How do I verify my SECP-XS account after registration?**  
Enter the OTP sent to your registered email and mobile number to activate your account.

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### 1.3 FILING COMPLAINTS

8. **How can I file a new complaint or query?**  
Navigate to the "Submit New Issue" button on the dashboard, fill in the required details, upload any supporting documents, and click "Submit."
9. **What personal details are required when filing a complaint?**  
Your CNIC/Passport, email address, and mobile number will be prefilled if registered.
10. **What types of issues can I report on SECP-XS?**  
You can report issues related to incorporation, annual filings, challan generation, payment verification, and other SECP-regulated processes.
11. **What documents can I upload to support my complaint?**  
Supporting documents in JPEG, PNG, or PDF format (up to 2MB) can be uploaded to substantiate your complaint.

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### 1.4 TRACKING AND UPDATES

12. **How can I track my complaint status?**  
View your complaint under the "Issues Reported" section on the dashboard. Real-time status updates like "Acknowledged," "In Progress," or "Resolved" will be displayed.
13. **Will I be notified about updates on my complaint?**  
Yes, the system sends email notifications about status changes and any feedback or notes from the officer handling your case.

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### 1.5 PROVIDING ADDITIONAL INFORMATION

14. **What should I do if the officer requests more details?**  
Use the "Action" icon next to your issue in the "Issues Reported" section to upload additional documents or provide comments (up to 1000 characters).
15. **Can I upload additional files after submitting my complaint?**  
Yes, you can upload additional files in JPEG, PNG, or PDF format, up to 2MB, via the "Action" icon next to your reported issue.

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### 1.6 RESOLUTION PROCESS

16. **What happens after I submit a complaint?**  
You'll receive an Issue ID and email confirmation. The SECP team will review your complaint and provide updates on its status.

**17. How long does it take to resolve a complaint?**

Timelines may vary depending on the complexity of the issue, but you can track progress in real-time through the portal.

**18. What should I do if my complaint is not resolved?**

Contact SECP directly using the contact options provided in your complaint status page or submit a follow-up query via the portal.

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### 1.7 TECHNICAL ISSUES

**19. What should I do if I encounter errors while using SECP-XS?**

Clear your browser cache, ensure you're using an updated browser, and retry. If the issue persists, report it via the SECP-XS platform.

**20. Can I use SECP-XS on mobile devices?**

Yes, SECP-XS is accessible on mobile devices via a browser. Ensure you have a stable internet connection.

**21. What information is essential for efficient complaint resolution?**

Always include:

- a. A clear and accurate description of the issue.
- b. Relevant application or challan ID.
- c. Screenshots or other evidence.

### DISCLAIMER

These FAQs have been published with the intent to create an awareness of the concept of the relevant matters. However, it does not tell everything and the opinions or legal interpretations, contained in this document are circumstantial and may vary under different situations. If the reader is in doubt while dealing with any specific condition, it is recommended to refer to the Companies Act, 2017 and allied laws or consult a professional for seeking advice.