

**GOVERNMENT OF PAKISTAN**  
**SECURITIES & EXCHANGE COMMISSION OF PAKISTAN**

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Islamabad, the 9<sup>th</sup> February, 2018

**NOTIFICATION**

S.R.O.227 (I)/2018.- In exercise of the powers conferred by section 512 read with section 276 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is pleased to notify the following Companies (Mediation and Conciliation) Regulations, 2018, the same having been previously published vide S.R.O. 1208 (I)/2017 dated November 22, 2017, namely,-

**PART I**  
**PRELIMINARY**

**1. Short title, commencement and applicability.-** (1) These Regulations shall be called the Companies (Mediation and Conciliation) Regulations, 2018.

(2) They shall come into force at once.

**2. Definitions.-** (1) In these regulations, unless there is anything repugnant in the subject or context,-

- (i) "Act" means the Companies Act, 2017 (XIX of 2017);
- (ii) "Appellate Bench" means the Appellate Bench of the Commission established under section 33 of the Securities and Exchange Commission of Pakistan Act, 1997;
- (iii) "Annexure" means annexure appended to these regulations;
- (iv) "Commission" shall have the same meaning as assign to it in clause (g) of sub-section (1) of section 2 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (v) "Panel" means Mediation and Conciliation Panel established and maintained by the Commission under regulation 3; and
- (vi) "party" means a party to a relevant dispute.

(2) Words and expression used but not defined in these regulations shall have the same meaning as are assigned to it in the Act, the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) and any rules made thereunder.

**PART II**  
**PANEL OF MEDIATORS OR CONCILIATORS**

**3. Establishment of Panel.-** (1) Subject to regulation 4, the Commission shall maintain a Panel of mediators or conciliators eligible to be appointed as mediators or conciliators under these regulations.

(2) The list of mediators and conciliators available on the Panel maintained under sub-regulation (1) shall be placed on the website of the Commission.

(3) The Commission may from time to time invite applications as per **MC Annexure-1** along with payment of fee as specified in Seventh Schedule of the Act, from the individuals desirous of being included in the Panel as mediator and conciliator:

Provided that the Commission after its satisfaction and necessary inquiries either accept the application or refuse to accept and shall record the reasons in writing for the same.

**4. Qualifications of persons for empanelment.**— (1) An individual shall not be entitled to be included in the Panel unless he, –

- (i) has been a Judge of District and Session Court, High Court or Supreme Court of Pakistan for at least five years; or
- (ii) has been a retired Judge of District and Session Court, High Court or Supreme Court of Pakistan; or
- (iii) has been a retired Member of a Tribunal constituted by the Government under any law for the time being in force; or
- (iv) is a Law Graduate, Masters in Commerce, Masters of Business Administration, Chartered Accountant or Cost & Management Accountant having ten years of experience in dealing with the corporate matters or administration of corporate law.

(2) The Commission may include Alternate Dispute Resolution Centres established in various cities of Pakistan on the Panel provided that majority members of the Alternate Dispute Resolution Centres shall have any of the qualification and experience as provided in sub-regulation (1).

### **PART III REMOVAL OF NAME FROM THE PANEL**

**5. Removal of name.**— The Commission may after recording reasons in writing and after giving an opportunity of being heard, remove any person from the Panel.

**6. Grounds of removal.**— (1) An individual shall be removed by the Commission from the Panel, if he,-

- (i) is an undischarged insolvent or has applied to be adjudicated as an insolvent and his application is pending; or
- (ii) has been convicted for an offence which involves moral turpitude; or
- (iii) has been removed or dismissed from the service of the Government or the Corporation owned or controlled by the Government; or
- (iv) has been punished in any disciplinary proceedings, by an appropriate disciplinary authority; or
- (v) has been convicted by a court for fraud or financial irregularity; or

(vi) has been considered ineligible by Commission on any other ground.

(2) The Commission may also temporary remove the name of any Alternate Dispute Resolution Centre from the Panel if any of its member is disqualified due to any of the reason provided in sub-regulation (1) till the time, deficiency is removed:

Provided that the Commission may permanently remove the name of any individual or Alternate Dispute Resolution Centre from the panel for reasons to be recorded in writing, -

- (i) where deficiencies are not removed with the specified time period; or
- (ii) any reasons as provided in sub-regulation (2).

