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Regulations for Associations with Charitable and Not for Profit Objects Regulations, 2018 for Registered Intermediaries

May 09, 2022



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SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN

Agenda

1. Amendments in the Associations with Charitable and Not for Profit Objects Regulations, 2018 – OVERVIEW
2. Relevant forms, formats and allied documentation requirements
3. Letters of intents and CIBS of donors and promoters
4. Minimum qualification and requisite experience of promoters/directors/CEO
5. Appointment of foreign directors and foreign funding & requisite NOCs
6. Requirement of special additional NOCs
7. The role, rights, responsibilities and obligations of a registered & licensed intermediary



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The Regulations

▶ <https://www.secp.gov.pk/laws/regulations/>

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the June 7th, 2018

NOTIFICATION

S.R.O. 733 (I)/2018.___ In exercise of the powers conferred by section 512 read with section 42 and section 43 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is pleased to notify the following Associations with Charitable and Not for Profit Objects Regulations, 2018, the same having been previously published vide notification S.R.O 450 (I)/2017 dated June 07, 2017, namely:-

CHAPTER I
PRELIMINARY

SRO 733 (I)/2018
June 7, 2018

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 29th November, 2021

NOTIFICATION

S.R.O.1574(I)/2021. – 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 is pleased to make the following amendments to the Associations with Charitable and Not for Profit Objects Regulations, 2018, the same having been previously published vide S.R.O. 1325 (I)/2021, dated October 04, 2021, namely: -

AMENDMENTS

SRO 1574 (I)/2021
Nov 29, 2021



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NFP Form 1

5/10/2022

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"NFP Form 1

THE COMPANIES ACT, 2017

ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018
[See Regulation 4]

APPLICATION FOR GRANT OF LICENSE UNDER SECTION 42 OF THE ACT

PART-I

(To be completed by the applicant in block letters.)

1. Fee Payment Details 1.1 Challan No. 1.2 Challan Amount (Rs.)

PART-II

2.1 Proposed Name of the association

Name

2.2 Whether the association is already registered - Yes No

If yes, state the following:

i. Name of existing registered entity	<input type="text"/>
ii. Entity registered as	State whether society, trust, etc. <input type="text"/>
iii. Registration authority	<input type="text"/>
Status of existing entity	a. Take over by proposed company <input type="checkbox"/>
iv. after incorporation of proposed company	b. Closure of existing entity <input type="checkbox"/>

2.3 Particulars of promoters/proposed directors/proposed CEO:

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Name and surname (present and former) in full	Father's Name in full	CNIC/NOICOP (in case of Pakistani national) or Passport No.(in case of foreigner)	*Incorporation/ Registration Number	Nationality (with former nationality and nationality of the origin, if different)	Occupation	Residential address/ registered office address (in case of a subscriber other than a natural person)	NTN (in case of director, where applicable)	Designation (Director/ Subscriber/ CEO) Please specify	Name of directorship (appointed, nominee/ independent other)	Name of entity nominating the director**	No. of shares subscribed, only in case of company having share capital (for promoter)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

* Applicable to subscribers other than natural persons

**applicable in case of nominee director

2.4 Details of donation by promoters and other persons:

S#	Funds/donations	Name of donor	CNIC No./passport No. (in case of foreign national) of donor	Amount
1.	Donations and grant – Local (if any)			
i.	In cash			
ii.	In kind			
2.	Donations and Grants – Foreign (if any)*			
i.	In cash			

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NFP Form 1

ii.	In kind			
3.	Members' donations — Start-up (mandatory)			
i.				
ii				
iii				

Note: minimum required start-up donation shall be in the form of cash only to be deposited through proper banking channel

*Attach letters of consent/letters of intent/letters of commitment in support of above statement

2.5 Declaration by the applicant

I do hereby solemnly and sincerely declare that:

- I have been authorized as declarant by the promoters;
- all the requirements of the Companies Act, 2017, and Associations With Charitable and Not For Profit Objects Regulations, 2018 have been complied with;
- I make this solemn declaration conscientiously believing the same to be true.

