

# AMENDMENTS IN THE COMPANIES' ACT 2017 THROUGH THE COMPANIES (AMENDMENT) ACT, 2021.



## Foreword

This document presents a summary and a comparative matrix of the changes made in the Companies Act, 2017 (**Act, 2017**) through the Companies (Amendment) Act, 2021.

The Companies (Amendment) Act, 2021 has been passed by the National Assembly of Pakistan on June 10<sup>th</sup> 2021 and is yet to be presented before the Senate of Pakistan. For updates in this regard and for a pdf copy of this document please visit our website [hzco.com.pk](http://hzco.com.pk).

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## EXECTUIVE SUMMARY.

1. Definition of Start-up has been added whereby it has been defined as a company in existence for not more than 10 years since the date of incorporation and having a turnover for any of the financial years since incorporation that is not greater than 500 million rupees. Furthermore, a new section has been added which has empowered the Commission to introduce measures to facilitate such startups in the form ease of doing business, reduced compliance requirements etc.
2. The requirement of deposit of subscription money within 30 days has been removed and the Commission is empowered to notify the prescribed manner in this regard. Furthermore, the requirement to report the receipt of subscription money has also been removed.
3. The section relating to requirement of a company to have a common seal has been removed and similarly references to common seal wherever appearing in the Act have also been deleted. Amendment has also been made in Section 62 (Shares certificate to be evidence) owing to omission of requirement of common seal as mentioned, and now signature of authorized officer of the company as may be specified will be enough evidence of the title of the person to such shares who sign a physical certificate.
4. The requirement to enter father's name and/or husband's name (as the case maybe) in the Memorandum, Articles, and in the return to be furnished by foreign companies under section 435, has been removed.
5. Consistent with Circular 11 of 2021 dated March 31, 2021, it has been clarified that private companies may issue shares for consideration other than cash.
6. For further issue of capital under section 83, requirement of circular along with offer letter has been reinstated.

7. A new section, 83A, has been added which addresses Employees' Stock Options whereby a company may, under the authority of special resolution, issue shares in accordance with its articles under employees' stock option the procedure of which will be specified by the Commission.
8. Previously, only listed companies were allowed to buy back its own shares. This prohibition has now been removed and any company, subject to its memorandum and articles may purchase its own shares and in case of shares purchased by an unlisted public company or a private company such shares shall be cancelled and not be held as treasury shares.
9. The prescribed percentage for notice of resolution under section 140 has been reduced from 10% to 5%.
10. Passing of resolution by the directors through circulation under section 179 now requires approval/signature by majority of directors. Previously signatures of all directors was required.
11. The directors' report under section 227(2) in the case of a public company or a private company which is a subsidiary of a public company shall now make disclosure with respect to remuneration package of each of the directors and chief executive including but not limited to salary, benefits, bonuses, stock options, pension and other incentives.
12. Listed companies, under business review, are now required to disclose the legitimate reasons for not declaring dividend under section 240 despite earning profits and future prospects of dividend, if any.
13. Imprisonment for violation of any provision of section 227 (i.e., Contents of directors' report and statement of compliance) has been done away with and replaced with punishment with a penalty of level 2 on the standard scale in respect of listed companies and level 1 on the standard scale for others.
14. Section 234, filing of unaudited financial statements, has been omitted. As such furnishing of unaudited financial statements by private companies, not being a subsidiary of public companies, having the paid-up capital not exceeding 01 million rupees are no longer required to file, with the Commission, unaudited financial statements.
15. A new sub-section 435(4) has been added whereby the registrar shall maintain a register of foreign companies on paper or in any electronic form under this Act in such form and manner as may be specified.

16. A new section 485A, Measures for greater ease of doing business, has now been added. Under this section, the Commission has been empowered to implement measures for providing greater ease of doing business, improving regulatory quality and efficiency and facilitating innovation and the use of technology in conducting business by the corporate sector.