**7. Application for referring the matter to the Panel.-** An application to the Commission or the Appellate Bench, as the case may be, for referring the matter to Panel in terms of sub-section (1) of section 276 of the Act, shall be made with mutual consent of parties to the dispute as per **MC Annexure-2** along with non-refundable fee as specified in the Seventh Schedule of the Act:

Provided that where in the opinion of the Commission, a mediator and conciliator has some financial or other interest in the subject matter of dispute or is related to any of the parties or has some other conflict of interest which is likely to affect his functions as a mediator and conciliator, the Commission may not refer the matter to such person and if the matter has already referred to such person, the Commission may refer the matter to another suitable mediator and conciliator.

**8. Expenses of the mediation and conciliation.-** (1) At the time of referring the matter for the mediation or conciliation, the Commission or the Appellate Bench, as the case may be, may with consent of parties fix the fee of the mediator or conciliator.

(2) The expense of the mediation or conciliation including the fee of the mediator or conciliator, shall be borne equally by the contesting parties or otherwise as may be directed by the Commission or the Appellate Bench, as the case may be:

Provided that each party shall bear the costs for production of witnesses on his side including experts or for production of documents.

(3) The mediator or conciliator may before the commencement of the mediation or conciliation, direct the parties to deposit equal share of the probable costs of the mediation or conciliation including the fees to be paid to the mediator or conciliator.

(4) The mediation or conciliation shall commence only on the deposit of amount referred to in sub-regulation (3) by the parties and in case amount is not paid before such commencement, the mediation or conciliation shall be deemed to have terminated.

**PART IV**  
**CONDITIONS AND PROCEDURE OF MEDIATION AND CONCILIATION**

**9. Terms and Conditions to be followed by Mediator and Conciliator.**— (1) The mediator and conciliator shall remain on the Panel for a period of three years unless removed by the Commission, and may be extended for further term(s) on application to the Commission.

(2) The mediator and conciliator shall comply with the following,-

- (i) follow and observe the regulations strictly in true letter and spirit;
- (ii) not carry on any activity or conduct which shall reasonably be considered as conduct unbecoming of a mediator or conciliator;
- (iii) uphold the integrity and fairness of the mediation or conciliation process;
- (iv) ensure that the parties involved in the mediation or conciliation are fairly informed and have an adequate understanding of the procedural aspects of the process;
- (v) conduct all proceedings related to the resolutions of a dispute, in accordance with the relevant applicable laws; and
- (vi) shall permit the parties to be present personally or through an authorized representative at the sessions or meetings notified by the mediator or conciliator:

Provided that if any party finds conduct of mediator or conciliator in violation of any conditions laid down in this regulations, the party may immediately bring it to the notice of the Commission or the Appellate Bench, as the case may be, which shall immediately after affording an opportunity of being heard change the mediator and conciliator.

**10. Procedure for disposal of matters.**\_ The mediator and conciliator in disposal of matters shall follow the following procedure, namely:-

- (i) he shall proceed and dispose of the process within ninety days of the date on which reference was referred and forward his recommendations forthwith to the Commission or the Appellate bench, as the case may be;
- (ii) he shall in consultation with the parties fix the date or time of each mediation or conciliation session, where all parties have to be present;
- (iii) he shall hold the mediation and conciliation at the place decided by the Commission or the Appellate Bench as the case may be or such other place where the parties and the mediator or conciliator jointly agree;
- (iv) he may conduct joint or separate meetings with the parties;
- (v) each party shall, ten days before a session, provide to the mediator or conciliator a brief memorandum setting forth the issues, which need to be resolved, and his position in respect of those issues and all information reasonably required for the mediator or

conciliator to understand the issue and a copy of such memorandum shall also be given to the opposite party or parties:

Provided that in suitable or appropriate cases, the above mentioned period may be reduced at the discretion of the mediator or conciliator; and

- (vi) each party shall furnish to the mediator or conciliator such other information as may be required by him in connection with the issues to be resolved.

**11. Settlement agreement.**– (1) Where an agreement is reached between the parties, the same shall be reduced to writing and signed by all the parties including their representatives if any.

(2) The mediator and conciliator shall after his signatures forward the same to the Commission or the Appellate Bench, as the case may be.

(3) Where no agreement is reached between the parties, or where the matter has partially been agreed, the mediator or conciliator shall report the same to the Commission or the Appellate Bench, as the case may be, in writing.

**12. Penalty for contravention of these regulations.**– Whoever fails or refuses to comply with, or contravenes any provision of these regulations, or knowingly and wilfully authorises or permits such failure, refusal or contravention shall be punishable with a penalty as provided in section 512 of the Act.

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**Companies (Mediation and Conciliation) Regulations, 2018**  
**[See Regulation 3]**

**APPLICATION FOR EMPANELMENT ON MEDIATION AND CONCILIATION PANEL**

The Securities & Exchange Commission of Pakistan,  
NIC Building, Jinnah Avenue, Islamabad.