PART-III

3.1 Signature

3.2 Name of Authorized
Promoter/ Authorized
Intermediary

3.3 Registration No of Authorized Intermediary, if applicable

3.4 Contact details of the applicant,
i.e. address, email and cell No.
etc.

Address:
Email:
Cell No.

3.5 Date

Day	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

Enclosures:

- copy of national identity card (NIC)/ NICOP/valid passport (in case of foreigner) of each promoter, proposed directors and proposed chief executive officer;
- curriculum vitae of each promoter, proposed directors and proposed chief executive officer as per **Appendix-A to NFP Form 1** ;
- an affidavit by each promoter, proposed directors and proposed chief executive officer as per **Appendix-B to NFP Form 1**;
- a copy of the draft memorandum and articles of association as per Table F of the First Schedule to the Act;
- a letter of authority as per **Appendix-C to NFP Form 1** by all the promoters in favor of either one of them or an authorized intermediary to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc., in the documents and also to collect license;
- copy of availability of name letter issued by Company Registration Office indicating that the proposed name is available;
- original paid bank challan as evidence of payment of fee specified in seventh schedule of the Act;
- If the association is already registered under any other law for the time being in force, the following shall also be annexed with the application:
 - a copy of the audited balance sheet, income and expenditure account and the annual report on the working of the association for the financial year immediately preceding the date of the application;



NFP Form 1

- (ii) copy of certificate of registration or any document evidencing registration under any other law, duly certified by relevant authority ;
- (iii) resolution of all existing members for the proposed change of status along with names of proposed members of the section 42 company being formed;
- (iv) list of members of the association, duly certified by relevant authority;
- (v) latest copy of its constitution or charter or statute, duly certified by relevant authority;
- (vi) list of all pending disputes among the members and pending court cases filed by or against the association with brief description thereof, if any; and



Appendix A

APPENDIX-A TO NFP FORM 1

THE COMPANIES ACT, 2017

ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS REGULATIONS, 2018

[Regulations 4, and 10]

Information to be provided by promoters, proposed directors/directors, proposed chief executive officer/chief executive officer of the Company

1 Profile

1.1	Name in Full including former name:	
1.2	Father's Name	
1.3	Nationality	
1.4	NIC No/Passport No(in case of foreign national)	
1.5	Contact details:	
1.5.1	Residential Address	
1.5.2	Business Address	
1.5.3	Telephone Number	
1.5.4	Mobile Number	
1.5.5	Fax Number	
1.5.6	Email address	
1.6	Academic and Professional Qualifications	
1.7	Status	Promoter <input type="checkbox"/> Director <input type="checkbox"/> Chief Executive Officer <input type="checkbox"/>

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Appendix B

**APPENDIX-B TO NFP FORM 1
THE COMPANIES ACT, 2017**

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018**

[Regulations 4, and 10]

AFFIDAVIT / UNDERTAKING

I, Mr./Miss./Mrs. (name of promoter/member/proposed director/director/proposed chief executive officer/chief executive officer) son/daughter/wife of (father/husband name), resident of _____ and holding NIC/Passport No _____, do hereby state on solemn affirmation as under that I:-

(a) am eligible to act as (promoter/member/director/chief executive officer) of M/s. _____ (proposed) according to fit and proper criteria specified in the Regulations;

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- (b) have sufficient skills, expertise and resources for the attainment of object of the association/company;
- (c) shall contribute a reasonable amount but not less than Rs.200,000/- as startup donation to the association/company. The same shall be deposited in the company's account within a period of six months of its incorporation which shall be used for the attainment of its object(s) and shall not be refundable to the promoters, directly or indirectly;
- (d) shall ensure that the funds raised shall be spent for objects of the association/company and for other ancillary purposes;
- (e) am fully aware of the affairs of the association/company; and
- (f) am fully aware of the contents of application for grant of license under these Regulations and whatsoever stated in the application and accompanied documents is true and correct and nothing has been concealed in the application.

