

AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Companies Act, 2017

WHEREAS it is expedient further to amend the Companies Act, 2017 (XIX of 2017), in the manner and for the purposes hereinafter appearing;

It is hereby enacted as follows: -

1. Short title and commencement. – (1) This Act shall be called the Companies (Amendment) Act, 2026.

(2) It shall come into force at once.

2. Amendment of section 2, Act XIX of 2017. – In the Companies Act, 2017 (XIX of 2017), hereinafter referred to as the said Act, in section 2, in sub-section (1), -

(a) in clause (5), for the word “memorandum”, the word “articles” shall be substituted;

(b) after clause (10), the following new clause shall be inserted, namely: -

“(10A) “**book-entry form**” means the manner of issuance, maintenance, recording and transfer of shares of a company in electronic or digital form and includes book-entry security as defined in the Central Depositories Act, 1997 (XIX of 1997);”;

(c) in clause (19), for the word “memorandum”, the word “articles” shall be substituted;

(d) in clause (20), for the word “memorandum”, the word “articles” shall be substituted;

(e) clause (40) shall be omitted;

- (f) after clause (40), omitted as aforesaid, the following new clause shall be inserted, namely: -

“(40A) “**member**” in relation to a company, means –

- (a) every subscriber to the articles of association or who has agreed to become a member and upon the registration of the company becomes a member;
- (b) every other person to whom shares of any class or kind have been allotted or who has otherwise become the holder of such shares; or
- (c) in the case of a company not having a share capital, every person who has agreed to become a member of the company, and whose name is entered in the register of members of the company, or in the case of a company whose shares are held in book-entry form, in the record maintained by the central depository;”;

- (g) in clause (49), -

- (i) in sub-clause (a), after the semi-colon, at the end, the word “and” shall be added; and
- (ii) sub-clause (b) shall be omitted;

- (h) in clause (50), in sub-clause (a), for the word “memorandum”, the word “articles” shall be substituted;

- (i) after clause (57), the following new clause shall be inserted, namely: -

“(57A)“ **Registrar of companies**” means a person appointed or an officer designated as the Registrar of companies by the Commission;”;

- (j) for clause (66), the following shall be substituted, namely: -

“(66) “**special resolution**” means -

(a) a resolution which has been passed by not less than three-fourths of such members of the company entitled to vote as are present in person or by proxy or vote through postal ballot at a general meeting of which,

(i) in case of private company, not less than fourteen days notice; and

(ii) in case of any other company, not less than twenty-one days notice,

mentioning the intention to propose the resolution as a special resolution has been duly given:

Provided that if three-fourths of the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which a shorter notice than the one specified in paragraph (i) or paragraph (ii), as the case may be, has been given; and

(b) a resolution approved by the board of private company not being public interest company or subsidiary of listed company, whose votes in favour of the resolution represent not less than three-fourths of the total voting rights in the company, where the company is exempted from holding a general meeting under sections 132 and 133;".

3. Amendment of section 4, Act XIX of 2017. — In the said Act, in section 4, the expressions "memorandum or" and "memorandum," wherever occurring, shall be omitted.

4. Amendment of heading, occurring after section 8, Act XIX of 2017. — In the said Act, the heading "INCORPORATION OF COMPANIES AND MATTERS INCIDENTAL THERETO", occurring after section 8, shall be omitted.

5. **Omission of section 9, Act XIX of 2017.** – In the said Act, section 9 shall be omitted.

6. **Substitution of section 12, Act XIX of 2017.** – In the said Act, for section 12, the following shall be substituted, namely: -

“12. Change of name by a company. – Subject to fulfillment of all the requirements of section 10, a company may, by special resolution, change its name under intimation to the registrar:

Provided that this section shall not apply where the change in the name of a company is only the addition thereto, the omission therefrom or substitution thereof of the expression “(Private)” or “(SMC-Private)” or “(Guarantee) Limited” or “Limited” or “Unlimited”, as the case may be, consequent upon the conversion of the status of a company in accordance with the provisions of sections 46 to 49.”.

7. **Amendment of section 13, Act XIX of 2017.** – In the said Act, in section 13, in sub-section (2), for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that this requirement shall not apply to a single member company and private company, not being public interest company or subsidiary of listed company.”.

8. **Amendment of section 14, Act XIX of 2017.** – In the said Act, in section 14, in sub-section (1), -

- (a) in clause (a), for the words “a memorandum”, the word “articles” shall be substituted; and
- (b) in clause (c), for the word “memorandum”, the word “articles” shall be substituted.

9. **Amendment of heading, occurring after section 15, Act XIX of 2017.** – In the said Act, in the heading, occurring after section 15, the words “MEMORANDUM AND” shall be omitted.

10. Amendment of section 16, Act XIX of 2017. – In the said Act, in section 16, -

- (a) in the marginal heading, the words “memorandum and” shall be omitted;
- (b) in sub-section (1), -
 - (i) in clause (b), for the word “memorandum”, the word “articles” shall be substituted and after the semi-colon, at the end, the word “and” shall be added;
 - (ii) clause (c) shall be omitted; and
 - (iii) for clause (d), the following shall be substituted, namely: -

“(d) an address for correspondence or registered office address, as the case may be.”;
- (c) in sub-section (2), for the word “company”, occurring for the second time, the word “applicant” shall be substituted;
- (d) in sub-section (4), for the word “memorandum”, the word “articles” shall be substituted;
- (e) in sub-section (5), for the word “memorandum”, the word “articles” shall be substituted;
- (f) in sub-section (9), for the word “memorandum”, wherever occurring, the word “articles” shall be substituted;
- (g) after sub-section (10), the following new sub-sections shall be added, namely: -

“(11) Notwithstanding omission of the memorandum of association under this Act, any company incorporated prior to the commencement of the Companies (Amendment) Act, 2026 (of 2026), shall continue to operate with its existing arrangements and its memorandum of association, as earlier filed with the registrar, shall on such commencement become integral part of its articles of association.

(12) Prior to the commencement of the Companies (Amendment) Act, 2026, all references to the memorandum of association in any law, rule, regulation, contract or other legal instrument shall, in relation to existing companies, be construed as references to the articles of association.

(13) Nothing in the Companies (Amendment) Act, 2026 (of 2026) shall affect the validity of the incorporation, existence or any act done or right accrued by or against a company under the repealed provisions relating to the memorandum of association.

Explanation. — For the purposes of this section and any other provision of this Act, the expression “memorandum” shall, in relation to a company incorporated prior to the commencement of the Companies (Amendment) Act, 2026 (of 2026), means the memorandum of association as originally filed or as altered from time to time under the company law and shall on such commencement become integral part of the company’s articles of association.”.

11. Amendment of section 17, Act XIX of 2017. – In the said Act, in section 17, -

- (a) in the marginal heading, the words “memorandum and” shall be omitted;
- (b) in sub-section (1), -
 - (i) the words “memorandum and”, occurring for the first time, shall be omitted; and
 - (ii) the words “memorandum and of the” shall be omitted;
- (c) in sub-section (2), for the word “memorandum”, the word “articles” shall be substituted; and
- (d) in sub-section (4), -
 - (i) after the word “section”, the word “or” shall be inserted; and
 - (ii) for the expression “level 1” the expression “level 2” shall be substituted.

12. **Amendment of section 18, Act XIX of 2017.** – In the said Act, in section 18, for the word “memorandum”, wherever occurring, the word “articles” shall be substituted.

13. **Omission of heading and sections 19 and 20, Act XIX of 2017.** – In the said Act, after section 18, amended as aforesaid, the heading “**COMMENCEMENT OF BUSINESS BY PUBLIC COMPANY**” and sections 19 and 20 thereunder shall be omitted.

14. **Substitution of section 21, Act XIX of 2017.** – In the said Act, for section 21, the following shall be substituted, namely: -

“**21.Registered office of company.** – (1) A company shall have a correspondence or registered office to which all communications and notices shall be addressed and where no registered office address is notified by the company after its incorporation, its correspondence address shall be the registered office address of the company for the purposes of this Act.

(2) A company shall not change its registered office address except by passing of special resolution in the general meeting and notice of any change in situation of the registered office shall be given to the registrar in a specified form within a period of fifteen days after the date of change:

Provided that where the change of registered office address is within the limits of the same city, town or village, such change may be effected by a resolution passed by the board of the company and notice of such change shall be given to the registrar in the specified form within a period of fifteen days after the date of change.

(3) If a company fails to comply with the requirements of sub-section (2), the company and its every officer who is responsible for such non-compliance shall be liable to a penalty not exceeding of level 1 on the standard scale.”.

15. **Amendment of section 26, Act XIX of 2017.** – In the said Act, in section 26, -

(a) in sub-section (1), in the proviso, for the existing clauses (i) and (ii), the following new three clauses shall be substituted, namely: -

- “(i) the principal line of business of the company shall be mentioned in the articles of association of the company;
 - (ii) any change in the principal line of business shall be reported, on the form as may be specified, to the registrar within thirty days from the date of the change; and
 - (iii) any change in the principal line of business to adopt any business activity which requires licence, registration, permission or approval under any law shall be subject to permission from relevant authority.”; and
- (b) in sub-section (2), for the proviso, the following shall be substituted, namely: -

“Provided that nothing in sub-section (1) shall be applicable to the extent of companies involved in business mentioned under this sub-section.”.

