

SECP simplifies format of statutory returns

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From Our Correspondent

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has simplified the format of statutory returns prescribed under the Companies (General Provision and Forms) Rules, 1985, for the convenience of companies incorporated under the Companies Ordinance, 1984.

The returns are used by the companies for making applications and submission of returns to the SECP and the Company Registration Office.

Now, the forms relating to statutory returns have been completely revamped. This is in line with the automation process already adopted by the SECP. It is also for the purpose of the online submission system, targeted for the near future.

It is hoped that the new set of forms would facilitate proper compliance with the statutory requirements and help in maintaining the data of companies. It would thus allow the retrieval of requisite information from the SECP's database in a timely and effective manner.

Four major changes introduced are:

i) Mode of serving notice/documents:

In the past, companies were allowed to send reports/notices/documents to their members through traditional modes of mails i.e. either through registered post or under a certificate of posting.

However, there was a demand from the corporate sector to consider the convenience and promptness of services extended by the courier services. It was asked that comfort of utilisation of courier service should be given legal cover for the company's communication with its shareholders. The recent amendments in the Rules now allow usage of courier facility apart from traditional postal mail.

ii) Documents submitted with the application for alteration in the memorandum:

Amendments have been made in the Rules to simplify, rationalise and streamline the information/documents to be submitted/furnished, respectively with the application for alteration in memorandum so that the SECP may accord its approval at the earliest.

iii) Company representatives in proceeding before the Commission:

Before these amendments, only a chartered accountant, cost and management accountant or an advocate practicing at the level of High Court/Supreme Court could appear in proceedings before the Commission on behalf of the company.

These amendments have expanded the scope of representation and now the chief executive or company secretary or any other person possessing the qualification prescribed by the Commission can appear on behalf of the company in the proceedings before the Commission.

iv) Signatories on the returns submitted with the Commission:

Previously, any director of the company was eligible to sign the returns filed by the companies with the Commission. That, in some cases, resulted in the filing of disputed returns by different directors.

Now, amendments have been made to eliminate possible disputes over the authenticity of returns submitted by the companies. It has been provided that the returns shall only be signed and submitted by the chief executive of the company or its company secretary.