

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, April 11, 2025

NOTIFICATION

S.R.O.601(I)/2025.- In exercise of powers conferred by 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 Companies Regulations, 2024, the same having been previously published for eliciting public comments in the Official Gazette vide S.R.O. 28(I)/2025 dated January 10, 2025, 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;

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;

- (b) Sub-regulation (3), shall be deleted.
- (c) in sub regulation 4 after expression “multiple objects,” the expression, “and the proposed Chief Executive Officer (CEO) does not have relevant experience in proposed objects” shall be added.
- (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 and at least three promoters must be graduate;
 - (7) The existing trust or society may apply for its conversion to an association to be Licensed under section 42 of the Act.”;

Provided that the conversion of the existing entity to a section 42 company will only be allowed if there are no legal restrictions or failure to meet any requirements under the law governing the existing entity’s dissolution or takeover.

(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 colon shall be substituted and thereafter the following new proviso shall be inserted;

“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 “grant of license”, the expression “no change in Chief Executive Officer can take place unless prior permission from the Commission has been granted upon application.

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

shall be substituted;

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

“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 (xxvii), the following new clauses shall be inserted.;

“(xxviii) Section 42 Companies classified under Regulation 100(xxxii) as large companies shall submit evidence of registration with the Pakistan Centre for Philanthropy (PCP) or the respective charity commission to the Commission within six months of their registration with SECP. For existing large companies, within six months of the promulgation of these Regulations.

Provided that the above requirement shall not apply on Companies holding valid license issued by SECP for other licensed activities.

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

(xxx) Where an existing entity is converted into a section 42 company, the trust or society must be dissolved within ninety (90) 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 thirty (30) days of the dissolution. Failure to submit the required documentation within this timeframe will result in the initiation of the license revocation process, which may lead to the strike-off of the company’s name;

Provided that in case the dissolution process of existing entity is not available under the current framework, the proposed company must submit a revocation letter from its registering authority to retain the same name.

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

(xxxii) for section 42 companies classified as medium the auditor should be QCR rated; and companies classified as large auditor should be registered with audit oversight board (AOB);

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

- a) Small sized Companies: - Annual revenue upto rupees fifty million.
- b) Medium sized Companies: - Companies with annual revenue greater than rupees fifty million but not exceeding two hundred million.
- c) Large sized Companies: - Annual revenue greater than two hundred 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.

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

(xxxiv) Medium and large-sized Section 42 companies shall have at least one female director on the Board, effective from the next election of directors following the promulgation of these Regulations. Small sized section 42 companies be encouraged to have a female director on the board

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

- (a) in the first paragraph, the expressions “of an amount exceeding Rs. 200,000/” shall be deleted;
- (b) in sub-clause (b),
 - (i) in item (II), the expressions “not exceeding Rs.200,000/-” shall be deleted; and
 - (ii) in item (III), the expressions “not exceeding Rs.200,000/-” shall be deleted”;
 - (iii) For sub regulation (iii), the following shall be substituted;

Qualification and experience. - “The Chief Executive shall possess relevant experience in the proposed objectives, and at least three promoters or directors, including the CEO, shall have management experience”;

(5) Regulation 105 shall be deleted;

(6) For regulation 106, the following shall be substituted
“(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, in column 3 heading, after the word “donor”, the expression “and Registration No.” shall be inserted;

(b) after serial No. 04, the following new entries shall be added;

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

(c) In Enclosures,

(i) at serial no. (2), after the deletion of the full stop, the following expression shall be added: “along with a copy of the highest qualification degree and evidence of experience of all proposed promoters/CEO. The CV should clearly state the current occupational status”;

(ii) after serial no. 6, the following new serial nos. 6a, 6b and 6c shall be inserted;
6a. A board resolution to act as promoter of a Section 42 company, if the promoter is a company or body corporate;

6b. Approval of concerned authority to act as promoter of a Section 42 company in case the promoter is State owned enterprise or a public sector Company;
 6c. A No Objection Certificate (NOC) from the concerned authority, in the case that the promoter is currently Government Servant, confirming that the employer has no objection to the individual assuming the role of a promoter in the company.

(iii) at serial no. 7, the following new clause shall be inserted,

“vii. Copy of Revocation letter from existing registering authority in case the dissolution process of existing entity is not available under the current framework.”

(8) In App 3A,-

(a) the expression “OFFICER/DIRECTORS” appearing in the heading shall be deleted;

(b) In Part II in the heading appearing after clause (a), the expression “OFFICER/DIRECTORS” shall be deleted;

(c) serial No. 1.7 shall be deleted;

(d) in the Enclosures,

(i) in serial No. 1 the expressions “proposed director or” shall be deleted;

(ii) for serial No. 3, the following shall be substituted, -

“A letter of authority on stamp paper of requisite value as per Appendix-C to this application by the proposed CEO in favor of an authorized representative to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc., in the documents;

(9) 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
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., irrespective of cast and creed and religion.

		<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 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 competent authority but not to act as a degree awarding institute.</p>

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
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 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.
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 or manage Deeni Madrassa.
8.	Masajid & Madaris	1) To promote the values of Islam by establishing, running or manage Deeni Madrassa and/or Masajid
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
10.	Social Infrastructure and Human	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,

	Resource Development	and elimination of gender discrimination particularly in the rural areas of Pakistan
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
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
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 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.

*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