16. Amendment of heading, occurring after section 26, Act XIX of 2017. – In the said Act, in the heading, occurring after amended section 26, the words “**MEMORANDUM AND**” shall be omitted.

17. Amendment of section 27, Act XIX of 2017. – In the said Act, in section 27, -

- (a) in the marginal heading, for the word “**Memorandum**”, the word “**Articles**” shall be substituted;
- (b) in clause (A), -
 - (i) for the word “memorandum”, occurring for the first time, the word “articles” shall be substituted; and
 - (ii) in sub-clause (iii), in the proviso, -
 - (I) for paragraph (a), the following shall be substituted, namely: -
 - “(a) the existing companies shall continue with their existing memorandum of association having

become integral part of the articles of association and the object stated at serial number 1 of the object clause shall be treated as the principal line of business;"; and

(II) in paragraph (b), for the words "memorandum of association" the word "articles" shall be substituted;

(c) after clause (A), amended as aforesaid, the following new clause (A1) shall be inserted, namely: -

"(A1) its articles of association may provide for an option to adopt all or any of the regulations contained in the Table A in the First Schedule to this Act;";

(d) in clause (B), for the word "memorandum", the word "articles" shall be substituted; and

(e) in clause (C), for the word "memorandum", the word "articles" shall be substituted.

18. Amendment of section 28, Act XIX of 2017. – In the said Act, in section 28, -

(1) in the marginal heading, for the word "**Memorandum**", the word "**Articles**" shall be substituted;

(2) in sub-section (1), -

(i) for the word "memorandum", occurring for the first time, the word "articles" shall be substituted;

(ii) in clause (c), in the proviso, -

(I) for paragraph (i), the following shall be substituted, namely: -

"(i) the existing companies shall continue with their existing memorandum of association having become integral part of the articles of association and the object stated at serial number

1 of the object clause shall be treated as the principal line of business;" and

- (II) in paragraph (ii), for the words "memorandum of association" the word "articles" shall be substituted; and
- (iii) in clause (e), the word "and", at the end, shall be omitted, in clause (f), for the full stop at the end a semi colon and the word "and" shall be substituted and thereafter the following new clauses shall be added, namely: -
 - “(g) and provide for an option, while having no share capital, to adopt all or any of the regulations contained in the Table C in the First Schedule to this Act; and
 - (h) and provide for an option, while having share capital, to adopt all or any of the regulations contained in the Table D in the First Schedule to this Act.”; and
- (3) in sub-section (2), for the word "memorandum", the word "articles" shall be substituted.

19. Amendment of section 29, Act XIX of 2017. – In the said Act, in section 29, -

- (a) in the marginal heading, for the word "**Memorandum**", the word "**Articles**" shall be substituted;
- (b) in the rider provision, -
 - (i) for the word "In", occurring first, the expression "(1) In" shall be substituted; and
 - (ii) for the word "memorandum", the word "articles" shall be substituted;

(c) in clause (c), in the proviso, in paragraphs (i) and (ii), for the words “memorandum of association”, wherever occurring, the word “articles” shall be substituted;

(d) in clause (e), for full stop, at the end, a semi-colon and the word “and” shall be substituted and thereafter the following new clause shall be added, namely: -

“(f) and provide for an option to adopt all or any of the regulations contained in the Table E in the First Schedule to this Act.”; and

(e) in sub-section (2), for the word “memorandum”, the word “articles” shall be substituted.

20. Amendment of section 30, Act XIX of 2017. – In the said Act, in section 30, -

(a) in the marginal heading, for the word “memorandum”, the word “articles” shall be substituted; and

(b) in the substantive part, the words “memorandum and”, occurring twice, shall be omitted.

21. Omission of sections 31, 32, 33 and 34, Act XIX of 2017. – In the said Act, sections 31, 32, 33 and 34 shall be omitted.

22. Amendment of section 35, Act XIX of 2017. – In the said Act, in section 35, -

(a) in the marginal heading, the words “memorandum or” shall be omitted; and

(b) in the substantive part, the words “memorandum or”, occurring twice, shall be omitted.

23. Amendment of section 36, Act XIX of 2017. – In the said Act, in section 36, in sub-section (1), the expression “memorandum,”, occurring for the first time, shall be omitted and thereafter for the word “memorandum”, the word “articles” shall be substituted.

24. Amendment of section 37, Act XIX of 2017. – In the said Act, in section 37, for clause (c), the following shall be substituted, namely: -

- “(c) digitally or physically signed by each subscriber, who shall add his present name in full, his occupation, nationality, usual residential address and such other particulars as may be specified:

Provided that physical signing shall be in the presence of a witness who shall attest the signature and shall likewise add his particulars; and”.

25. Amendment of section 38, Act XIX of 2017. – In the said Act, in section 38, in sub-section (1), -

- (a) for the word “memorandum”, the word “articles” shall be substituted;
- (b) in the proviso, -
 - (i) after the expression “class of the members”, the word “present” shall be inserted; and
 - (ii) for full stop, at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely: -

“Provided further that any business activity which requires licence, registration, permission or approval under any law shall be changed subject to permission from relevant authority.”.

26. Amendment of section 39, Act XIX of 2017. – In the said Act, in section 39, -

- (a) in the marginal heading, the words “memorandum and” shall be omitted; and
- (b) in sub-section (1), the words “memorandum and the” shall be omitted.

27. Amendment of section 40, Act XIX of 2017. – In the said Act, in section 40, in the marginal heading and sub-sections (1) and (2), the words “memorandum or”, wherever occurring, shall be omitted.

28. Omission of section 41, Act XIX of 2017. – In the said Act, section 41 shall be omitted.

29. Amendment of section 42, Act XIX of 2017. – In the said Act, in section 42, -

- (a) in sub-section (2), the words “memorandum and” shall be omitted;
- (b) in sub-section (3), for the words “Memorandum and articles” the word “Articles” shall be substituted; and
- (c) in sub-section (5), in clause (g), in sub-clause (iv), the words “memorandum or” shall be omitted.

30. Amendment of section 43, Act XIX of 2017. – In the said Act, in section 43, in sub-section (1), -

- (a) in clause (b), the word “and”, at the end, shall be omitted; and
- (b) in clause (c), -
 - (i) for the words “ninety days”, the words “one year” shall be substituted; and
 - (ii) in the proviso, for full stop at the end, a semi-colon and the word “and” shall be substituted and thereafter the following new clause shall be added, namely: -

“(d) the public sector company licensed under section 42, directly or indirectly wholly owned by Government, may be merged into another public sector for-profit company, directly or indirectly wholly owned by Government, or its assets may be transferred or otherwise utilized or dealt with in such manner as deemed appropriate by the Government.”.

31. Amendment of section 45, Act XIX of 2017. – In the said Act, in section 45, -

- (a) in sub-section (2), the words “memorandum or” shall be omitted; and
- (b) in sub-section (3), -
 - (i) for the word “memorandum”, occurring for the first time, the word “articles” shall be substituted; and
 - (ii) the words “memorandum or” shall be omitted.

32. Amendment of section 46, Act XIX of 2017. – In the said Act, in section 46, -

- (a) for sub-section (1), the following shall be substituted, namely: -

“(1) An unlisted public company may be converted into a private company by passing a special resolution for amendment of its articles with respect to conversion to private company in the articles of association in such a manner that they include the provisions relating to a private company in the articles and complying with all the requirements as may be specified.”;

- (b) after sub-section (1), substituted as aforesaid, the following new sub-section shall be inserted, namely: -

“(1A) Subject to the condition of special resolution for amendment of articles as specified in sub-section (1), a listed company may be converted into a private company subject to approval of the Commission in specified manner and before taking a decision on such application for conversion, the Commission shall give notice to securities exchange and shall consider the comments of securities exchange while making the decision.”;

- (c) in sub-section (4), the words “memorandum and”, wherever occurring, shall be omitted; and
- (d) in sub-section (5), in clause (b), the words “memorandum and” shall be omitted.

33. Amendment of section 47, Act XIX of 2017. – In the said Act, in section 47, -

- (a) for sub-section (1), the following shall be substituted, namely: -

“(1) A private company, not being a public interest company or a subsidiary of a listed company, may be converted into a single-member company by passing a special resolution in this behalf by the private company amending its articles of association to include the provisions

relating to a single-member company in the articles and report the same to the Commission in such form and manner as may be specified:

Provided that a private company being a public interest company or the subsidiary of a listed company shall apply to the Commission for approval for conversion in such form and manner as may be specified.”;

- (b) in sub-section (2), after the word “under”, the words “proviso to” shall be inserted;
- (c) in sub-section (4), the words “memorandum and”, wherever occurring, shall be omitted; and
- (d) in sub-section (5), in clause (b), the words “memorandum and” shall be omitted.

34. Amendment of section 48, Act XIX of 2017. – In the said Act, in section 48, -

- (a) in sub-section (1), the words “memorandum and” shall be omitted;
- (b) in sub-section (2), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that this sub-section shall not apply to a single member company and private company, not being public interest company or subsidiary of listed company.”; and

- (c) in sub-section (4), the words “memorandum and”, wherever occurring, shall be omitted.

35. Amendment of section 49, Act XIX of 2017. – In the said Act, in section 49, -

- (a) the words “memorandum and”, wherever occurring, shall be omitted; and
- (b) in sub-section (2), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that this sub-section shall not apply to a single member company and private company, not being public interest company or subsidiary of listed company.”.

