

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, 10th January, 2025

NOTIFICATION

S.R.O.28(I)/2025. – In exercise of the powers conferred by sub-section (1) of section 512 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan makes the following amendments to the Companies Regulations, 2024, hereby published for information of all persons likely to be affected thereby and notice is hereby given that comments, if any, received by the Commission within fourteen days from the date of placement of the draft amendments on the website of the Commission will be taken in to consideration, namely:-

AMENDMENTS

In the aforesaid Regulations, -

- (1) In regulation 30, in sub-regulation (2), in the table, after serial no 23, the following new entries shall be added, namely;

Sr. No.	Application No.	Description	Relevant Section / Regulation
24	Annexure-U	standardization of the object clauses and requirement of education against each.	Section 42 and Regulation 97
25	Annexure-V	Information to be placed by a section 42 company on its website.	Section 42 and Regulation 97

- (2) in regulation 97, -

- (a) in sub-regulation (2), after the full stop the expression “The applicant may adopt any of the standard object clauses contained in Annexure-U to these Regulations. The applicant however, may update or include additional contents to the standard clauses.” shall be added at the end;

- (b) in sub-regulation (3) the expression “adequate” shall be omitted;
- (c) in sub-regulation (4), for the expression “adequate” the expression “at least three years” shall be substituted;
- (d) after sub-regulation (5), the following new sub-regulations shall be inserted, namely: -

- “(6) It shall have at least three promoters. All the promoters and/ or directors must be active tax payers;
- (7) where an application is filed for the promotion of single or multiple objects, at least three of the promoters must be graduates and possess specific education as specified in each standard clause of Annexure-U to these Regulations. This requirement also applies to existing companies licensed under Section 42 of the Act;
- (8) The existing trust or society may apply for its conversion to an association to be Licensed under section 42 of the Act.”;

(3) in regulation 100 in sub Regulation (1), -

- (a) in clause (i), after the expression "commission" the expression “or included in the license” shall be added;
- (b) in clause (iii), the expression “having at least three promoters” shall be omitted;
- (c) in clause (iv), for the word "one," the word “two” shall be substituted;
- (d) in clause (ix), for the full the stop at the end a semi-colon shall be substituted and thereafter the following new proviso shall be inserted, namely: -

“Provided that any amendment addition or deletion in the object clause of its Memorandum of Association, shall only be made with the prior approval of the Commission.”;

- (e) in clause (xv), in sub-clause (b) in the second proviso, after the phrase “change in the directorship” for the expression “or object clause of memorandum” the expression “and Chief Executive “ shall be substituted and thereafter, at the end the following explanation shall be added, namely:-

“Explanation: - Change does not include re-appointment.”

- (f) in clause (xxi), for the semi colon a colon shall be substituted and thereafter the following new proviso shall be inserted namely.;

“Provided that the company shall not receive funding/foreign funding from black listed International NGOs (INGOs) or INGOs having operations in Pakistan and not registered as INGOs in Pakistan.”;

- (g) after clause (xxi), the following new clauses shall be added, namely: -

“(xxia) the company shall mandatorily register with the respective Provincial Charities Commission and provide evidence of such registration within 6 months of incorporation. Existing companies must comply with this requirement within 1 year of promulgation.;

(xxib) the company shall maintain its website with the information specified in Annexure V of these Regulations.;

(xxic) where an existing entity is converted to a section 42 company, the existing trust or society must be dissolved within **ninety days** of the company’s incorporation. Evidence of the dissolution must be submitted to the Commission, along with an auditor’s certificate confirming the completion of the takeover process within ninety days of incorporation failing which license revocation process shall be initiated leading to strike off name of the company.”;

(xxid) the CEO of large sized section 42 companies must be full time employee.;

(xxie) for section 42 companies classified as small the statutory auditor should be QCR rated; for medium and large Companies the auditor should be Audit oversight board (AOB) certified and in addition medium and large section 42 companies shall obtain PCP certification every three years. Intimation of the same to be provided to the commission within six months of the PCP certification date.;

Explanation: - For the purpose of this clause the classification of section 42 Companies shall be;

- a) Small Companies: - Annual Grants upto rupees fifty million.

