

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

-:-:-

Islamabad, the 10th November, 2021

NOTIFICATION

S. R. O. 1461 (I)/2021.- In exercise of the powers conferred under section 512 read with sections 58, 82, 83 and 460 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is pleased to make the following amendments in the Companies (Further Issue of Shares) Regulations, 2020, the same having been previously published in the official Gazette vide Notification No. S.R.O. 310(I)/2021 dated March 18, 2021, as required under proviso to sub-section (1) of the said section 512, namely:-

AMENDMENTS

In the aforesaid Regulations, -

(1) in regulation 6, -

- (i) existing regulation shall be numbered as sub-regulation (1);
- (ii) clause (iv) shall be omitted;
- (iii) in clause (v), for the words “preference shareholders and the Commission”, the words “holders of such shares carrying differential rights” shall be substituted;
- (iv) after sub-regulation (1), re-numbered as aforesaid, the following sub-regulation (2) shall be inserted, namely: —

“(2) Notwithstanding the requirements of sub-regulation (1), a company may convert its ordinary shares into preference shares or convert its shares (of a particular kind) from one class to another, on the basis of a special resolution:

Provided that the rights of holders of such converted shares are provided for in the articles of association of a company:

Provided further that a share that is not a redeemable preference share when issued cannot afterwards be converted into redeemable preference share.” And

(2) after Chapter VI, the following new Chapter VIA and regulations shall be inserted, namely: -

**“Chapter VIA
Registration and Valuation**

8A. Registered Valuers. (1) Where valuation is required in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities under the provisions of this Act, the following persons shall be eligible to conduct the requisite valuation:

- (a) Consulting Engineers registered with Pakistan Engineering Council;
- (b) Practicing chartered accountants having satisfactory Quality Control Review awarded by the Institute of Chartered Accountants of Pakistan; and
- (c) any other person as may be notified by the Commission.

(2) The valuers eligible under sub-regulation (1) shall also be deemed to be registered with the Commission and shall be entitled to conduct valuation as required under the Act, subject to fulfillment of the requirements of regulation 8A and 8B.

(3) All such valuers shall continue to be regulated, administered and monitored by the entities in which they are originally registered, and shall comply with all relevant rules, regulations, instructions etc. of such entities in addition to requirements of the Act.

Explanation: *This Chapter VI-A shall not be applicable on valuers engaged in valuation of banking transactions, and such valuers shall continue to be regulated under the applicable laws.*

8B. Qualification and Experience for Valuation.- (1) Following valuers who are independent shall be eligible to conduct valuation: -

- (a) in respect of movable property *i.e.* plant and machinery, immovable property *i.e.* land, building etc., and natural resources & exploration thereof, by a valuer registered with the Pakistan Engineering Council as a Consulting Engineer;
- (b) in respect of stocks, shares, debentures, securities, net worth of a company or an undertaking, goodwill and other intangible assets, services, and liabilities, by a valuer who is a practicing-chartered accountant having satisfactory Quality Control Review awarded by the Institute of Chartered Accountants of Pakistan; and
- (c) in respect of value of all other assets, not covered in clauses (a) and (b), by a valuer registered with the Pakistan Engineering Council as a consulting engineer, having experience as a valuer of at least five years in the relevant field:


Explanation: *To maintain independence and impartiality and to ensure true and fair valuation, the valuer shall not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time before submission of the report.*

(2) The valuation shall not be older than six months, or such other time period as may be notified by the Commission, from the date of submission to the registrar pursuant to section 70 of the Act in case of a right issue pursuant to section 83(1)(a) of the Act, and from the date of submission of application to the Commission in case of an issue otherwise than right pursuant to section 83(1)(b) of the Act.

(3) The relevant entity or agency, on its own motion or on the reference by the Commission, may initiate necessary action against the eligible valuers for any misconduct or failure to perform professional duties in accordance with its rules and regulations, and may cancel the registration of such a valuer.

(4) Upon cancellation under sub-regulation (3), such valuer shall be deemed as de-registered and shall not be eligible to conduct any valuation for the purposes of the Act.”.

[File No.SY/SECP/8/13]


(Bilal Rasul)
Secretary to the Commission