36. Amendment of section 50, Act XIX of 2017. – In the said Act, in section 50, in sub-section (1), the words “memorandum and” shall be omitted.

37. Amendment of section 57, Act XIX of 2017. – In the said Act, in section 57, in sub-section (1), after the words “has been filed”, the words “physically or in electronic form” shall be inserted.

38. Amendment of section 58, Act XIX of 2017. – In the said Act, in section 58, the words “memorandum and” shall be omitted.

39. Amendment of section 60, Act XIX of 2017. – In the said Act, in section 60, for the proviso, the following shall be substituted, namely: -

“Provided that nothing in this section shall apply to a share held in book-entry form in accordance with section 72.”.

40. Amendment of section 66, Act XIX of 2017. – In the said Act, in section 66, in sub-section (3), the words “memorandum or” shall be omitted.

41. Amendment of section 70, Act XIX of 2017. – In the said Act, in section 70, -

(a) in sub-section (1), -

(i) in clause (a), for the expression “; and”, occurring at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that where shares are allotted in book-entry form, the return of allotment shall be accompanied by such additional documents as may be notified by the Commission;”;
and

(ii) in clause (b), -

(A) after the words "in the case of shares allotted", the expression "by a listed company, subsidiary of listed company and public interest company," shall be inserted; and

(B) for the proviso, the following shall be substituted, namely:

"Provided that in the case of shares allotted by any other company, as paid up in cash, submitted along with return of allotment, a report shall be obtained from its chief executive supported with bank statement to the effect that the amount of consideration has been received in full by the company and shares have been issued to each allottee;"

(b) in sub-section (3), for the word "memorandum", the word "articles" shall be substituted; and

(c) in sub-section (4), for the expression "level 1" the expression "level 2" shall be substituted; and

(d) after sub-section (4), amended as aforesaid, the following new sub-section shall be inserted, namely: -

"(4A) Where the chief executive of a company submits a report under proviso to clause (b) of sub-section (1), which is false, incorrect or containing information, which is misleading in any material particular, it shall be an offence punishable under section 496."

42. Amendment of section 71, Act XIX of 2017. – In the said Act, in section 71, in sub-section (1), for full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

"Provided that nothing in this section shall apply where shares are required to be maintained in book-entry form under section 72 and the company shall, in

lieu of issuing a physical certificate, ensure that the allottee is registered as holder in the central depository within such time as may be specified.”.

43. Amendment of section 72, Act XIX of 2017. – In the said Act, in section 72, -

- (a) for sub-section (1), the following shall be substituted, namely: -

“(1) After the commencement of this Act and from a date notified by the Commission, a company having share capital shall, notwithstanding anything contained in any other law for the time being in force, have its shares in book-entry form only held in the central depository, as defined in the Securities Act, 2015 (III of 2015), in respect of such class or category of companies as the Commission may notify.”;

- (b) after sub-section (2), the following new sub-section shall be inserted, namely: -

“(2A) Every member of such company shall also be required to comply with the requirements of this section and any member in default shall be liable to a penalty of level 1 on the standard scale and any company in default shall be liable to a penalty of level 2 on the standard scale.”; and

- (c) after sub-section (3), the following new sub-section shall be added, namely: -

“(4) The Commission may, by a general or special order, give directions for the implementation of this section and for the removal of any difficulty arising in giving effect thereto and any such direction shall be binding on the company and its members.”.

44. Amendment of section 73, Act XIX of 2017. – In the said Act, in section 73, -

- (a) sub-section (4) shall be omitted;
- (b) for sub-section (5), the following shall be substituted, namely: -

“(5) If a company with intent to defraud issues a duplicate certificate thereof, the company, its chief executive officer, company secretary and other responsible officers shall be liable -

(a) in case of a listed company, to a penalty of level 3 on the standard scale; and

(b) in case of any other company, to a penalty of level 2 on the standard scale.”; and

(c) after sub-section (5), substituted as aforesaid, the following new sub-sections shall be added, namely: -

“(6) Notwithstanding anything contained in this section, nothing shall restrict any aggrieved person from instituting legal proceedings or seeking relief under any other applicable law.

(7) This section shall not apply to a company whose shares are maintained in book-entry form pursuant to section 72:

Provided that where any shareholder of such company holds shares evidenced by a physical certificate issued prior to the conversion of shares of the company in book-entry form and such certificate is lost, destroyed, defaced, mutilated or torn, the provisions of this section shall continue to apply to such company to the extent necessary to enable such shareholder to obtain a duplicate certificate or to facilitate the transfer of such shares into book-entry form, as the case may be.”.

45. Amendment of section 74, Act XIX of 2017. – In the said Act, in section 74, in sub-section (1), for the word “fifteen”, the word “thirty” shall be substituted.

46. Insertion of section 74A, Act XIX of 2017. – In the said Act, after section 74, amended as aforesaid, the following new section shall be inserted, namely: -

“74A. Updating register of members. – (1) No company or its officers shall, without showing in writing sufficient cause, make default or

unnecessary delay in entering in the register of members or the register of debenture-holders, as the case may be, the fact of any person having become or ceased to be a member or a debenture-holder of the company, whether pursuant to transfer of shares, allotment of shares or otherwise.

(2) Any person aggrieved by default or unnecessary delay under sub-section (1) may make an application to the Commission to update the register and the Commission may after providing opportunity of hearing to the parties concerned make such order as it deems appropriate.

(3) Where a company whose shares are held in book-entry form, the obligation under sub-section (1) shall be considered as duly fulfilled upon the company having duly notified to the central depository of the relevant transfer, allotment or other change in membership within such time and manner as may be specified.

(4) No application under sub-section (2) shall be entertained by the Commission after lapse of three years from the date of the default or unnecessary delay.

(5) Any matter or proceedings commenced in any court in relation to or arising out of section 126, before commencement of the Companies (Amendment) Act, 2026 (of 2026) which are pending or in progress may be continued, completed and enforced accordingly as if the Companies (Amendment) Act, 2026 (of 2026) has not been enacted.”.

47. Amendment of section 75, Act XIX of 2017. – In the said Act, in section 75, in the first proviso, for the word “fifteen”, the word “thirty” shall be substituted.

48. Amendment of section 76, Act XIX of 2017. – In the said Act, in section 76, -

- (a) in sub-section (2), for the colon, occurring for the first time, a full stop shall be substituted and thereafter both the provisos shall be omitted; and
- (b) after sub-section (6), the following new sub-section shall be added, namely: -

“(7) Nothing in this section shall be applicable in case articles of a company or shareholders’ agreement provide an alternate mechanism for sale of shares.”.

49. Amendment of section 77, Act XIX of 2017.- In the said Act, in section 77, in sub-section (1), for the word “fifteen”, the word “thirty” shall be substituted.

50. Amendment of section 81, Act XIX of 2017. – In the said Act, in section 81, after sub-section (3), the following new sub-section shall be added, namely: -

“(4) In case of single member and private companies, not being public interest companies or subsidiary of listed company, application of premium received on issue of shares shall be subject to articles.”.

51. Amendment of section 82, Act XIX of 2017. – In the said Act, in section 82, -

(a) in sub-section (1), in the proviso to, -

(i) in clause (c), the word “and” at the end shall be omitted;

(ii) clause (d) and the proviso thereunder shall be omitted;

(iii) in clause (e), -

(A) for the words “sanctioned by the Commission”, the words “passed by the company” shall be substituted; and

(B) after sub-clause (ii), in the proviso, for semi-colon at the end, a colon shall be substituted and thereafter the following second proviso shall be added, namely: -

“Provided further that in case the appointment of statutory auditor is not mandatory by a company, the calculation arrived at for the purpose of sub-clause (i) or sub-clause (ii) of clause (e) shall be certified by a practicing-chartered accountant or a practicing-cost and management accountant;”;

(iv) for clause (h), the following shall be substituted, namely: -

“(h) the share at a discount must be issued within sixty days after the date on which the issue is approved by the

general meeting through special resolution or within such extended time as the shareholders in general meeting may allow; and”; and

- (v) after clause (h), substituted as aforesaid, the following new clause shall be added, namely: -

“(i) the issue of shares at discount shall be subject to such disclosure requirements, restrictions or terms and conditions as may be specified.”; and

- (b) sub-section (2) shall be omitted.

52. Amendment of section 83, Act XIX of 2017. – In the said Act, in section 83,-

- (a) in sub-section (1), -

- (i) in clause (a), -

- (i) for sub-clause (ii), the following shall be substituted, namely: -

“(ii) the letter of offer shall state the number of shares offered and the time period, as may be specified, within which the offer if not accepted shall be considered to have been declined;”; and

- (ii) in sub-clause (iv), for the word “thirty”, occurring first, the word “sixty” shall be substituted; and

- (ii) for clauses (b) and (c), the following shall be substituted, namely: -

“(b) in case of listed company, public interest company and subsidiary of a listed company and subject to approval of the Commission, to any person on the basis of a special resolution either for cash or for consideration other than cash and such other requirements as may be notified:

Provided that the value of any non-cash asset, net worth of undertaking, service, benefit or intellectual property shall be determined by a valuer; and

(c) in case of all other companies, subject to its articles and special resolution, to any person, either for cash or for consideration other than cash on such conditions and requirements as may be notified.”; and

(b) in sub-section (6), the words “memorandum and” shall be omitted.