- b) Medium Companies: - Companies with annual grants greater than rupees fifty million but not exceeding two hundred fifty million.
- c) Large Companies: - Annual Grants greater than rupees 200 million. All licensed Section 42 companies are required to file their annual audited accounts within six months of the promulgation of this amendment. Failure to file such accounts will result in the classification of non-compliant companies as large-sized Companies.

(xxif) All directors must be promoter/member;”;

(4) in regulation 101, clause (ii) sub regulation (2), -

- (a) in the first paragraph, the expressions “of an amount exceeding Rs. 200,000/-” shall be deleted;
- (b) in Sub-clause (II), the expressions “not exceeding Rs.200,000/-” shall be deleted; and
- (c) in sub-clause (III), the expressions “not exceeding Rs.200,000/-” shall be deleted”;

(5) in regulation 105, -

- (a) in the heading, for the word “monthly” the expression “Annually” shall be substituted;
- (b) after the expression “to the Commission” for the expression “a monthly” the expression” annual” shall be substituted;
- (c) for the “hyphen” a “colon” shall be substituted and thereafter the following new proviso shall be inserted, namely;

“Provided that this includes cases where there is **no foreign funding** (i.e., NIL foreign funding) during the reporting period. The statement must be filed along with annual return (Form-A) under these Regulations.;

(6) in regulation 106, - the following shall be substituted, namely: -

“(106) Approval of foreign directors/members shall only be granted upon receipt of prior security clearance from Ministry of interior.”;

(7) in App-3, -

(a) in clause 2.4, column 3 heading, after the word “donor” words “and Registration No” shall be added;

(b) After serial No. 04 following serial No. 5, 5(i) and 5(ii) shall be inserted.

5	Detail of assets and liabilities in case of takeover as per latest audited financial statements			
i	Total assets			
ii	Total liabilities			

(b) At enclosures of APP-3 following new enclosures at serial No. 07 and serial No. 08 shall be added and the existing enclosure at serial No. no 07 shall be renumbered as serial No. 09.

7. Board resolution if the promoter is a company or body corporate.

8. Approval of competent authority in case the promoter is State owned enterprise or a public sector Company.

(8) In the annexures after the Annexure-T, the following two new Annexures “Annexure-U” and “Annexure-V” shall be added, namely:

Annexure-U

Sr. No.	Nomenclature	Standardized Object	Minimum Qualification Required	Experience Required
1.	General - Charitable/Philanthropic activities	1) To distribute ration, food and clothes to the poor, needy, destitute and persons suffering from catastrophes, natural calamities/tragedies, accidents etc.,	Bachelors	3 years business experience or working experience

		<p>irrespective of cast and creed and religion.</p> <p>2) To provide donations and financial help (other than loan) to the poor, needy and the destitute, for alleviation of their standard of life.</p> <p>3) To provide free or at subsidized rates, books and stationary items to the students of poor families irrespective of cast creed and religion.</p> <p>4) To provide scholarships to students and grant aid including supply of books, stipends, medals, prizes, grants, awards, medicines, educational career support, bursaries and other incentives for purposes of advancement of knowledge, education and literacy.</p>		
2.	Health related services/activities	<p>1) To aid, assist, set up, maintain, administer and run hospitals, nursing homes, mother and child care centres, clinics, dispensaries, immunization and vaccination centres and places of medical aid, convalescent homes, family planning centres, X-ray clinics, radio therapy centres, pathological and</p>	MBBS and/or specialization in specific field	3 years specific experience in the field of medicine

