



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Licensing & Registration Division

Corporate Registry Department

No. SY/SECP/8/13

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Circular No. 21 of 2025

Subject: Company's responsibility under Section 123A of the Companies Act, 2017 read with Regulation 48 of the Companies Regulations, 2024

The Securities and Exchange Commission of Pakistan, in exercise of the powers conferred under Section 510 of the Companies Act, 2017 ("the Act"), issues this circular to promote transparency in the maintenance and reporting of ultimate beneficial owner ("UBO") information of companies incorporated under the Act, including foreign companies as defined under sub-section (35) of Section 2(1) thereof, to prevent the misuse of these entities for money laundering or terrorist financing, and to ensure the availability of adequate, accurate, and up to date UBO information is maintained and made available when required under the applicable laws, by the Securities and Exchange Commission of Pakistan or other authorities empowered to obtain such information.

2. In this regard, attention is invited towards the Section 123A of the Act which requires that "*A company shall maintain information of its ultimate beneficial owners....*" in a manner prescribed under Regulation 48 of the Companies Regulations, 2024 ("the Regulations").

3. Furthermore, explanation provided under Section 123A of the Act, elaborates that "... *every company shall, in such form and manner as may be specified, maintain a register of its ultimate beneficial owners and shall timely record their accurate and updated particulars, including any change therein...*"

4. The circular further clarifies the company's obligation to maintain accurate and up to date UBO Information, and to provide UBO information to any other authority or agency pursuant to the powers to call for information entrusted by law to such authority or agency, and to provide further assistance as and when may be required. Moreover, Companies should also provide UBO information to Financial Institution for the purpose of establishing and maintaining business relationship with respective Financial Institution.

5. In order to maintain adequate, accurate and up to date information, companies are required to hold and verify UBO information as elaborated below:

Requirement	Relevant Provision	Explanation
Maintenance of Ultimate Beneficial Owners Register (UBO-Register)	Section 123A(2) of the Act.	The information in the UBO-Register shall be adequate and sufficient to identify the natural person(s) who are the beneficial owner(s), as well as the means and mechanisms through which they exercise beneficial ownership or control. The information listed in Form-16 of the Regulations constitutes the minimum data required for identification purposes. Companies may, on a case-to-case basis, collect additional information necessary to ensure comprehensive identification of UBO in compliance with Section 123A of the Act and Regulation 48 of the Regulations and Form-16 thereof. In order to identify UBO, companies may obtain further details in case of indirect relationship with UBO as following: Indirect ownership *: All general information as mentioned in Form-16, along with particulars of all legal owners through which the company is effectively controlled or owned (twenty five percent or more) through chain of ownership, shall be obtained by the company from every member along with Form-17. (i) Name and types of members of the company (ii) Country of registration/incorporation of member(s) along with incorporation details (iii) Registered addresses of member(s) It includes effective control over the company. Joint control arrangements **. All general information as mentioned in Form-16, along with nature of relationship between the UBOs involved in joint control arrangements, through close relatives, family and friends and other associated persons, shall be obtained by the company from every member along with Form-17. Control through agreement. All general information as mentioned in Form-16, along with nature and details of agreement(s) which provides effective control of the company to UBO

		shall be obtained by the company for every member along with Form-17 shall be obtained by the company from every member along with Form-17. Control through personal and family connection. All general information as mentioned in Form-16, along with nature and details personal and family connection which provide effective control to UBO shall be obtained by the company from every member along with Form-17. Control through senior managerial position. All general information as mentioned in Form-16, along with date of acquisition of senior management position in the company and nature of control which could be exercised by the senior management shall be obtained by the company from every member along with Form-17. Companies should report to the Registrar any instances in which shareholders are unwilling or reluctant to provide the required information.
Accurate information	Section 123A of the Act read with Regulation 48, of the Regulations	Companies are required to verify the information submitted by members and subscribers in compliance with Regulations 48 (Form 17 and Form 18) and Regulation 13, respectively. Accurate information refers to data that has been verified by the company to confirm its correctness. Verification involves a series of checks and processes that the company should implement at various stages to ensure the accuracy of the beneficial ownership data. This verification process involves reviewing the documents submitted and validating the identity and status of the beneficial owner using reliable, independently sourced documents, data, or information. Verification measures adopted by the companies may comprise the following two components: a) Verification of identity: Appropriate steps should be taken to verify the identity of any natural person(s) recorded as a beneficial owner.

	b) Verification of status: Appropriate steps should be taken to verify the basis of identification of a person as a beneficial owner. <u>Verification of identity</u> To verify a beneficial owner's identity, steps should be taken to ensure the individual exists and matches their claimed identity, such as reviewing government-issued documents like CNIC/NICOPs passports or driver's licenses. If there's suspicion of falsified or stolen identity, further checks should be conducted, possibly through use of NADRA (i.e., E-Verisys). Verification of status: The tax returns, where applicable, of the individuals identified as potential BOs should be collected and verified for the purpose of confirming the information provided and ensuring transparency. A risk-based approach be adopted in case of companies with complex structures across multiple jurisdictions, the existence of nominee directors or shareholders. In lower-risk cases, simplified verification may be applied. Identity information should be updated if documents expire or nationality changes. <u>Verification of status</u> For this verification, companies may utilize various available means, including open-source information such as tax profiles (e.g., online tax profile or active tax payer list available at "https://iris.fbr.gov.pk/#verifications"), social media profiles (e.g., Facebook, LinkedIn, Instagram), and information related to business and professional activities (e.g., online review of business activities). Companies may cross-verify the provided information through emails or letters and may conduct interviews if any suspicions arise during the identity or status verification process. For instance, cell phone ownership can be verified online through various websites, such as www.simdetails.com.
Updated information	Up-to-date' means the most recent and accurate information available, reflecting the current status and circumstances. Companies must have mechanism to ensure that UBO-information is as current as possible, and is

		updated within a reasonable period (e.g., within one month), following any change or the identification of outdated information.
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*Indirect means exercise of control through means other than direct means, and include but are not limited to means of control through (i) chain of ownership, (ii) joint control arrangements, (iii) agreements, (iv) personal or family connections; or (v) senior managerial position.

Indirect control may be achieved by agreement(s) which includes any arrangement whether or not it is in writing.

**Joint control arrangements mean a situation where two or more natural or legal persons, each having ownership or voting rights of less than twenty-five percent, but their aggregate ownership or voting rights is twenty-five or more in a company and exercise or may exercise control over that company by virtue of being associates of each other in terms of sub-section 4 of Section 2(1) of the Companies Act, 2017.

6. This circular is being issued for information and compliance.



Shahzad Afzal Khan
Registrar of Companies

Distribution to:

1. Companies through e-mails
2. The Institute of Chartered Accountants of Pakistan, Karachi
3. The Institute of Cost and Management Accountants of Pakistan, Karachi
4. The Institute of Corporate Secretaries of Pakistan, Karachi
5. Federation of Pakistan Chambers of Commerce & Industry
6. All Company registry offices
7. SECP website for information
8. Office copy