53. Amendment of section 85, Act XIX of 2017.- In the said Act, in section 85, for the word “memorandum”, wherever occurring, the word “articles” shall be substituted.

54. Amendment of section 86, Act XIX of 2017. – In the said Act, in section 86, in sub-section (4), for the expression “level 1”, the expression “level 3” shall be substituted.

55. Amendment of section 88, Act XIX of 2017. – In the said Act, in section 88, in sub-section (1), the words “memorandum and” shall be omitted.

56. Substitution of section 89, Act XIX of 2017. – In the said Act, for section 89, the following shall be substituted, namely: -

“89. Reduction of share capital. – Subject to confirmation by the Commission, a company limited by shares if so authorized by its articles may by special resolution supported by solvency statement and such terms, conditions and filing of such documents as may be specified, reduce its share capital in any of the following ways, namely: -

- (a) cancel any paid-up share capital which is lost or un-represented by available assets; or
- (b) pay off any paid-up share capital which is in excess of the needs of the company.”.

57. Amendment of section 90, Act XIX of 2017. – In the said Act, in section 90, for the word “Court”, wherever occurring, the word “Commission” shall be substituted.

58. Amendment of section 91, Act XIX of 2017. – In the said Act, in section 91, for the word “Court”, wherever occurring, the word “Commission” shall be substituted.

59. Amendment of section 92, Act XIX of 2017. – In the said Act, in section 92, for the word “Court”, wherever occurring, the word “Commission” shall be substituted.

60. Amendment of section 93, Act XIX of 2017. – In the said Act, in section 93, -

(a) for the word “Court”, wherever occurring, the word “Commission” shall be substituted; and

(b) in sub-section (1), the words “of a certified copy of” shall be omitted.

61. Amendment of section 94, Act XIX of 2017. – In the said Act, in section 94, -

(a) in sub-section (1), in the proviso, in clause (b), for the word “Court”, the word “Commission” shall be substituted; and

(b) in sub-section (2), for the word “effect” the word “affect” shall be substituted.

62. Amendment of section 96, Act XIX of 2017. – In the said Act, in section 96, -

(a) for the word “Court”, wherever occurring, the word “Commission” shall be substituted; and

(b) the words “by the Court” shall be omitted.

63. Amendment of section 98, Act XIX of 2017. – In the said Act, in section 98, in sub-section (1), for the expression “memorandum, ”, the word “articles” shall be substituted.

64. Omission of section 99, Act XIX of 2017. – In the said Act, section 99 shall be omitted.

65. Omission of heading, occurring after section 117, Act XIX of 2017. – In the said Act, the heading “MANAGEMENT AND ADMINISTRATION”, occurring after section 117, shall be omitted.

66. Omission of section 118, Act XIX of 2017. – In the said Act, section 118 shall be omitted.

67. **Amendment of heading, occurring after omitted section 118, Act XIX of 2017.** – In the said Act, in the heading “REGISTER AND INDEX OF MEMBERS”, occurring after omitted section 118, the words “AND INDEX” shall be omitted.

68. **Amendment of section 119, Act XIX of 2017.** – In the said Act, in section 119, -

(a) for sub-section (1), the following shall be substituted, namely: -

“(1) Every company shall maintain an electronic register of its members in such form and within such time as may be notified and any contravention or default in complying with requirement of this section shall be an offence punishable under this Act.”; and

(b) in sub-section (2), for the word “register”, the words “electronic register” shall be substituted.

69. **Omission of section 120, Act XIX of 2017.** – In the said Act, section 120 shall be omitted.

70. **Amendment of section 122, Act XIX of 2017.** – In the said Act, in section 122, -

(a) in sub-section (1), for the words “a register”, the words “an electronic register” shall be substituted; and

(b)I n sub-section (2), for the word “register”, the words “electronic register” shall be substituted.

71. **Omission of section 123, Act XIX of 2017.** – In the said Act, section 123 shall be omitted.

72. **Amendment of section 124, Act XIX of 2017.**- In the said Act, in section 124, in sub-section (1), for the expression “and the index referred to in sections 119, 120, 122 and 123”, the expression “referred to in sections 119 and 122” shall be substituted.

73. **Amendment of section 125, Act XIX of 2017.** – In the said Act, in section 125, for sub-section (1), the following shall be substituted, namely: -

“(1) A company may, on giving notice of such time period as may be notified, close its register of members or the part of it relating to members holding shares of any class for such period or periods as may be notified:

Provided that such notice may be circulated to members through electronic means.”.

74. Amendment of section 126, Act XIX of 2017. – In the said Act, in section 126,-

- (a) for sub-section (1), the following shall be substituted, namely: -

“(1) Where the name of any person is fraudulently entered in or omitted from the register of members or register of debenture-holders of a company, the person aggrieved or any member or debenture-holder of the company or the company may apply to the Court for rectification of the register.”;

- (b) in sub-section (4), the words “or without sufficient cause” shall be omitted; and

- (c) after sub-section (4) amended as aforesaid, the following new sub-section shall be added, namely:-

“(5) No application under sub-section (1) shall be entertained by the Court after lapse of three years from the date of knowledge of such fraudulent entry or omission.”.

75. Amendment of section 127, Act XIX of 2017. – In the said Act, in section 127, the words “or without sufficient cause” shall be omitted.

76. Amendment of section 130, Act XIX of 2017. – In the said Act, in section 130,-

- (a) in sub-section (1), after the word “concluded”, the words “or exempted from holding such meetings” shall be inserted;
- (b) in sub-section (1), amended as aforesaid, for full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that, with effect from a date and in such manner and for such class or classes of companies as may be notified by the Commission, every company shall be required to file its annual return exclusively through the e-services.”; and

- (c) sub-section (5) shall be omitted.

77. Omission of section 131, Act XIX of 2017. – In the said Act, section 131 shall be omitted.

78. Amendment of section 132, Act XIX of 2017. – In the said Act, in section 132,-

- (a) for sub-section (3), the following shall be substituted, namely: -

“(3) The notice of an annual general meeting shall be sent to the members and every person who is entitled to receive notice of general meetings, -

- (a) in case of private company, at least fourteen days; and

- (b) in case of any other company, at least twenty-one days,

before the date fixed for the meeting:

Provided that –

- (a) the Commission, notwithstanding anything contained in this section, may notify a shorter notice period for any company or class of companies;

- (b) in case of a listed company, such notice shall be sent to the Commission, in addition to its being dispatched in the normal course to members and the notice shall also be published in English and Urdu languages at least in one issue each of a daily newspaper of respective language having nationwide circulation; and

- (c) such notice may be circulated through electronic means as may be specified.”; and

- (b) for sub-section (4), the following shall be substituted, namely: -

“(4) Nothing in this section shall apply to a single member company, private company not being public interest company or subsidiary of listed company, in case the board of directors thereof directly holds at least three-fourths of voting rights.”.

79. Amendment of section 133, Act XIX of 2017. – In the said Act, in section 133,-

- (a) in sub-section (1), the expression “and the statutory meeting mentioned in section 131” shall be omitted;
- (b) in sub-section (2), for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that the provisions of this sub-section shall not apply to single member company or private company, not being public interest company or subsidiary of listed company, in case the board of directors directly holds at least three-fourths of the total voting rights in the company.”;

- (c) in sub-section (5), for the words “twenty-one”, the word “fourteen” shall be substituted; and
- (d) in sub-section (8), -
- (i) for the expression “section 55”, the expression “section 132” shall be substituted; and
- (ii) for the proviso, the following shall be substituted, namely: -

“Provided that in case of any company where three-fourths of the members entitled to attend and vote at any extraordinary general meeting so agree, a meeting may be held at a shorter notice.”.

80. Insertion of section 133A, Act XIX of 2017. – In the said Act, after section 133, amended as aforesaid, the following new section shall be inserted, namely: -

"133A. Procedure where general meeting is exempted. — (1) This section shall apply where a single member company or private company avails the exemption from holding an annual general meeting under section 132 or an extraordinary general meeting under section 133.

(2) The board shall, at least thirty days before the date on which the annual general meeting would otherwise have been due under sub-section (1) of section 132 or before the date on which an extraordinary general meeting would otherwise have been required to be convened under section 133, as the case may be, issue a notice to all members of the company containing —

- (a) a statement that the company has availed the exemption from holding a general meeting under section 132 or section 133, whichever is applicable;
- (b) the particulars of all transactions proposed to be undertaken or approved by the board;
- (c) the annual accounts for the relevant financial year together with the auditor's report thereon; and
- (d) such other information as may be notified by the Commission:

Provided that such notice may be dispatched through electronic means as may be specified.

(3) A member may, within seven days of dispatch of the notice under sub-section (2), submit in writing to the company any objection or request for information and the company shall respond in writing before the relevant board's meeting and in any case within seven days of receipt of such objection or request:

Provided that such submission and response may be made through electronic means as may be specified:

Provided further that the making of an objection or request under this sub-section shall not of itself have effect of invalidating any transaction or decision of the board.

