

NEWS & INSIGHTS

Overview of new Companies Regulations 2024 issued by the SECP

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On 12 February 2024, the Securities and Exchange Commission of Pakistan (the “SECP”) issued the Companies Regulations 2024 (S.R.O. (I)/2024) (the “2024 Regulations”) with the effect of streamlining and consolidating various existing regulations of the SECP relating to, inter alia, local and foreign company incorporation, reporting and compliance, and easy exit of defunct companies. The introduction of these regulations also aligns with the launch and integration of the SECP’s new online filing portal called ‘eZfile’, replacing the older ‘eServices’ system that was in operation since 2008.

The 2024 Regulations have expressly repealed the following regulations:

- (i) The Unlisted Companies (Buy-Back of Shares) Regulations 2023;
- (ii) The Companies (Incorporation) Regulations 2017;
- (iii) The Companies (General Provisions and Forms) Regulations 2018¹;
- (iv) The Companies (Registration Offices) Regulations 2018²;
- (v) The Associations with Charitable and Not for Profit Objects Regulations 2018;
- (vi) The Intermediaries (Registration) Regulations 2017; and
- (vii) The Group Companies Registration Regulations 2008.

Matters pertaining to the incorporation of companies, not for profit organizations, establishment of liaison and branch offices of foreign companies, easy exit of defunct companies, buy back of shares by unlisted company, as well as statutory filings to be made by the aforementioned entities under the Companies Act 2017 (the “Companies Act”) will now be governed in accordance with the 2024 Regulations. A new addition to the 2024 Regulations is standardized forms of certificates, approvals, acknowledgments and refusals to be issued by the SECP in respect of any filings and applications, which are provided in the Annexures to the 2024 Regulations.

It is important to highlight that not all of the provisions of the 2024 Regulations have currently been given effect, and certain provisions are required to be notified by the SECP in the official gazette before they come into operation. These provisions include, inter alia, matters pertaining to branch and liaison offices of foreign companies, certain statutory filings with respect to the creation of a charge or mortgage over the assets of a company, declarations with respect to ultimate beneficial owners, and

¹ Certain provisions of the Companies (General Provisions and Forms) Regulations 2018 have not been repealed.

² Certain provisions of the Companies (Registration Offices) Regulations 2018 have not been repealed.

easy exit of companies. Therefore, the required filings in respect of these matters continue to be made under the previously applicable regulations and the 'eServices' portal.

The phased implementation of the 2024 Regulations, as indicated by the SECP, is owing to the new 'eZfile' portal which is not yet equipped to handle certain functions. We understand the SECP is actively working with stakeholders to ensure the timely introduction of the features in the 'eZfile' portal that would allow the SECP to make all the provisions of the 2024 Regulations effective.

Simultaneously, the SECP is also actively encouraging the adoption of the 'eZfile' portal for all company incorporation and operational matters governed by the Companies Act. The new portal is intended to include more sophisticated features such as digital fee payment capacity, comprehensive guides for form submissions, and a digital request option for certified true copies of forms. However, the portal currently does face some technical glitches which are under resolution by the SECP.