
Update on Companies Law

The Companies Ordinance, 2016 (2016 Ordinance) promulgated by the President on November 11, 2016 introduced certain important changes to the corporate law in Pakistan, which were disseminated to you through our publication dated November 17, 2016 titled 'New Company Law in Pakistan' placed on our website at www.pwc.com.pk/en/tax-memorandum/CompaniesOrdinance2016.pdf.

The Senate of Pakistan in its session held on December 15, 2016 passed a resolution (the Resolution) under Article 89(2)(a)(ii) of the Constitution of Pakistan (the Constitution) disapproving the 2016 Ordinance.

The cited article of the Constitution provides that an ordinance promulgated by the president shall be repealed at the earlier of expiration of one hundred and twenty days from its promulgation or upon passing of a resolution by either House disapproving the ordinance.

Accordingly, upon passing of the Resolution, the 2016 Ordinance stands repealed.

The repeal of 2016 Ordinance technically:

- revives the Companies Ordinance, 1984 (1984 Ordinance) which was earlier repealed by the promulgation of 2016 Ordinance, and
- renders all actions initiated under the now repealed 2016 Ordinance, including issue of notices etc., to be of no effect.

We understand that the process of introducing the new act is expected to be undertaken in the Parliament in due course of time.