

Incorporation of corporate restructuring co. Minimum amount of paid-up capital fixed at Rs500m

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) on Thursday announced that minimum amount of paid-up capital for incorporation of a corporate restructuring company has been fixed at Rs 500 million.

In this regard, the SECP has issued SRO 1566(I)/2019 here on Thursday.

Under the Corporate Restructuring Companies Act, 2016, the corporate restructuring company means a public limited company licensed by the Commission under this Act to carry out the business of acquisition, management, restructuring and resolution of nonperforming assets of financial institutions and restructuring, reorganization, revival and liquidation of commercially or financially distressed companies and their businesses.

According to the SECP, in exercise of the powers conferred by section 17 of the Corporate Restructuring Companies Act, 2016 read with clause (c) of sub-rule (1) of rule 3 of the Corporate Restructuring Companies Rules, 2019, the Commission, in consultation with State Bank of Pakistan (SBP) and after approval of Ministry of Finance, has specified that the minimum amount of paid-up capital for incorporation of a corporate restructuring company is Rs 500 million.

Under the Corporate Restructuring Companies Act, 2016, the SECP is empowered to issue directives, circulars and guidelines from time to time.