		<p>clinical laboratories, blood banks, eye banks or other centres connected with the care of the human body, both in urban and rural areas subject to approval/permission, NOC, if any, from relevant authorities/government departments, etc.</p> <p>2) To provide free or at subsidized rates medicines, laboratory tests facilities or assistive devices to the poor, needy, crippled or disabled persons or to provide financial help to them (other than loan) for their laboratory tests, medicines or assistive devices etc., irrespective of cast creed and religion.</p>		
3.	Education	<p>1) To establish, manage, maintain, own, administer, promote and subsidize educational institutions, computer literacy centres, schools, colleges, institutions for study and research, centres of learning, reading rooms, and other institutions for basic education, adult literacy, advanced studies and other educational fora with the permission of</p>	Bachelors	3 years specific experience of teaching or being principal or vice principle

		competent authority but not to act as a degree awarding institute.		
4.	Special Education activities	1) To establish, own, maintain, erect, construct, furnish, equip, promote, organize, manage and run institutions for special education and to provide grants and facilities for education and training to the persons who are mute, deaf, dumb or blind, crippled or otherwise physically or mentally handicapped and to provide books, proper medical attendance, nursing, food, medicine, drugs and special appliances of educational, surgical, or other nature	Bachelors or specific education	3 years specific experience or education in the special education field
5.	Vocational training/Institute	1) To establish promote, run, manage and maintain vocational educational and training and skills development institute in order to reduce unemployment, raise income, and improve the standard of living and enabling the unemployed people to get quality jobs and to earn their livings through such hands-on career development skills. 2) To work for employable skills development and capability enhancement	Bachelors with specific skill being offered for vocational training.	3 years specific experience of vocational trainings

		of the youth for improving their quality of life, including developing, building and enhancing their skills to attain self-sufficiency		
6.	Research related activities	1) To undertake steps for promotion of research and to make available key knowledge tools such as a well-equipped library; database and electronic connectivity, a website for research publications and interaction; to organize and set up a think tank; and to enable discussion/dialogue for promoting quality research.	Bachelors	3 years specific experience of research conducting or M-Phil or PHD in the specific area with publication
7.	Islamic Religious activities	1) To promote the values of Islam and in view thereof to initiate research, analytical study, seminars, talks and discussions and to promote public awareness, education and understanding of Islamic ideology, economic system and philosophy and to encourage research scholars, specialists, experts, writers, speakers, thinkers for free intellectual interaction and to develop consensus and understanding in vital Islamic issues, but not to act as or establish, run	Bachelors	3 years specific experience. Clearance /NoC from DG Religious affairs and MOI if it includes running of Madrassa

		or manage Deeni Madrassa.		
8.	Masajid & Madaris	1) To promote the values of Islam by establishing, running or manage Deeni Madrassa and/or Masajid	Bachelors	3 years specific experience. NoC from DGRE and MOI Clearance is required.
9.	Women Empowerment	1) To work for the cause of women empowerment that helps in boosting the status of women through literacy, education, training and awareness; to strive for eradication of all forms of exploitation and discrimination against women	Bachelors	3 years specific work experience highlighting contributions
10.	Social Infrastructure and Human Resource Development	1) To work for development of human resources, promotion of social and economic well-being of the masses, improvement of social status, social mobilization for prosperous society, and elimination of gender discrimination particularly in the rural areas of Pakistan	Bachelors	3 years specific work experience or M-Phil or PHD in specific research work
11.	Arts, Sciences and Literature activities	1) To promote and foster study in arts, sciences, literature and to give literary, arts and sciences awards, scholarships and prizes for its encouragement	Bachelors	3 years work experience in specific object area