(4) Where members holding not less than ten percent of the total voting rights notify the company in writing, within the period specified in sub-section (3), of their requirement for a general meeting to be held, the board shall convene and hold such meeting before the date on which the annual general meeting would have been due under sub-section (1) of section 132 and the provisions of section 132 or section 133, as the case may be, shall apply accordingly:

Provided that the board may of its own motion resolve to convene a general meeting at any time notwithstanding the exemption availed under section 132 or section 133.

(5) Any contravention of or default in complying with the requirements of this section shall be an offence liable to a penalty of level 2 on the standard scale.”.

81. Amendment of section 134, Act XIX of 2017. – In the said Act, in section 134,-

(a) for sub-section (1), the following shall be substituted, namely: -

“(1) A company may hold a general meeting –

(a) at a physical venue; or

(b) by using such electronic means as may be specified for companies or any class of companies; or

(c) both at a physical venue and by using electronic means as may be specified for companies or any class of companies.”;

(b) after sub-section (1), substituted as aforesaid, the following new sub-section shall be inserted, namely: -

“(1A) In respect of the general meeting of a company or meeting of a class of members of the company, notice of the meeting

specifying the date, time and venue of the meeting along with a statement of the business to be transacted at the meeting shall be given —

- (a) to every member or class of the members of the company as the case may be;
- (b) to every director;
- (c) to any person who is entitled to a share in consequence of the death or bankruptcy of a member, if the company has been notified of his entitlement;
- (d) to the auditors of the company,

in the manner in which notices are required to be served by section 55, but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting. In case of listed company, notice of the meeting shall mention that the members may also attend the meeting virtually through video-link and shall contain necessary instructions enabling the members to attend the meeting virtually.”;

- (c) in sub-section (2), for the expression “sub-section (1)”, the expression “sub-sections (1) and (1A)” shall be substituted; and
- (d) in sub-section (3), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that such statement may, in lieu of physical annexure, be made available along with the notice of the meeting through such electronic means as may be specified.”.

82. Insertion of section 134A, Act XIX of 2017. – In the said Act, after section 134, amended as aforesaid, the following new section shall be inserted, namely: -

“134A. Provisions as to meetings and votes where general meeting is exempted. — (1) Where a company is exempted from holding a general meeting, any matter required under this Act or the articles of the company to be placed before the general meeting may, notwithstanding anything contained in this Act or the articles, be dealt with by the board of directors.

(2) A resolution which under this Act is required to be passed as a resolution not being special resolution shall in such exempted cases be considered as duly passed if approved by the board of directors representing more than fifty percent of the total voting rights of the company and shall be considered as duly passed as if passed in general meeting by simple majority under this Act.

(3) A resolution which under this Act is required to be passed as a special resolution shall in such exempted case be considered as duly passed if approved by the directors representing not less than three-fourths of the total voting rights of the company and shall be considered as duly passed as if passed in general meeting by three-fourths votes under this Act.

(4) A copy of every resolution passed under this section, together with a statement of its material facts, shall be circulated to all members within fifteen days of the passing thereof and a copy of special resolution under sub-section (3) shall in the manner as may be specified be filed with the registrar within fifteen days of passing the resolution.”.

83. Amendment of section 135, Act XIX of 2017. — In the said Act, in section 135, in sub-section (1), in clause (a), for the word “ten members”, the word “five members collectively representing not less than twenty-five percent of the total voting power” shall be substituted.

84. Amendment of section 137, Act XIX of 2017. — In the said Act, in section 137,

(a) in sub-section (3), -

(i) after the word “shall”, the word “be” shall be inserted;

(ii) for clause (a), the following shall be substituted, namely: -

“(a) through such electronic means as may be specified;
and”; and

(iii) in clause (b), the word “be”, occurring for the first time, shall be omitted; and

(b) in sub-section (5), for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that the Commission may specify a different period for lodgment of proxies in respect of any class or classes of companies.”.

85. Amendment of section 141, Act XIX of 2017. – In the said Act, in section 141, for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that in the case of a single member company or a private company, not being a public interest company or subsidiary of a listed company, the manner of voting may be provided in its articles.”.

86. Amendment of section 142, Act XIX of 2017. – In the said Act, in section 142, after sub-section (2), the following new sub-section shall be added, namely: -

“(3) In the case of a single member company or a private company, not being a public interest company or subsidiary of listed company, the manner of recording and declaring results of resolutions may be provided in its articles.”.

87. Amendment of section 143, Act XIX of 2017. – In the said Act, in section 143, after sub-section (2), the following new sub-section shall be added, namely: -

“(3) In the case of a single member company or a private company, not being a public interest company or subsidiary of listed company, the manner of demanding and conducting a poll may be provided in its articles.”.

88. Amendment of section 144, Act XIX of 2017. – In the said Act, in section 144, for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that in the case of a single member company or a private company, not being a public interest company or subsidiary of listed company, the manner and procedure for conducting a poll through secret ballot or on demand may be provided in its articles.”.

89. Amendment of section 145, Act XIX of 2017. – In the said Act, in section 145, after sub-section (4), the following new sub-section shall be added, namely: -

“(5) In the case of a single member company or a private company, not being a public interest company or subsidiary of listed company, the time and manner of taking a poll may be provided in its articles.”.

90. Amendment of section 146, Act XIX of 2017. – In the said Act, in section 146, -

- (a) the existing provision thereunder shall be numbered as sub-section (1) thereof; and
- (b) after sub-section (1), numbered as aforesaid, the following new sub-section shall be added, namely: -

“(2) In the case of a single member company or a private company, not being a public interest company or subsidiary of listed company, the procedure relating to adjourned meetings and the effect of resolutions passed there at may be provided in its articles.”.

91. Amendment of section 147, Act XIX of 2017. – In the said Act, in section 147, in sub-section (1), -

- (a) the expression “statutory meeting,” shall be omitted; and
- (b) the expression “131,” shall be omitted.

92. Amendment of section 151, Act XIX of 2017. – In the said Act, in section 151, in sub-section (4), for the expressions “twenty years in physical form and permanently in

electronic form”, the expression “ten years in physical form and in electronic form for such period as may be specified” shall be substituted.

93. Amendment of section 153, Act XIX of 2017. – In the said Act, in section 153, in clause (i), in the proviso -

- (a) in paragraph (iii), the word “or” at the end shall be omitted; and
- (b) in paragraph (iv), after the semi-colon at the end, the word “or” shall be added and thereafter, the following new paragraph shall be added, namely: -

“(v) an independent director appointed under this Act or rules or regulations made thereunder;”.

94. Amendment of section 155, Act XIX of 2017. – In the said Act, in section 155, -

- (a) in sub-section (1), after the word “companies”, the words “or class of companies” shall be inserted; and
- (b) sub-section (2) shall be omitted.

95. Amendment of section 156, Act XIX of 2017. – In the said Act, in section 156, for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that for the purposes of listed companies, the securities exchange may with the approval of the Commission provide code of corporate governance and matters incidental and ancillary thereto.”.

96. Amendment of section 157, Act XIX of 2017. – In the said Act, in section 157, -

- (a) in sub-section (1), for the word “memorandum”, the word “articles” shall be substituted; and
- (b) in sub-section (2), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that in case of private company, not being public interest company or subsidiary of listed company, the term of office of

the first directors and holding of first election may be provided in the articles which shall in no case be more than three years.”.

97. Amendment of section 158, Act XIX of 2017. – In the said Act, in section 158,

- (a) in sub-section (1), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that clause (a) of this sub-section shall not apply in case of private company not being a public-interest company or subsidiary of listed company.”; and

- (b) after sub-section (3), the following new sub-section shall be inserted, namely: -

“(3A) This section shall not apply to -

- (a) a single member company; and
- (b) private company, not being a public-interest company or subsidiary of listed company, where the existing board of directors includes all members of the company:

Provided that if at any time the condition specified in clause (b) ceases to exist, the provisions of this section shall apply from that date.”.

98. Amendment of section 159, Act XIX of 2017. – In the said Act, in section 159, after sub-section (6), the following new sub-section shall be added, namely: -

“(7) Notwithstanding anything contained in sub-sections (3), (4) and (5), where the appointment of independent directors or female directors is required under this Act, any other law for the time being in force or any rules or regulations made thereunder, the Commission may specify the procedure for their election, including the manner of voting, categorization of seats, division of votes among categories and qualifications of candidates.”.

99. Amendment of section 166, Act XIX of 2017. – In the said Act, in section 166, -

- (a) in sub-section (1), after the words “An independent director to be”, the words “elected or” shall be inserted; and
- (b) sub-section (3) shall be omitted.

100. Amendment of section 171, Act XIX of 2017. – In the said Act, in section 171, in clause (c), in sub-clause (ii), for semi colon at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that clauses (b) and (c) shall not apply to a single-member company or a private company, not being a public interest company or subsidiary of listed company, if otherwise provided in its articles.”.

101. Amendment of section 172, Act XIX of 2017. – In the said Act, in section 172, in sub-section (1), -

- (a) in clause (k), for the words “memorandum or”, shall be omitted; and
- (b) in clause (o), for full stop, at the end, a semi-colon shall be substituted and thereafter the following new clauses shall be added, namely: -
 - “(p) where a person has been penalized under section 127;
 - (q) the person who has contravened the provisions of sections 182, 184, 208, 222, 243, 254, 261, 401 and 424;
 - (r) the person has been penalized under section 193 and sub-section (4A) of section 70; and
 - (s) the person failed to make compliance of direction of the Commission under section 147.”.

