

PART II

Statutory Notification (S. R. O)

GOVERNMENT OF PAKISTAN

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 8th September, 2014

S.R.O. **787** (I)/2014.- In exercise of the powers conferred by Section 506B read with sub-section (4) of section 233 of the Companies Ordinance, 1984 (XLVII of 1984), (Ordinance) and considering legal recognition of documents in electronic form by the Electronic Transaction Ordinance, 2002 (ETO 2002), the Securities and Exchange Commission of Pakistan (SECP) is pleased to allow companies to circulate annual balance sheet and profit and loss account, auditor's report and directors report etc. (Audited Financial Statements) along with notice of annual general meeting (Notice) to its members through e-mail subject to compliance with the conditions outlined in the notification.

2. Securities and Exchange Commission of Pakistan has considered the following provisions of the ETO 2002 which provide legal recognition to electronic documents and transmission thereof through electronic mode;

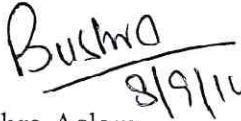
- (i) **Section 2(1)(m) "electronic document"** includes documents, records, information, communications or transactions in electronic form;
- (ii) **Section 3: Legal recognition of electronic forms.**—No document, record, information, communication or transaction shall be denied legal recognition, admissibility, effect, validity, proof or enforceability on the ground that it is in electronic form and has not been attested by any witness; and
- (iii) **Section 4: Requirement for writing.**—The requirement under any law for any document, record, information, communication or transaction to be in written form shall be deemed satisfied where the document, record, information, communication or transaction is in electronic form, if the same is accessible so as to be usable for subsequent reference.

3. Considering the aforesaid provisions of the ETO 2002 and in order to facilitate companies to use a cost effective way of circulation of Audited Financial Statements it is hereby notified that transmission of Audited Financial Statements along with Notice to members through e-mail shall be considered compliance with relevant requirements of sections 50, 158 and 233 of the Ordinance subject to following conditions;

- (i) The company shall obtain prior written consent and e-mail addresses of its members who opt to receive Audited Financial Statements and Notice through e-mail;
- (ii) For the convenience of its members the company shall place on its website a Standard Request Form that members may use to communicate their e-mail address and consent for electronic transmission of Audited Financial Statements and Notice, along with postal and e-mail address of Company Secretary/Share Registrar to whom such requests shall be sent;
- (iii) e-mail addresses of such members shall be recorded in member's register maintained under Section 147 of the Ordinance;
- (iv) It will be the responsibility of members to communicate any change in their registered e-mail address in timely manner;
- (v) In case any member, who has provided consent to receive Audited Financial Statements and Notice through e-mail, subsequently requests for hard copy of Audited Financial Statements the same shall be provided free of cost within seven days of receipt of such request;
- (vi) The company shall remain liable to send Audited Financial Statements and Notice through registered post/courier to those members who do not opt for electronic transmission thereof;
- (vii) The Company shall ensure the security/authenticity of the information so transmitted to the members through email.

This directive shall be effective from financial years ending on or after June 30, 2014.

[No. EMD/Misc/D-I/2005]


8/9/14
Bushra Aslam
Secretary to the Commission