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
<b>2(49)(a)</b>	<p><b>“Private company”</b> means a company which, by its articles-</p> <p>(a) restricts the right to transfer its shares;</p> <p>(b) limits the number of its members to fifty not including persons who are in the employment of the company; and</p> <p>(c) prohibits any invitation to the public to subscribe for the shares, if any, or debentures or redeemable capital of the company:</p> <p>Provided that, where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this definition, be treated as a single member;</p>	<p><b>“Private company”</b> means a company which, by its articles-</p> <p>(a) restricts the right to transfer its shares, <b>save as otherwise provided under this Act</b>;</p> <p>(b) limits the number of its members to fifty not including persons who are in the employment of the company; and</p> <p>(c) prohibits any invitation to the public to subscribe for the shares, if any, or debentures or redeemable capital of the company:</p> <p>Provided that, where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this definition, be treated as a single member;</p>
<b>2(67A)</b>	<p><i><b>New clause is inserted through Companies (Amendment) Act, 2021</b></i></p>	<p><b>“Startup company” means a company that:</b></p> <p><b>(a) is in existence for not more than ten years from the date of its incorporation or such other period or periods as may be specified; and</b></p> <p><b>(b) has a turnover for any of the financial years since incorporation that is not greater than five hundred million rupees or such other amount or amounts as may be specified; and</b></p> <p><b>(c) is working towards the innovation, development or improvement of products or processes or services or is a scalable business model with a high potential of employment generation or</b></p>

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Section #	Prior to Amendment	Post Amendment
		<p style="color: #0056b3;">wealth creation or for such other purposes as may be specified; or</p> <p style="color: #0056b3;">(d) such other companies or classes of companies as may be notified by the Commission:</p> <p style="color: #0056b3;">Provided that a company formed by the splitting up or re-construction of an existing company shall not be considered as a startup company."</p>
<b>6(2)(e)</b>	<p><b>Procedure of the Court and appeal.</b></p> <p>(2) For the purposes of this Act, written submissions shall, inter alia, include-</p> <p>(e) any application for discovery of documents or interim injunction, if required;</p>	<p><b>Procedure of the Court and appeal.</b></p> <p>(2) For the purposes of this Act, written submissions shall, inter alia, include-</p> <p>(e) any application for discovery of documents <span style="color: #0056b3;">or any category or classes of documents</span> or interim injunction, if required;</p>
<b>17(2), 17(3) &amp; 17(4)</b>	<p><b>Effect of memorandum and articles.</b></p> <p>(2) All moneys payable by a subscriber in pursuance of his undertaking in the memorandum of association against the shares subscribed shall be a debt due from him and be payable <span style="color: #e91e63;"><b>in cash within thirty days from the date of incorporation of the company:</b></span></p> <p>Provided that in case the share money is not deposited within the prescribed time, the shares shall be deemed to be cancelled and the name of that subscriber shall be removed</p>	<p><b>Effect of memorandum and articles.</b></p> <p>(2) All moneys payable by a subscriber in pursuance of his undertaking in the memorandum of association against the shares subscribed shall be a debt due from him and be payable <span style="color: #0056b3;"><b>in such time, manner and condition as may be notified by the Commission:</b></span></p> <p>Provided that in case the share money is not deposited within the prescribed time, the shares shall be deemed to be cancelled and the name of that subscriber shall be removed from the</p>