Dear Sir,

I/We, hereby apply for empanelment as mediator and conciliator within the meaning of Section 276 of the Act and hereby furnish the following information and documents, -

- I. Name (in block letters)
  - II. Father's/Husband's name (in block letters)
  - III. CNIC/Passport Number (Attach Copy)
  - IV. National Tax Number
  - V. Contact Details:
    - a. Official Address
    - b. Residential address
    - c. Land line number
    - d. Cell number
    - e. Email
  - VI. Academic qualification
  - VII. Professional qualification
  - VIII. Period of employment/experience in dealing with corporate matters or administration of corporate law, if any
  - IX. Certified copies of educational certificates
  - X. Detailed resume
3. In case of an Alternate Dispute Resolution Centre,(ADRC) the particulars and details of the ADRC along with above particulars of all its members may also be provided.
4. An affidavit as per MC Annexure-1A is enclosed. (In case of an ADRC, an affidavit duly signed by each member of the ADRC is to be enclosed)
5. Original paid bank challan evidencing payment of fee as specified in Seventh Schedule is enclosed.

Signature \_\_\_\_\_  
Name of the Applicant \_\_\_\_\_  
Office Address \_\_\_\_\_  
Date \_\_\_\_\_

**Companies (Mediation and Conciliation) Regulations, 2018**  
**[See Regulation 3]**

**AFFIDAVIT / UNDERTAKING**

I, Mr./Miss./Mrs. (name) son/daughter/wife of (father/husband name), resident of \_\_\_\_\_ and holding CNIC/Passport No \_\_\_\_\_, do hereby state on solemn affirmation as under that I:-

- (a) am eligible to act as mediator and conciliator according to criteria specified in the Regulations;
- (b) am not an undischarged insolvent or have not applied to be adjudicated as an insolvent and my application in this regard isn't pending;
- (c) have not been convicted for an offence which involves moral turpitude;
- (d) have not been removed or dismissed from the service of the Government or the Corporation owned or controlled by the Government;
- (e) have not been punished in any disciplinary proceedings, by an appropriate disciplinary authority;
- (f) have not been convicted by a court for fraud or financial irregularity; and
- (g) am fully aware of the contents of application for empanelment 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:

CNIC:

Address:



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

**Companies (Mediation and Conciliation) Regulations, 2018**  
**[See Regulation 7]**

**APPLICATION FOR REFERRING THE PROCEEDINGS PENDING BEFORE THE COMMISSION OR  
 THE APPELLATE BENCH TO THE MEDIATION AND CONCILIATION PANEL**

**PART-I**

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

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

**PART-II**

**2.1 Names of Parties & Title of Case:**

Title of Case:
Applicant/Appellant:
Respondent:

**2.2 Jurisdiction:**

Pending before Commission (Name and designation of the adjudicating officer may be mentioned)

Pending before Appellant bench (Name of appellate bench to be mentioned)

**2.3 Brief Description of Proceedings:**

*(Attach copy of Order, Direction, SCN etc. related to proceedings, if any)*

**2.4 Name and address of proposed Mediator and Conciliator, if proposed by parties along with consent and fee agreed)**

*[Note: The Commission and Appellant Bench reserves the right to appoint a neutral Mediator or Conciliator to avoid conflict of interest with the concerned parties]*

**2.5 Declaration by the authorized representatives of parties to proceedings**

We do hereby solemnly, sincerely declare that the information provided in the form is true, and correct to the best of our knowledge and nothing has been concealed.



**PART-III**

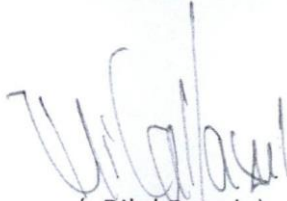
3.1	Names of Parties to proceedings	Party-1	Party-2	Part-3
3.2	Name of Authorized Representatives of Parties to proceedings			
3.3	Signature of Authorized Representatives of parties to proceedings			
3.4	Address of Parties to proceedings			
3.5	Phone Number of Parties to proceedings			
3.6	Email Address of Parties to proceedings			
3.7	Date	dd	mm	yyyy
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Enclosure:

1. Copy of paid bank challan evidencing payment of fees;
2. Copy of Order, Direction, SCN etc. related to proceedings, if any;
3. Copy of consent of Mediator and Conciliator, if any, along with fee agreed.

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No. CLD/CCD/PR(19)/2017

  
( Bilal Rasul )  
Secretary to the Commission