102. Amendment of section 174, Act XIX of 2017. – In the said Act, in section 174, after sub-section (3), the following new sub-section shall be added, namely: -

“(4) This section shall not apply where a director may, during his stay outside Pakistan, continue to perform his functions and participate in meetings of

the board through electronic means or any other mode as may be provided in the articles.”.

103. Amendment of section 177, Act XIX of 2017. – In the said Act, in section 177, for the expression “imprisonment for a term not exceeding two years or to a fine not exceeding one hundred thousand rupees, or to both”, the expression “a penalty of level 3 on the standard scale” shall be substituted.

104. Amendment of section 178, Act XIX of 2017. – In the said Act, in section 178, in sub-section (5), for the words “permanently in electronic form”, the words “in electronic form for such period as may be specified” shall be substituted.

105. Amendment of section 182, Act XIX of 2017. – In the said Act, in section 182,

- (a) in sub-section (1), for the words “unless the”, the word “unless every”, shall be substituted; and
- (b) for sub-section (3), the following shall be substituted, namely: -

“(3) Every person who is a party to any contravention of this section, including in particular any person to whom the loan is made or who has taken the loan in respect of which the guarantee is given or the security is provided, shall be liable, -

- (a) in case of a listed company, to a penalty of level 3 on the standard scale; and
- (b) in case of any other company, to a penalty of level 2 on the standard scale.”.

106. Amendment of section 183, Act XIX of 2017. – In the said Act, in section 183, in sub-section (2), in clause (n), for full stop at the end, a semi-colon and the word “and” shall be substituted and thereafter, the following new clause shall be added, namely: -

“(o) to pass ordinary and special resolution in line with section 134A.”.

107. Amendment of section 186, Act XIX of 2017. – In the said Act, in section 186, in sub-section (2), for the word “memorandum” the word “articles” shall be substituted.

108. Amendment of section 187, Act XIX of 2017. – In the said Act, in section 187, -

(a) in sub-section (1), -

- (i) for the word “fourteen”, the word “ninety” shall be substituted;
- (ii) after the words “date of appointment”, the words “or any other period as provided in the articles” shall be inserted; and
- (iii) in the proviso, for full stop, at the end, a colon shall be substituted and thereafter the following second proviso shall be added, namely: -

“Provided further that single member company and private company, not being public interest company or subsidiary of listed company, may provide procedure for appointment of subsequent chief executive in the articles.” and

(b) in sub-section (3), for full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that single member company and private company, not being public interest company or subsidiary of listed company, may provide procedure in the articles for performance of its functions in case of retirement of chief executive.”.

109. Amendment of section 188, Act XIX of 2017. – In the said Act, in section 188, in sub-section (1), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that in case of private company, not being public interest company or subsidiary of listed company, the term of office and conditions of appointment of chief executive shall be determined in accordance with the articles.”.

110. Amendment of section 190, Act XIX of 2017. – In the said Act, in section 190, for sub-section (1), the following shall be substituted, namely: -

“(1) Unless the articles or the agreement between the company and the chief executive explicitly state otherwise, the board may remove the chief executive at any time through a resolution passed by simple majority.”.

111. Amendment of section 191, Act XIX of 2017. – In the said Act, in section 191, after sub-section (2), the following new sub-section shall be added, namely: -

“(3) This section shall not be applicable in the case of a single-member company or a private company unless any conditions are specifically provided in the articles.”.

112. Amendment of section 192, Act XIX of 2017. – In the said Act, in section 192, for sub-section (1), the following shall be substituted, namely: -

“(1) The board of a listed company shall, within fourteen days or such other period as provided in the articles, from the date of election of directors appoint a chairman from among the non-executive directors who shall hold office for a period of three years or such other period as provided in the articles, unless he earlier resigns, retires as a director or becomes ineligible or disqualified under any provision of this Act or removed by the directors.”.

113. Amendment of section 193, Act XIX of 2017. – In the said Act, in section 193, the words “and may also be debarred by the authority which imposes the penalty from becoming a director or chief executive of a company for a period not exceeding five years” shall be omitted.

114. Substitution of section 194, Act XIX of 2017. – In the said Act, for section 194, the following shall be substituted, namely: -

“194. **Public interest company required to have secretary.** — Every public interest company must have a company secretary possessing such qualifications as may be specified.”.

115. Amendment of section 196, Act XIX of 2017. – In the said Act, in section 196, in sub-section (1), -

- (a) for the word “Commission”, the words “general meeting of members” shall be substituted; and
- (b) in the proviso, for full stop at the end, a colon shall be substituted and thereafter the following second proviso shall be added, namely: -

“Provided further that it shall not be applicable to single member company or private company, not being public interest company or subsidiary of listed company, unless provided in the articles.”.

116. Amendment of section 197, Act XIX of 2017. – In the said Act, in section 197, -

- (a) in sub-section (1), after the word “specified”, the expression “and shall also keep the register in electronic form, from the date notified by the Commission” shall be inserted; and
- (b) in sub-section (7), for the words “passed and” the words “passed an” shall be substituted.

117. Amendment of section 199, Act XIX of 2017. – In the said Act, in section 199, -

- (a) in sub-section (3), in clause (a), for the words “the restriction provided in sub-section (1)”, the words “this section” shall be substituted; and
- (b) after sub-section (6), the following new sub-section shall be added, namely: -

“(7) Notwithstanding anything contained in this section, a single member company and a private company, not being a public interest company or subsidiary of a listed company, may provide for in its articles the manner of investment in associated companies and associated undertaking.”.

118. Omission of section 203, Act XIX of 2017. – In the said Act, section 203 shall be omitted.

119. Amendment of section 204, Act XIX of 2017. – In the said Act, in section 204, in sub-section (8), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that the provisions of this sub-section shall not apply to single member company unless provided in the articles.”.

120. Amendment of section 208, Act XIX of 2017. – In the said Act, in section 208, -

(a) in sub-section (1), -

(I) after clause (f), -

(i) in the first proviso, for the word “interested”; the words “related parties” shall be substituted; and

(ii) after the first proviso, amended as aforesaid, the following new proviso shall be inserted, namely: -

“Provided further that exemption available to private companies under section 132 and 133 shall not apply.”; and

(II) in the explanation, for clause (c), the following shall be substituted, namely: -

“(c) the expression “related party” shall have the same meaning as may be specified.”;

(b) in sub-section (4), for the words “by a director or any other employee”, the words “with a related party” shall be substituted; and

(c) in sub-section (6), for clause (a), the following shall be substituted, namely: -

“(a) in case of listed company, to a penalty of level 3 on the standard scale; and”.

121. Amendment of section 209, Act XIX of 2017. – In the said Act, in section 209, in sub-section (3), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that every company shall, from the date notified by the Commission, also keep the register specified in sub-section (1) in electronic form.”.

122. Amendment of section 210, Act XIX of 2017. – In the said Act, in section 210, -

- (a) in sub-section (1), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that every company shall, from the date notified by the Commission, keep the required documents as specified in sub-section (1) in electronic form.”;

- (b) after sub-section (2), the following new sub-section shall be inserted, namely: -

“(2A) Notwithstanding anything contained in this section, a single member company and a private company, not being a public interest company or subsidiary of a listed company, may provide their own mechanism in its articles.”; and

- (c) sub-section (4) shall be omitted.

123. Omission of section 215, Act XIX of 2017. – In the said Act, section 215 shall be omitted.

124. Amendment of section 220, Act XIX of 2017. – In the said Act, in section 220, -

- (a) in sub-section (1), in first the proviso, after the words “in the case of a company”, the words “or class of companies” shall be inserted;
- (b) in sub-section (5), after the expression “preceding a financial year,”, the expression “in physical form and in electronic form for such period as may be specified,” shall be inserted;
- (c) for sub-section (6), the following shall be substituted, namely: -

“(6) If a company fails to comply with any of the requirements of this section, every director, including chief executive

and chief financial officer, of the company who has by his act or omission been the cause of such default shall be liable —

- (a) in case of public interest company, to a penalty of level 3 on the standard scale; and
- (b) in case of any other company, to a penalty of level 2 on the standard scale.”; and
- (d) after sub-section (6), substituted as aforesaid, the following new sub-section shall be inserted, namely: -

“(6A) Where the books of account maintained under this section are false or incorrect in any material particular, the directors and other officers of the company shall be liable to punishment provided in section 496.”.

125. Amendment of section 221, Act XIX of 2017. – In the said Act, in section 221, -

- (a) for sub-section (1), the following shall be substituted, namely:-

“(1) Where the Commission has reasonable grounds that a company is not in compliance with this Act or the rules or regulations made thereunder, it may, after recording reasons in writing and providing the same to the company, inspect books of account and books and papers and other documents relating to the company.

(1A) The books of account and books and papers of every such company shall be open to inspection by any officer authorized by the Commission in this behalf.”; and

- (b) in sub-section (2), for the word “specify”, occurring at the end, the word “require” shall be substituted.