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Section #	Prior to Amendment	Post Amendment
	<p>from the register and the registrar shall give such direction to the company in each case as deemed appropriate for compliance with the provisions of the company law.</p> <p style="color: #E31A1C;"><b>(3) The receipt of subscription money from the subscribers shall be reported by the company to the registrar on a specified form within forty-five days from the date of incorporation of the company, accompanied by a certificate by a practicing chartered accountant or a cost and management accountant verifying receipt of the money so subscribed.</b></p> <p>(4) Any violation of this section shall be an offence liable to a penalty of level 1 on the standard scale.</p>	<p>register and the registrar shall give such direction to the company in each case as deemed appropriate for compliance with the provisions of the company law.</p> <p style="color: #E31A1C;"><b><i>This sub-section is omitted through Companies (Amendment) Act, 2021</i></b></p> <p>(4) Any violation of this section under <b>direction given by the registrar</b> shall be an offence liable to a penalty of level 1 on the standard scale.</p>
18	<p><b>Effect of registration.</b></p> <p>The registration of the company has the following effects, as from the date of incorporation—</p> <p>(b) the body corporate is capable of exercising all the functions of an incorporated <b>company, having perpetual succession and a common seal;</b></p>	<p><b>Effect of registration.</b></p> <p>The registration of the company has the following effects, as from the date of incorporation—</p> <p>(b) the body corporate is capable of exercising all the functions of an incorporated <b>company and having perpetual succession;</b></p>
23	<p><b>Company to have common seal.</b></p> <p style="color: #E31A1C;"><b>(1) Every company shall have a common seal.</b></p> <p style="color: #E31A1C;"><b>(2) A company's common seal must be a seal having the company's name engraved on it in legible form.</b></p>	<p style="color: #E31A1C;"><b><i>This section is omitted through Companies (Amendment) Act, 2021</i></b></p>



**Legend:**

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## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
	<p style="color: #e91e63;">(3) If any of the provision of this section is contravened or an officer of a company or a person on behalf of a company uses or authorizes the use of another seal that purports to be the company's common seal, shall be liable to a Penalty not exceeding of level 1 on the standard scale.</p>	
<b>31(c)</b>	<p><b>Memorandum to be printed, signed and dated.</b> —The memorandum shall be—</p> <p>(c) signed by each subscriber, who shall add his present name in full, his occupation <b>and father's name or, in the case of a married woman or widow, her husband's or deceased husband's name in full, his nationality and his</b> usual residential address and such other particulars as may be specified, in the presence of a witness who shall attest the signature and shall likewise add his particulars;</p>	<p><b>Memorandum to be printed, signed and dated.</b> —The memorandum shall be—</p> <p>(c) signed by each subscriber, who shall add his present name in full, his occupation, <b>nationality</b>, usual residential address and such other particulars as may be specified, in the presence of a witness who shall attest the signature and shall likewise add his particulars;</p>
<b>37(c)</b>	<p><b>Articles to be printed, signed and dated.</b> —The articles shall be—</p> <p>(c) signed by each subscriber, who shall add his present name in full, his occupation <b>and father's name or, in the case of a married woman or widow, her husband's or deceased husband's name in full, his nationality and his</b> usual residential address and such other particulars as may be specified, in the presence of a witness who shall attest the signature and shall likewise add his particulars;</p>	<p><b>Articles to be printed, signed and dated.</b> —The articles shall be—</p> <p>(c) signed by each subscriber, who shall add his present name in full, his occupation, <b>nationality</b>, usual residential address and such other particulars as may be specified, in the presence of a witness who shall attest the signature and shall likewise add his particulars;</p>

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Section #	Prior to Amendment	Post Amendment
<b>62(1)</b>	<p><b>Shares certificate to be evidence.</b> — (1) A certificate, if issued in physical form under <b>common seal of the company or under official seal, which must be facsimile of the company's common seal</b>, or issued in book-entry form, specifying the shares held by any person or shares held in central depository system shall be prima facie evidence of the title of the person to such shares.</p>	<p><b>Shares certificate to be evidence.</b> — (1) A certificate, if issued in physical form under <b>signature of authorized officer of the company as may be specified</b>, or issued in book-entry form, specifying the shares held by any person or shares held in central depository system shall be prima facie evidence of the title of the person to such shares.</p>
<b>83(1)</b>	<p><b>Further issue of capital.</b> — (1) Where the directors decide to increase share capital of the company by issue of <b>further share capital</b>, such shares shall be offered:</p>	<p><b>Further issue of capital.</b> — (1) Where the directors decide to increase share capital of the company by issue of <b>further shares</b>, such shares shall be offered:</p>
<b>83(1)(a)</b>	<p>(a) to persons who, at the date of the offer, are members of the company in proportion to the existing shares held by sending a letter of offer subject to the following conditions, namely—</p>	<p>(a) to persons who, at the date of the offer, are members of the company in proportion to the existing shares held by <b>such members through</b> sending a letter of offer subject to the following conditions, namely—</p>
<b>83(1)(a)(iv)</b>	<p>(iv) if the whole or any part of the shares offered under this section is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit within a period of thirty days from the close of the offer as provided under sub-clause (ii) above or within such extended time not exceeding thirty days with the approval of the Commission: <b>Provided that a public company may reserve a certain percentage of further issue for its employees under</b></p>	<p>(iv) if the whole or any part of the shares offered under this section is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit within a period of thirty days from the close of the offer as provided under sub-clause (ii) above or within such extended time not exceeding thirty days with the approval of the Commission; <i>The proviso has now been omitted</i></p>