12.	Culture and heritage activities	1) To undertake, aid, support, assist, promote, manage, research and encourage projects or programmes concerned or dealing with the restoration, conservation, revitalization, preservation and reuse of architectural structures, buildings, forts, palaces, mausoleums, monuments, mosques, places of historical or cultural significance, archaeological sites, town squares, markets, gardens and parks in Pakistan	Bachelors	3 years work experience in specific object area
13.	Environment Protection & Climate Change	1) To work for the protection, conservation, rehabilitation and improvement of the environment, in particular climate change mitigation, education, international understanding and development cooperation; to work for the prevention and control of every kind of pollution; to create awareness about environmental risks and concerns in the country and the benefits associated with the developmental projects addressing environmental	Bachelors and/or specific area education	3 years work experience in specific object area

		challenges and to provide assistance to individuals, local groups, in understanding environmental issues; to raise awareness and educate the public in particular through seminars, workshops, campaigns		
14.	Sports related activities	1) To promote and develop centres for sports and sporting activities and encourage talent thereto and through them endeavour to bring about national integration and provide fields, grounds and other facilities and amenities including coaching and training facilities in developed and developing areas of the country and to promote and organize activities such as, trekking, mountaineering, hunting, archery, camping, fishing, rock climbing and other outdoor sports, subject to approval/permission/NOC from relevant authorities/government departments, Pakistan Sports Board etc., if required.	Bachelors	3 years work experience in specific object area License shall be granted after obtaining NoC from Pakistan Sports Board

*Relevant education and experience has to be substantiated by provided requisite duly attested certificates.” and

Following minimum information in English and Urdu languages on website, in addition to any other material information:

Profile of Company

- a. Vision, mission, principle business and other permissible business activities;
- b. Status of company (e.g. PIC, LSC, MSC or SSC under third schedule of the Act);
- c. Company Registration Number/Date and National Tax Number;
- d. Date/Number of license issued to the Company by the relevant authority where required;
- e. Address of registered office, head office and all other branch offices;
- f. Phone and fax numbers of head office, registered office and branch offices;
- g. Valid email address; and,
- h. Detail of subsidiaries/associated companies and their website links, if available.

Governance

- a. Profile of the Board of Directors;
- b. Shareholding pattern of companies having share capital;
- c. Name of Auditor of the Company; and,
- d. Name of Legal Advisor.

Investor Relations

- a. Purpose/ Objective;
- b. Geographical location of operations;
- c. Details of sponsors;
- d. PCP Certification, if applicable;
- e. Registration status with respective charities commission; and
- f. Placement of audited financial statements of at least three years.
- g. Online form/contact details of person(s) designated by the company for assisting and handling investors’ complaints and grievances;
- h. Updated logo of SECP Service Desk Managements System’s (“SDMS”) duly linked to the URL: <https://sdms.secp.gov.pk/> (the logo is available at www.secp.gov.pk/document/revised-sdms-logo/) along with the following

disclaimer: “In case your complaint has not been properly redressed by us, you may lodge your complaint with Securities and Exchange Commission of Pakistan (the “SECP”). However, please note that SECP will entertain only those complaints which were at first directly requested to be redressed by the company and the company has failed to redress the same. Further, the complaints that are not relevant to SECP’s regulatory domain/competence shall not be entertained by the SECP.”

- i. Corporate Social Responsibility Reports, if any;
- j. Notices of general meetings;
- k. Copy of any notice given by the member (having not less than ten percent shareholding in the Company) proposing appointment of auditor (s) of the Company in the annual general meeting;
- l. Site map; and,
- m. Search facility.

Media

- a. National /International Awards, recognition, if any;
- b. Membership of industry associations and trade bodies, if any;
- c. Any other announcements or clarifications issued by the company; and
- d. Last Date on which website was updated.

Information to be provided at homepage of website

- a. Website link of SECP’s investor education portal “JamaPunji” (www.jamapunji.pk) along with its logo at a prominent place on the homepage; and,
 - Information of companies’ own complaint handling cell and contact person(s) at a prominent place on homepage as a primary point of contact”

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(Bilal Rasul)
Secretary to the Commission

P.S: - Comments if any may be sent via email at regulatory.framework@secp.gov.pk.