126. Amendment of section 223, Act XIX of 2017. – In the said Act, in section 223, -

- (a) in sub-section (5), for the proviso, the following shall be substituted, namely: -

“Provided that this sub-section shall not apply to a -

(a) single member company;

(b) private company, not being a public interest company or subsidiary of a listed company,

having such paid-up capital, turnover, net assets, number of employees or class of companies as may be notified by the Commission.”;

(b) for sub-section (6), the following shall be substituted, namely: -

“(6) Every company shall send, in the form and manner as may be specified, audited financial statements together with the auditors’ report, directors’ report and in the case of a listed company the chairman’s review report to every member of the company and every person who is entitled to receive notice of general meeting, either by post or such electronic means, as may be specified, within such notice period as provided under section 132, before the date of meeting at which it is to be laid before the members of the company and shall keep a copy at the registered office of the company for inspection of the members.”; and

(c) in sub-section (7), -

(i) for the words “three copies and”, the word “or” shall be substituted; and

(ii) for the expression “each of the Commission,” the word “the” shall be substituted.

127. Amendment of section 226, Act XIX of 2017. – In the said Act, in section 226, in sub-section (1), for the proviso, the following shall be substituted, namely: -

“Provided that this sub-section shall not apply to a-

(a) single member company; and

(b) private company, not being a public interest company or subsidiary of a listed company,

having such paid-up capital, turnover, net assets, number of employees or class of companies as may be notified by the Commission.”.

128. Amendment of section 228, Act XIX of 2017. – In the said Act, in section 228, in sub-section (1), for the proviso, the following shall be substituted, namely: -

“Provided that this sub-section shall not apply to a-

- (a) single member company; and
- (b) private company, not being a public interest company or subsidiary of a listed company,

having such paid-up capital, turnover, net assets, number of employees or class of companies as may be notified by the Commission.”.

129. Omission of section 229, Act XIX of 2017. – In the said Act, section 229 shall be omitted.

130. Amendment of section 233, Act XIX of 2017. – In the said Act, in section 233, for sub-section (3), the following shall be substituted, namely: -

“(3) Nothing in this section shall apply to –

- (a) single member company; and
- (b) private company, not being a public interest company or subsidiary of a listed company,

having such paid-up capital, turnover, net assets, number of employees or class of companies as may be notified by the Commission.”.

131. Amendment of section 235, Act XIX of 2017. – In the said Act, in section 235, in sub-section (1), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that any member of the company may request for providing to him free of cost electronic copy of any financial statement.”.

132. Amendment of section 237, Act XIX of 2017. – In the said Act, in section 237, -

- (a) for the marginal heading and sub-section (1) thereunder, the following shall be substituted, namely:

“237. Interim financial statements and results of listed companies. — (1) Every listed company shall prepare half-yearly financial statements within a period of sixty days from the close of its second quarter of its year of accounts:

Provided that the cumulative figures for the half years shall be subjected to a limited scope review by the statutory auditors of the company in such manner and according to such terms and conditions as may be determined by the Institute of Chartered Accountants of Pakistan within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961) and approved by the Commission:

Provided further that the Commission may require listed companies to prepare financial results or such other information as may be specified.”;

- (b) after sub-section (1), substituted as aforesaid, the following new sub-section shall be inserted, namely: -

“(1A) The Commission may require a listed company to file quarterly financial statements for a period not exceeding two years, if -

- (a) the auditor of such listed company provides a modified opinion or identifies a material uncertainty in the latest financial statements relating to the going concern status; or
- (b) the listed company has, as a result of an investigation, been found engaged in fraudulent accounting or financial reporting.”; and
- (c) in sub-sections (2) and (3), for the word “quarterly”, wherever occurring, the words “half-yearly” shall be substituted.

133. Amendment of section 238, Act XIX of 2017. – In the said Act, in section 238, in sub-section (1), the words “or any class of companies” shall be omitted.

134. Amendment of section 239, Act XIX of 2017. – In the said Act, in section 239, in sub-section (1), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be inserted, namely: -

“Provided that the holders of debentures, including the trustees for holders of debentures, of the company may request for electronic copy of any financial statements of the company and other reports, free of cost.”.

135. Amendment of section 240, Act XIX of 2017. – In the said Act, in section 240, for sub-section (1), the following shall be substituted, namely: -

“(1) The company in general meeting and supported by solvency statement and such terms, conditions and filing of such documents as may be specified, may declare dividends, but no dividend shall exceed the amount recommended by the board.”.

136. Substitution of section 241, Act XIX of 2017. – In the said Act, for section 241, the following shall be substituted, namely: -

“241. Dividend to be paid only out of profit. - Subject to section 240, any dividend may be paid by a company either in cash or in kind out of its profits, including accumulated profits or reserves.

Explanation. — The payment of dividend in kind shall only be in the form of shares of listed company held by the distributing company.”.

137. Amendment of section 243, Act XIX of 2017. – In the said Act, in section 243, in sub-section (2), for the expression “punishable with imprisonment for a term which may extend to two years and with fine which may extend to five million rupees”, the expression “liable to a penalty of level 3 on the standard scale” shall be substituted.

138. Amendment of section 250, Act XIX of 2017. – In the said Act, in section 250, -

(a) for sub-section (1), the following shall be substituted, namely: -

“(1) Where any company or class of companies is required under first proviso to sub-section (1) of section 220 to include in its books of account the particulars referred to therein, the Commission may direct that an audit of cost accounts of such company or class of companies shall be conducted in such manner and with such stipulations as may be specified.”;

- (b) for sub-section (2), the following shall be substituted, namely: -

“(2) The audit of cost accounts referred to in sub-section (1) shall be conducted by an auditor who is a chartered accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961), or a cost and management accountant within the meaning of the Cost and Management Accountants Act, 1966 (XIV of 1966) and such auditor shall have the same powers, duties and liabilities as an auditor of a company and such other powers, duties and liabilities as may be specified.”.

139. Amendment of section 254, Act XIX of 2017. – In the said Act, in section 254, -

- (a) in the marginal heading, after the words “**Power of registrar**”, the words “**or the Commission**” shall be inserted;
- (b) in sub-section (1), -
- (i) after the words “the registrar”, the words “or the Commission” shall be inserted; and
- (ii) after the word “he”, the words “or it” shall be inserted;
- (c) for sub-section (3), the following shall be substituted, namely: -

“(3) If no information, explanation or document is furnished within the time provided or if the information, explanation or document furnished is inadequate, in the opinion of the registrar or the Commission, the registrar or the Commission may if he or it deems fit, by written order, call on the company and any such person as is

referred to in sub-section (1) or (2) to produce before him or it for his or its inspection such books and papers as he or it considers necessary within such time as he or it may specify in the order and it shall be the duty of the company and of such persons to produce such books and papers.”;

- (d) for sub-section (4), the following shall be substituted, namely: -

“(4) If the company or any such person as is referred to in sub-section (1), (2) or (3) refuses or makes default in furnishing any such information or explanation or documents or in producing any such books or papers, the registrar or any other officer having authorization in this behalf may exercise power in accordance with section 255 and in addition, the Commission may also impose penalty or take regulatory action as under, namely: —

- (a) the company shall be liable to a penalty of level 2 on the standard scale; and
- (b) every officer of the company who authorizes or permits, or is a party to, the default shall be liable to a penalty of level 3 on the standard scale.”;

- (e) in sub-section (5), -

- (i) after the words “information or explanation”, the words “or documents” shall be inserted; and
- (ii) after the words “the registrar”, the words “or the Commission” shall be inserted; and

- (f) in sub-section (6), -

- (i) after the word registrar, occurring for the first time, the words “or the Commission” shall be inserted;

- (ii) for the word "specified", the word "provided" shall be substituted; and
- (iii) after the word "registrar", occurring for the third time, the expression "or the Commission, as the case may be," shall be inserted.

140. Amendment of section 256, Act XIX of 2017. – In the said Act, in section 256, in sub-section (1), for the proviso, the following shall be substituted, namely: -

"Provided that nothing in this section shall restrict the right of the Commission to exercise its power under Part VIII of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).".

141. Amendment of section 257, Act XIX of 2017. – In the said Act, in section 257, in sub-section (1), in clause (b), in sub-clause (vii), for the proviso, the following shall be substituted, namely: -

"Provided that nothing in this section shall restrict the right of the Commission to exercise its power under Part VIII of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

Explanation. - For the purposes of this sub-section, the expression "opinion" shall mean the satisfaction of the Commission based on –

- (a) an offsite or onsite examination of the company's financial statements, books of account, or other statutory records;
- (b) a complaint or report received by the Commission from a creditor, member, regulatory authority, or Government agency, which the Commission, after consideration, deems credible and sufficient to warrant investigation; or
- (c) any other information that provides reasonable grounds for believing that circumstances within clause (b) of sub-section (1) may exist."

142. Amendment of section 258, Act XIX of 2017. – In the said Act, in section 258, in sub-section (5), for the expression “Court as mentioned in section 483 of this Act:”, the expression “Commission as mentioned in section 486:” shall be substituted.

143. Amendment of section 279, Act XIX of 2017.– In the said Act, in section 279, in sub-section (4), for the word “memorandum”, the word “articles” and for the words “a memorandum”, the words “an article” shall be substituted.

144. Amendment of section 285, Act XIX of 2017. – In the said Act, in section 285, -

(a) for sub-section (6), the following shall be substituted, namely: -

“(6) The Commission, company or any party may make a reference to the Court for determination of any matter including but not limited to determination of liabilities of the company or incidental thereto as provided under sections 279 to 285, for necessary orders.”; and

(b) for sub-section (8), the following shall be substituted, namely:-

“(8) The Commission may make regulations to carry out the purposes of sections 279 to 285.”.