**Legend:**

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## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
	<p><b>–Employees Stock Option Schemell to be approved by the Commission in accordance with the procedure and on such conditions as may be specified.</b></p>	
83(1)(b)	<p><b>(b) subject to approval of the Commission, to any person, in the case of public company on the basis of a special resolution either for cash or for a consideration other than cash:</b></p> <p><b>Provided that the value of non-cash asset, service, intellectual property shall be determined by a valuer registered by the Commission.</b></p>	<p><b>(b) in case of public 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:</b></p> <p><b>Provided that the value of any non-cash asset, net worth of undertaking, service, benefit or intellectual property shall be determined by a valuer</b></p>
83(1)(c)	<p><i>New clause is inserted through Companies (Amendment) Act, 2021</i></p>	<p><b>(c) in case of a private company and 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.</b></p>
83(2)	<p>(2) The letter of offer referred to in sub-clause (ii) of clause (a) of subsection (1) duly signed by at least two directors <b>shall be</b> dispatched through registered post or courier or through electronic mode to all the existing members, ensuring that it reaches the members before the commencement of period for the acceptance of offer.</p>	<p>(2) The letter of offer referred to in sub-clause (ii) of clause (a) of subsection (1) <b>shall be</b> duly signed by at least two directors <b>and</b> dispatched through registered post or courier or through electronic mode to all the existing members, ensuring that it reaches the members before the commencement of period for the acceptance of offer.</p>
83(3)	<p><b>(3) A copy of the letter of offer, referred to in sub-section (2) shall, simultaneously with the dispatch to the members, be sent to the registrar.</b></p>	<p><b>(3) The letter of offer, referred to in sub-section (2), shall be accompanied by a circular duly signed by all directors or an officer of the company authorized by them in this behalf on such form as may be specified containing material information about the affairs of the</b></p>

**Legend:**

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## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
		<p style="color: #0056b3;">company, latest statement of the accounts and the necessity for issue of further capital:</p> <p style="color: #0056b3;">Provided that a copy of such circular shall also be filed with the registrar simultaneously at the time it is dispatched to the shareholders.</p>
<b>83(4)</b>	<p>(4) Notwithstanding anything contained in this section, where <b>loan has</b> been obtained from any Government by a public sector company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such loan or any part thereof shall be converted into shares in that company, on such terms and conditions as appear to the Government to be just and reasonable in the circumstances of the case even if the terms of such loan <b>does</b> do not include the option for such conversion.</p>	<p>(4) Notwithstanding anything contained in this section, where <b>any loan or finances have</b> been obtained from any Government by a public sector company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such loan or <b>finances or</b> any part thereof shall be converted into shares in that company, on such terms and conditions as appear to the Government to be just and reasonable in the circumstances of the case even if the terms of such loan <b>or finances</b> do not include the option for such conversion.</p>
<b>83(5)</b>	<p>(5) In determining the terms and conditions of conversion under subsection (4), the Government shall have due regard to the financial position of the public sector company, the terms of the rate of interest payable thereon and such other matters as it may consider necessary.</p>	<p>(5) In determining the terms and conditions of conversion under subsection (4), the Government shall have due regard to the financial position of the public sector company, the terms of the rate of interest <b>or profit</b> payable thereon and such other matters as it may consider necessary.</p>
<b>83A</b>	<p><i>New section is inserted through Companies (Amendment) Act, 2021</i></p>	<p style="color: #0056b3;"><b>Employees' stock options. - Notwithstanding anything contained in section 83 or any other provision of this Act, a company may, under the authority of special resolution, issue shares in accordance with its articles under employees' stock option in accordance with such</b></p>