Deponent

Signature: _____

Dated: _____

Witness to the above:

Signature: _____

Name: _____

NIC: _____

Address: _____

Attested by an
Oath
Commissioner
under his seal

[To be filed on stamp paper of requisite value duly verified by an Oath Commissioner]



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Appendix C

**APPENDIX-C TO NFP FORM 1
THE COMPANIES ACT, 2017**

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS
REGULATIONS, 2018**

[Regulation 4]

LETTER OF AUTHORITY

We, the undersigned promoters of the association M/S
<.....>, do hereby authorize
<.....> one of the promoters of the association, or
<.....> a registered intermediary;

whose specimen signature is appended herein below to present us before the Securities and Exchange Commission of Pakistan to submit application/ documents for grant of license under section 42 of the Companies Act, 2017, and to make necessary amendments required by the SECP, to collect license, and to sign and give necessary explanation on our behalf in relation to the above and the allied matters.

	Name	Signature
Promoter-1		
Promoter-2		
Promoter-3		

Note: If the promoter is a subscriber other than a natural person, Board resolution authorizing the person/intermediary to be annexed.

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Witness		
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Name and signature of authorized
promoter/registered intermediary



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Pre-existing entities

1. A copy of the audited balance sheet, income and expenditure accounts **along with notes to the financial statements**, and the annual report on the working of the association **for the financial year immediately preceding the date of the application**;
2. a brief statement of charitable or other relevant work undertaken, if any;
3. Certified **true copies** of:
 - (a) the certificate of registration or any document evidencing registration under any other law, duly certified by relevant authority;
 - (b) list of members of the association, duly certified by relevant authority;
 - (c) latest copy of its constitution or charter or statute, duly certified by relevant authority;
4. List of all pending court cases filed by or against the association with brief description thereof, if any; and
5. List of all pending disputes among the members, if any.



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Letters of intent

LETTER OF INTENTS/MEMORANDUM OF UNDERSTANDING

I miss _____ daughter of _____, resident of House

No _____, Lahore

Cantt bearing CNIC No: _____, confirm to be

ready, willing and able to contribute an amount of Rs.

200,000/- as start up donation and subsequently will donate

Rs. 400,000/- in next two years for M/S

_____ and these contributions will be deposited in

the company's account as soon as the new year starts.



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CIBs

Credit Details

Amount in actual (Rs.)

Product	T/E	Limit	Position As of	Present Balance	Minimum Amount Due	Overdue (days)			F/ Date	M / R Date	Sec / Unsec	S/C	Credit History during last 24 months								
						30+	60+	90+					Write Off	Date of Write off	# of times account went into overdue by 30+, 60+, 90+	# of Times Payment were made late by					
																1-15 days	16-20 days	21-29 days	30 days		
a**	b	c	d	e	f	g	h	i	j	k	l	m**	n	o	p	q	r	s	t	u	v



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Minimum qualification of promoters

Regulation 10.(2)(iii)

Qualification and experience.— A person shall possess **adequate qualification** and experience in order to act as promoter, director or chief executive officer of the company:

Provided that, in addition to adequate qualification, 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 object 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:

Provided further that, in addition to adequate qualification and experience as mentioned above, the chief executive in case of multiple object company, shall possess adequate relevant experience in the field of principal line of business of the Company.



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Objectives of Amended Regulations

- ▶ Simpler Application
- ▶ Fewer Requirements
 - **Renewal of license no longer required**
- ▶ Swift processing
- ▶ Greater Transparency



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Intermediary (Registration) Regulations, 2017

SRO 705 (I)/2017
Jul 26, 2017

Government of Pakistan
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, 26th July, 2017

NOTIFICATION

S.R.O.705(I)/2017.- In exercise of the powers conferred by sub-section (1) of section 512 read with section 455 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is pleased to notify the following Intermediaries (Registration) Regulations, 2017, the same having been previously published vide notification S. R. O 424 (I)/2017 dated June 05, 2017, namely:-