145. Amendment of section 286, Act XIX of 2017.– In the said Act, in section 286, for the word “memorandum” the word “articles” shall be substituted and the words “memorandum or”, wherever occurring, shall be omitted.

146. Amendment of section 291, Act XIX of 2017.– In the said Act, in section 291, in sub-section (13), the words “memorandum or” shall be omitted.

147. Amendment of section 292, Act XIX of 2017.– In the said Act, in section 292, the words “memorandum or” and the expression “memorandum,”, wherever occurring, shall be omitted.

148. Amendment of section 301, Act XIX of 2017. – In the said Act, in section 301, -

(a) clause (b) shall be omitted;

(b) in clause (g), in sub-clause (v), the words “memorandum or” shall be omitted; and

(c) in *Explanation I*, in clause (b), after the expression “directly or indirectly,”, the words “as may be specified by the Commission” shall be inserted.

149. Amendment of section 304, Act XIX of 2017. – In the said Act, in section 304, in the proviso, in clause (c), for the word “memorandum” the word “articles” shall be substituted.

150. Amendment of section 372, Act XIX of 2017. – In the said Act, in section 372, in sub-section (5), for the proviso, the following shall be substituted, namely: -

“Provided that the company may, by passing special resolution in general meeting and meeting of creditors in case of creditors voluntary winding up, grant extension by thirty days at any time but such extension shall not exceed a period of one hundred and eighty days in all.”.

151. Amendment of section 401, Act XIX of 2017. – In the said Act, in section 401, for sub-section (1), the following shall be substituted, namely: -

“(1) If, where a company is being wound up, it is shown that proper books of account were not kept by the company throughout the period of two years immediately preceding the commencement of the winding up or the period between the incorporation of the company and the commencement of the winding up, whichever is the shorter, every officer of the company who is in default shall, unless he shows that he acted honestly and that in the circumstances in which the business of the company was carried on the default was excusable, be liable -

(a) in case of a listed company, to a penalty of level 3 on the standard scale; and

(b) in case of any other company, to a penalty of level 2 on the standard scale:

Provided that in addition to the above penalties, the Commission may also take regulatory actions as deemed appropriate:

Provided further that where the books of account maintained under this section are false or incorrect in any material particular, the directors and other officers of the company shall be liable to punishment provided in section 496.”.

152. Amendment of section 423, Act XIX of 2017. – In the said Act, in section 423, in sub-section (1), for the expression “section 279 of this Act, and for giving effect to the provisions as to the reduction of the capital and the scheme of reorganisation of a company”, the expression “the relevant sections of this Act” shall be substituted.

153. Amendment of section 424, Act XIX of 2017. – In the said Act, in section 424, in sub-section (7), for the words “imprisonment for a term which may extend to three years”, the words “a punishment provided in section 496” shall be substituted.

154. Amendment of section 425, Act XIX of 2017. – In the said Act, in section 425, in sub-section (7), for the expression “memorandum,” and for the word “memorandum” the word “articles” shall be substituted.

155. Amendment of section 426, Act XIX of 2017. – In the said Act, in section 426, -

- (a) in sub-section (2), the words “in the Official Gazette” shall be omitted;
- (b) for sub-section (3), the following shall be substituted, namely: -

“(3) On expiry of the time mentioned in the notice under sub-section (2), the registrar may, unless any objection to the contrary is received by him, strike off the applicant company from the register and shall serve a notice on the company that it has been dissolved and shall publish that notice as may be specified by the Commission and on such publication the company shall stand dissolved.”.

156. Omission of PART XI, heading and sections 427, 428, 429, 430, 431, 432 and 433, Act XIX of 2017. – In the said Act, the heading “PART XI the heading “WINDING UP OF UNREGISTERED COMPANIES” occurring thereunder, and sections 427, 428, 429, 430, 431, 432 and 433 relating thereto shall be omitted.

157. Amendment of section 454, Act XIX of 2017. – In the said Act, in section 454, in sub-section (1), for the figure “459”, the figure “458” shall be substituted.

158. Amendment of section 458A, Act XIX of 2017. – In the said Act, in section 458A, after clause (g), the following new clause shall be inserted, namely: -

“(ga) review, rationalize and eliminate outdated, redundant or cumbersome regulatory requirements in line with international best practices, to ensure proportional and efficient regulation;”.

159. Amendment of section 465, Act XIX of 2017. – In the said Act, in section 465, for sub-section (4), the following shall be substituted, namely: -

“(4) A company shall, in the manner as may be specified, inform the registrar about any change in its shareholding or membership or voting rights.”.

160. Amendment of section 480, Act XIX of 2017. – In the said Act, in section 480, -

(a) in clause (a), -

(i) for the word “registrar”, the words “Registrar of companies” shall be substituted; and

(ii) after the words “order passed by”, the expression “registrar,” shall be inserted; and

(b) in clause (b), for the word “registrar”, the words “Registrar of companies” shall be substituted.

161. Substitution of section 485, Act XIX of 2017.—In the said Act, for section 485, the following shall be substituted, namely: -

“**485. Recovery of penalty.**— (1) Notwithstanding anything contained in any other law for the time being in force, any sum adjudged or penalty imposed by the Commission or the registrar on the company or an officer thereof in exercise of the powers conferred by this Act or any rules or any regulations made thereunder or directed to be paid, shall be recovered by the Commission and for the recovery of any such amount the Commission may serve upon the company

or, as the case may be, the officer thereof, a copy of a notice requiring it or him to pay the said amount within the time mentioned in the notice.

(2) Where the amount referred to in the notice under sub-section (1) is not paid within the time mentioned in the notice, the Commission may proceed to recover the said amount from the company or the officer thereof, as the case may be, in any one or more of the following manners, namely: -

- (a) attachment of immovable property or sale of any movable property, including bank account of the company or the officer thereof, as the case may be;
- (b) appointment of a receiver for the management of the movable or immovable property of the company or the officer thereof, as the case may be;
- (c) require any of the following, by notice in writing, persons to deduct and pay the sum mentioned in the notice on or before such date as may be so mentioned, namely: -
 - (i) from whom any money is due or may become due to the company or officer thereof, as the case may be;
 - (ii) who holds or controls the receipt or disposal of, or may subsequently hold or control the receipt or disposal of, any money belonging to the company or on account of the company or in respect of the officer thereof, as the case may be; or
 - (iii) who is responsible for the payment of any sum to the company or the officer thereof, as the case may be.

(3) Any bank, receiver, district revenue officer or company or the officer thereof, as the case may be, who has paid any sum in compliance with a notice under sub-section (2) shall be deemed to have paid such sum to the Commission in respect of the company or the officer thereof as the case may be and the receipt of the Commission shall constitute a good and sufficient discharge of the liability

of such bank, receiver, district revenue officer, company or the officer thereof, as the case may be, to the extent of the sum referred to in such receipt.

(4) If any bank, receiver, district revenue officer or company or the officer thereof, as the case may be, on whom a notice is served, fails to attach, receive, recover, deduct and pay, as the case may be, the amount mentioned in the said notice, such bank, receiver, district revenue officer or company or the officer thereof, as the case may be, shall be treated as a defaulter and the amount mentioned in the said notice shall be recoverable from it or him, as the case may be, by the Commission in accordance with the provisions of this Act.

(5) The Commission may by order direct any bank, receiver, district revenue officer or company or the officer thereof, as the case may be, which or who the Commission determines is a defaulter as referred to in sub-section (4), to pay by way of penalty, such sum as mentioned in the order, after giving to the bank, receiver, district revenue officer or company or the officer thereof, as the case may be, an opportunity of being heard.

(6) For the purposes of the recovery of the amount under sub-section (2), the Commission shall have the same powers as are vested in the civil court under the Code of Civil Procedure 1908 (Act V of 1908).

162. Amendment of section 497, Act XIX of 2017. – In the said Act, in section 497, for the words “a memorandum” the words “an article” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Companies Act, 2017 (XIX of 2017) was enacted to modernize Pakistan's corporate legal framework and facilitate corporatization, investment and ease of doing business. In order to further streamline business regulations and improve the regulatory environment, the Government constituted the Cabinet Committee on Regulatory Reforms (CCoRR), which subsequently formed a Sub-Committee comprising representatives from the Board of Investment (BoI), Securities and Exchange Commission of Pakistan (SECP), Ministry of Finance, State Bank of Pakistan, Federal Board of Revenue, and OICCI to review and recommend reforms in the Companies Act, 2017.

The proposed amendments prepared on recommendations of the Committee aim to reduce regulatory burden, simplify compliance requirements, promote digitalization, rationalize approval mechanisms, facilitate investment and entrepreneurship and align Pakistan's corporate framework with international best practices.

The proposed amendments, *inter alia*, seek to enable virtual and hybrid meetings, introduce electronic proxies and digital communication mechanisms, eliminate unnecessary approvals and obsolete requirements, provide compliance relaxations for private and small companies, corporate procedures.

The proposed amendments are expected to improve the ease of doing business, reduce compliance costs and promote a modern, efficient and business-friendly corporate regulatory regime in Pakistan.

This Bill has been designed to achieve the aforesaid objectives.



Senator Muhammad Aurangzeb
Minister for Finance and Revenue