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
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## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
		procedure and subject to such conditions as may be specified.
86(1)	<p><b>Prohibition of purchase by company or giving of loans by it for purchase of its shares.</b></p> <p style="color: #E31A1C;">(1) No company having a share capital, other than a listed company shall have power to buy its own shares.</p>	<i>This sub-section is omitted through Companies (Amendment) Act, 2021</i>
88(1)	<p><b>Power of a company to purchase its own shares. —</b> (1) Notwithstanding anything contained in this Act or any other law, for the time being in force, or the memorandum and articles, a <b>listed</b> company may, subject to the provisions of this section and the regulations specified in this behalf, purchase its own shares.</p>	<p><b>Power of a company to purchase its own shares. —</b> (1) Notwithstanding anything contained in this Act or any other law, for the time being in force, or the memorandum and articles, a company may, subject to the provisions of this section and the regulations specified in this behalf, purchase its own shares.</p>
88(2)	<p>(2) The shares purchased by the company may, in accordance with the provisions of this section and the regulations, either be cancelled or held as treasury shares.</p>	<p>(2) The shares purchased by the company may, in accordance with the provisions of this section and the regulations, either be cancelled or held as treasury shares:</p> <p style="color: #4F81BD;"><b>Provided that shares purchased by an unlisted public company or a private company shall be cancelled and not be held as treasury shares:</b></p> <p style="color: #4F81BD;"><b>Provided further that cancellation of shares under this section shall not be deemed to be a reduction of share capital within the meaning of section 89 and such shares</b></p>

**Legend:**

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- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
		<b>shall be cancelled in such form and manner as may be specified.</b>
<b>88(9)</b>	(9) The purchase of shares shall be made <b>either through a tender offer or</b> through the securities exchange as may be specified.	(9) The purchase of shares shall be made through the securities exchange as may be specified.
<b>137(3)(b)</b>	<p><b>Proxies. —</b></p> <p>(3) The instrument appointing a proxy shall—</p> <p>(a) be in writing; and</p> <p>(b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, <b>be under its seal or</b> be signed by an officer or an attorney duly authorised by it.</p>	<p><b>Proxies. —</b></p> <p>(3) The instrument appointing a proxy shall—</p> <p>(a) be in writing; and</p> <p>(b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be signed by an officer or an attorney duly authorised by it.</p>
<b>140(2)</b>	<p><b>Notice of resolution. —</b></p> <p>(2) The members having not less than <b>ten</b> percent voting power in the company may give notice of a resolution and such resolution together with the supporting statement, if any, which they propose to be considered at the meeting, shall be forwarded so as to reach the company—</p>	<p><b>Notice of resolution. —</b></p> <p>(2) The members having not less than <b>five</b> percent voting power in the company may give notice of a resolution and such resolution together with the supporting statement, if any, which they propose to be considered at the meeting, shall be forwarded so as to reach the company—</p>