CHAPTER I

Preliminary

1. Short title and commencement. - (1) These Regulations shall be called the Intermediaries (Registration) Regulations, 2017



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COMMISSION OF PAKISTAN**

Foreign Directors/Funding

5/10/2022

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8 Bind Sets of:

1. Draft Memorandum of Association
2. Estimated future annual income and expenditure statements Appendix A to NFP Form 1 with explanatory notes
3. Letter of Intent or Memorandum of Understanding (MOU) with Foreign donors
4. Resume of all subscribers / promoters on Appendix A to NFP Form 1
5. Photocopies CNICs of all subscribers / promoters; and
6. Separate Security Clearance Proforma for each foreign donor, duly signed and filled in all respect, needs to be furnished. Specimen is attached for compliance.



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Foreign Directors/Funding

5/10/2022

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SECURITY CLEARANCE PROFORMA

Company's Detail		
1.	Company Name	:
2.	City	:
3.	Complete address of company	:
4.	Mother Company (Merger / affiliation)	:
5.	Company Registration	:
6.	Focal Person & Address	:
7.	Contact Nos	:
8.	Email address	:
Foreign Director's Detail		
9.	Name	:
10.	Father's Name	:
11.	Designation	:
12.	Date of Birth	:
13.	Place of Birth	:
14.	Nationality	:
15.	Dual Nationality (if any must be mentioned)	:
16.	Passport No (all passports held)	:
17.	Occupation	:
18.	Education	:
19.	Marital Status	:
20.	Family details	:
21.	Complete Foreign Address	:
22.	Email	:
23.	Contact No	:
24.	Complete Address in Pakistan	:
25.	Email	:
26.	Contact No	:
27.	Present in Pakistan or otherwise (complete details)	:
28.	Any important details company / Foreigner	:

COMPANY'S STAMP

Signature _____

Name _____

Designation _____

Dated _____



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Special Requisite NOCs

For Government Employees

As per Rule 15 of the Government Servants Conduct Rules, 1964, "*No Government Servant shall, except with the previous sanction of the Government, take part in the promotion, registration or management of any bank or company*".



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Special Requisite NOCs

For Entities with Religious Education Objects

The Government of Pakistan has centralized the process of registration of Madaris through the Directorate General of Religious Education (DGRE) having its 16 regional offices all over the country since December 19, 2019



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Special Requisite NOCs

OFFICE MEMORANDUM

Subject: **REGISTRATION OF NATIONAL SPORTS FEDERATION**

The undersigned is directed to refer to this Ministry's O.M. of even number dated 10th February, 2022 on the subject cited above.

2. A meeting in the office of Joint Secretary (Sports), Ministry of IPC with representatives of SECP was held on 17th February, 2022 wherein different issues regarding registration of National Sports Federations/Sports bodies were discussed in length. Following decisions were taken during the meeting: -

- i. Names of all the existing affiliated National Sports Federations with Pakistan Sports Board should be reserved.
- ii. SECP will demand NOC of PSB for registration of any NSF.
- iii. Any Sports entity/sports organization using the name of "Pakistan" will also require NOC of PSB with SECP.

3. SECP is requested to take further necessary action in the matter under intimation to this Ministry.

4. This issues with the approval of Secretary, IPC.



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Withdrawal Letter

5/10/2022

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The Director Registrar
SECP
NIC Building, Islamabad.

Subject: **Withdrawal of my name from the application of license under section 42**

Respected sir,

I _____ having CNIC. _____ confirms that I willfully
withdraw my name from the application of registration of license under section 42 for

Thank you.
Regards



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Trade Organizations

- ▶ Under the Trade Organizations Act, 2013 and Rules framed thereunder Trade Organizations are to approach the Regulator of Trade Organizations, Directorate General of Trade Organisations (DGTO), Ministry of Commerce, Government of Pakistan, Islamabad for grant of license under the relevant laws.
- ▶ Associations granted a license as a Trade Organization by DGTO must then apply and fulfill the requirements for incorporation of the proposed association under the Companies Act, 2017.



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Thank You



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