



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division Adjudication Department -II

BEFORE HEAD OF DEPARTMENT ORDER UNDER SECTION 8 OF THE LIMITED LIABILITY PARTNERSHIP ACT, 2017 IN THE MATTER OF M/s. ADVANCE ENGINEERING SOLUTIONS LLP LLP

Date of Hearing	Attended by
December 21, 2023 March 11, 2024	No one attended the hearing

This Order shall dispose of the adjudication proceedings initiated by the Securities and Exchange Commission of Pakistan (the "Commission") through show cause notice No. Adj-II/8/LLP/CROPeshawar/2023-3/136487/324 dated March 14, 2023 (the "SCN") issued to ADVANCE ENGINEERING SOLUTIONS LLP LLP (the "LLP") for non-filing of LLP Form XII in violation of section 8 of the Limited Liability Partnership Act, 2017 (the "Act") read with regulation 14A(5) of the Limited Liability Partnership Regulations, 2018 (the "Regulations").

2. It was observed that the LLP did not file LLP Form XII with the concerned registrar, *prima facie*, in violation of proviso to section 8(2) of the Act read with regulation 14A(5) of the Regulations. It needs to be mentioned that the said requirement was introduced to enhance transparency of ownership of LLPs. The Commission undertook various measures to facilitate the LLPs to ensure compliance with the aforesaid requirement, including issuance of demand notice dated **February 15, 2023**, issuance of detailed FAQs and Ultimate Beneficial Ownership Guidelines as available on the Commission's website, press releases in print media etc.

3. The aforesaid default attracts penal provision contained in section 8(3)(b) of the Act, which provides that any contravention or default in complying with requirement of this section shall be liable in case of LLP, to a penalty which may extend to ten million rupees.

4. Accordingly, the SCN was issued to the LLP to show cause in writing within ten (10) days from the date of issuance of the SCN as to why penalty as laid down in terms of section 8(3) of the Act may not be imposed on the LLP. Moreover, the LLP was also informed to avail another opportunity of filing LLP Form XII within ten (10) days to avoid imposition of penalty as provided in section 8(3) of the Act. The LLP was further advised to inform the Commission whether it wanted to be heard in person or through an authorized representative. Mr. Asif Maqsood (the "Representative") on behalf of the LLP submitted a written reply to the SCN on March 22, 2023 submitting that partnership namely "Advance Engineering Solutions Ltd" has been dissolved vide Agreement of Dissolution dated September 1, 2020 and the same has been filed with the Company Registration Office, Peshawar ("CRO"). However, the CRO has confirmed through an email dated March 29, 2023 that no such Agreement of Dissolution has been received in this office. Subsequently, reminders vide email dated July 18, 2023 and July 27, 2023 were also sent to the LLP. Furthermore, a letter dated November 6, 2023 was sent to LLP directing it to file Form XII, as no Agreement of Dissolution has been received by the concerned CRO. Hearings in the matter were fixed on December 21, 2023 and March 11, 2024, but no one appeared to attend the hearing.

5. Despite various opportunities provided to the LLP, it has neither filed Form XII with the concerned registrar, nor filed Agreement of dissolution with the concerned CRO and the same has been confirmed by the CRO vide email dated March 21, 2024. In view of the foregoing, the default of section 8(2) of the Act is established. I, therefore, in exercise of the powers under section 8(3) of the Act, delegated to the undersigned vide S.R.O No. 1356 (I) / 2020, hereby impose a penalty of **Rs. 20,000** on the LLP for non-filing of Form XII in violation of section 8(2) of the Act read with regulation 14A(5) of the Regulations.

6. The LLP is directed to deposit the aforesaid penalties in the account of the Commission being maintained in the designated branches of MCB Bank Limited or United Bank Limited within 30 days of the receipt of this Order and furnish Original Deposit Challan to this office.

7. This order is being issued without prejudice to any other action that the Commission may initiate against the LLP in accordance with law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

(Muhammad Farooq)
Head of Department / Additional Director
Adjudication II

Date of Order: **March 27, 2024**