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Section #	Prior to Amendment	Post Amendment
179(1)	<b>Passing of resolution by the directors through circulation.</b> (1) A resolution in writing <b>signed by all</b> the directors or the committee of directors for the time being entitled to receive notice of a meeting of the directors or committee of directors shall be as valid and effectual as if it had been passed at a meeting of the directors or the committee of directors duly convened and held.	<b>Passing of resolution by the directors through circulation.</b> (1) A resolution in writing <b>approved by the majority of</b> the directors or the committee of directors for the time being entitled to receive notice of a meeting of the directors or committee of directors shall be as valid and effectual as if it had been passed at a meeting of the directors or the committee of directors duly convened and held.
179(4)	(4) A directors' agreement to a written resolution, passed by circulation, once <b>signified</b> , may not be revoked.	(4) A directors' agreement to a written resolution, passed by circulation, once <b>approved</b> , may not be revoked.
201(1)(a)	<b>Method of contracting</b> — (1) A contract or other enforceable obligation may be entered into by a company as follows:  (a) an obligation which, if entered into by a natural person, will, by law, be required to be by deed or otherwise in writing, may be entered into on behalf of the company in writing signed under the name of the company by a director, attorney or any other person duly authorised by the board <b>and may affix common seal of the company</b> ;	<b>Method of contracting</b> — (1) A contract or other enforceable obligation may be entered into by a company as follows:  (a) an obligation which, if entered into by a natural person, will, by law, be required to be by deed or otherwise in writing, may be entered into on behalf of the company in writing signed under the name of the company by a director, attorney or any other person duly authorised by the board;
203(1)	<b>Company to have official seal for use abroad</b> — (1) A company <b>that has a common seal</b> may have an official seal for use outside Pakistan	<b>Company to have official seal for use abroad</b> — (1) A company may have an official seal for use outside Pakistan
203(2)	(2) The official seal <b>must be a facsimile of the company's common seal, with the addition on its face of</b> the name of every territory where it is to be used	(2) The official seal <b>must add on the face of it</b> the name of every territory where it is to be used
203(3)	(3) The official seal when duly affixed to a document has the same effect as the company's common seal.	<b><i>This sub-section is omitted through Companies (Amendment) Act, 2021</i></b>

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## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
<b>203(4)</b>	(4) A company having such an official seal may, <b>by writing under its common seal</b> , authorise any person appointed for the purpose in any territory not situate in Pakistan to affix the same to any deed or other document to which the company is party in that territory.	(4) A company having such an official seal may, authorise any person appointed for the purpose in any territory not situate in Pakistan to affix the same to any deed or other document to which the company is party in that territory.
<b>203(7)</b>	(7) A deed or other document to which an official seal is duly affixed shall bind the company <b>as if it had been sealed with the common seal of the company</b> .	(7) A deed or other document to which an official seal is duly affixed shall bind the company.
<b>227(2)(k)</b>	<p><b>Contents of directors' report and statement of compliance —</b></p> <p>(2) In the case of a public company or a private company which is a subsidiary of a public company, the directors report, in addition to the matters specified in sub-section (1) must state—</p> <p>(k) comments in respect of adequacy internal financial controls;</p>	<p><b>Contents of directors' report and statement of compliance —</b></p> <p>(2) In the case of a public company or a private company which is a subsidiary of a public company, the directors report, in addition to the matters specified in sub-section (1) must state—</p> <p>(k) comments in respect of adequacy <b>of</b> internal financial controls;</p>
<b>227(2)(l)</b>	<p>(2) In the case of a public company or a private company which is a subsidiary of a public company, the directors report, in addition to the matters specified in sub-section (1) must state:</p> <p>(l) any material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report; <b>and</b></p>	<p>(2) In the case of a public company or a private company which is a subsidiary of a public company, the directors report, in addition to the matters specified in sub-section (1) must state:</p> <p>(l) any material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report;</p>



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- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
		(1a) disclosure with respect to remuneration package of each of the directors and chief executive including but not limited to salary, benefits, bonuses, stock options, pension and other incentives; and
227(3)(c), (d) & (e)	<p>(3) In the case of a listed company, the business review must, to the extent necessary for understanding the development, performance or position of the company's business, include—</p> <p>(c) the activities undertaken by the company with regard to corporate social responsibility during the year; <b>and</b></p> <p>(d) directors' responsibility in respect of adequacy of internal financial controls as may be specified.</p> <p><i><b>New clause (e) is inserted through Companies (Amendment) Act, 2021</b></i></p>	<p>(3) In the case of a listed company, the business review must, to the extent necessary for understanding the development, performance or position of the company's business, include—</p> <p>(c) the activities undertaken by the company with regard to corporate social responsibility during the year;</p> <p>(d) directors' responsibility in respect of adequacy of internal financial controls as may be specified; <b>and</b></p> <p style="color: #0056b3;">(e) the legitimate reasons for not declaring dividend under section 240 despite earning profits and future prospects of dividend, if any.</p>
227(6)	<p>(6) Whoever contravenes any of the provisions of this section shall—</p> <p style="color: #ff0000;"><b>(a) in respect of a listed company, be punishable with imprisonment for a term which may extend to two years and with fine may extend to five hundred thousand rupees and with a further fine which may extend to ten thousand rupees for every day after the first during which the default continues; and</b></p> <p style="color: #ff0000;"><b>(b) in respect of any other company, be punishable with imprisonment for a term which may extend to one year</b></p>	<p>(6) Whoever contravenes any of the provisions of this section shall—</p> <p style="color: #0056b3;"><b>(a) in respect of a listed company, be punishable with a penalty of level 2 on the standard scale; and</b></p> <p style="color: #0056b3;"><b>(b) in respect of any other company, be punishable with a penalty of level 1 on the standard scale.</b></p>

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
	and with fine which may extend to one hundred thousand rupees.	
234	<p><b>Filing of unaudited financial statements. — (1) A private company, not being a subsidiary of public company, having the paid-up capital not exceeding one million rupees or such other amount of paid-up capital as may be notified by the Commission, shall file the duly authenticated financial statements, whether audited or not, with the registrar within thirty days from the holding of such meeting.</b></p> <p><b>(2) Any contravention or default in complying with requirement of this section shall be an offence liable to a penalty of level 1 on the standard scale.</b></p>	<p><i>This section is omitted through Companies (Amendment) Act, 2021</i></p>
287(a)	<p><b>Powers of Court under section 286.—</b>Without prejudice to the generality of the powers of the Court under section 286, an order under that section may provide for—</p> <p><b>(a) the termination, setting aside or modification of any agreement, however arrived at between the company and any director, including the chief executive or other officer, upon such terms and conditions as may, in the opinion of the Court be just and equitable in all the circumstances;</b></p>	<p><b>Powers of Court under section 286.—</b>Without prejudice to the generality of the powers of the Court under section 286, an order under that section may provide for—</p> <p><b>(a) the termination, setting aside or modification of any agreement or award compensation, however arrived including but not limited to between the company or any other company or any director, including the chief executive or any other officer, wherein the Court concludes that such agreement suffers from conflict of interest on the part of any director or the Board or any such agreement or contract is prejudicial to the interest of members upon such terms and conditions as may, in the opinion of the Court, be just and equitable in all the circumstances;</b></p>

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
<b>337(1)(b)</b>	<p><b>Powers and duties of official liquidator.</b> — (1) Subject to directions by the Court, if any, in this regard, the official liquidator, in a winding up of a company, shall have the power—</p> <p>(b) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts and other documents, <b>and for that purpose, to use, when necessary, the company's seal;</b></p>	<p><b>Powers and duties of official liquidator.</b> — (1) Subject to directions by the Court, if any, in this regard, the official liquidator, in a winding up of a company, shall have the power—</p> <p>(b) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts and other documents.</p>
<b>435(1)(d) &amp; (e)</b>	<p><b>Documents to be delivered to registrar by foreign companies.</b>— (1) Every foreign company which, after the commencement of this Act, establishes a place of business in Pakistan shall, within thirty days of the establishment of the place of business or conduct of business activity, deliver to the registrar—</p> <p><b>(d) a return showing the full present and former names and surnames, father's name or, in the case of a married woman or widow, the name of her husband or deceased husband, present and former nationality, designation and full address in Pakistan of the principal officer of the company in Pakistan by whatever name called;</b></p> <p><b>(e) the full present and former names and surnames, father's name, or, in case of a married woman or widow, the name of her husband or deceased husband, present and former nationality, occupation and full addresses of some one or more persons resident in Pakistan authorised to accept on behalf of the company service of process and any notice or other document required to</b></p>	<p><b>Documents to be delivered to registrar by foreign companies.</b>— (1) Every foreign company which, after the commencement of this Act, establishes a place of business in Pakistan shall, within thirty days of the establishment of the place of business or conduct of business activity, deliver to the registrar—</p> <p><b>(d) a return showing the full present and former names and surnames, present and former nationality, full address in Pakistan and such other particulars, as may be specified, of the principal officer of the company in Pakistan by whatever name called;</b></p> <p><b>(e) the full present and former names and surnames, full addresses and such other particulars as may be specified of some one or more persons resident in Pakistan authorised to accept on behalf of the company service of process and any notice or other document required to be served on the company together with his consent to do so; and</b></p>

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
	be served on the company together with his consent to do so; and	
<b>435(2)(a)</b>	(2) The list referred to in clause (c) of sub-section (1) shall contain the following particulars, that is to say—  (a) with respect to each director—	(2) The list referred to in clause (c) of sub-section (1) shall contain the following particulars, that is to say—  (a) with respect to each director <b>and chief executive</b> —
<b>435(4)</b>	<i>New sub-section is inserted through Companies (Amendment) Act, 2021</i>	<b>(4) The registrar shall maintain a register of foreign companies on paper or in any electronic form under this Act in such form and manner as may be specified.</b>
<b>458A</b>	<i>New section is inserted through Companies (Amendment) Act, 2021</i>	<b>458A. Measures for greater ease of doing business. –  Notwithstanding anything contained in this Act or in any other law for the time being in force, the Commission may implement measures for providing greater ease of doing business, improving regulatory quality and efficiency and facilitating innovation and the use of technology in conducting business by the corporate sector, including but not limited to-  (a) formalizing existing practices through regulations and implementing other measures for attaining</b>

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
		<p style="color: #4F81BD;">international standards of regulatory quality and efficiency for greater ease of doing business;</p> <p style="color: #4F81BD;">(b) specifying modes and procedures for enabling greater ease of entry into and exit from the market to startup companies;</p> <p style="color: #4F81BD;">(c) constituting special task groups from the corporate sector for encouraging the use of financial technology in the conduct of business;</p> <p style="color: #4F81BD;">(d) creating environments for testing and examining the impact of innovation, new processes or technologies outside the existing regulatory framework including but not limited to crowdfunding, digital assets, open application programming interface (APIs), smart contracts, cloud-based solutions and allowing the establishment and use of regulatory sandboxes;</p> <p style="color: #4F81BD;">(e) encouraging the use of technology for providing and meeting regulatory reporting requirements, risk assessment, customer due diligence, the issuance of suspicious transaction reports, keeping records and such other requirements as may be specified to meet anti money laundering and counter-terrorism financing standards;</p> <p style="color: #4F81BD;">(f) improving regulatory compliance and specifying proportionate data driven standards for the corporate</p>

**Legend:**

- Inserted through Companies (Amendment) Act, 2021
- Deleted through Companies (Amendment) Act, 2021

## COMPARATIVE MATRIX OF AMENDMENTS TO COMPANIES ACT 2017 THROUGH COMPANIES (AMENDMENT) ACT, 2021

Section #	Prior to Amendment	Post Amendment
		<p style="color: #0056b3;">sector to take measures for cyber security, data sovereignty and algorithm supervision;</p> <p style="color: #0056b3;">(g) specifying exemptions and incentives under the prevailing laws with the object of fostering innovation, promoting startups and entrepreneurship ecosystem in line with international best practices;</p> <p style="color: #0056b3;">(h) improving regulatory monitoring, reporting and compliance requirements; and</p> <p style="color: #0056b3;">(i) prescribing such other frameworks as may be notified by the Commission for stimulating innovation and financial inclusion in the conduct of business by the corporate sector through the use of financial technology, regulatory technology and supervisory technology:</p> <p style="color: #0056b3;">Provided that the Commission may take such other measures prior to the issuance of regulations as it may deem fit through guidelines, policy papers, frameworks or any other modes or mechanisms.</p>

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