



THE INVESTMENT CORPORATION OF PAKISTAN ORDINANCE, 1966



CONTENTS

1	Short title, extent and commencement.
2	Definitions.
3	Establishment and incorporation.
4	Share capital.
5	Shares deemed to be securities under certain Acts.
6	Numbering of shares.
7	Register of shareholders.
8	Qualification of shareholders.
9	Notice regarding trust.
10	Officers, branches, etc.
11	Direction and superintendence.
12	Board.
13	Chairman.
14	Managing Director.
15	Qualifications and disqualifications of Directors.
16	Executive Committee.
17	Annual general meetings and special meetings of the shareholders.
18	Meeting of the Board and the Executive Committee.
19	Fees for attending meetings.
20	Appointment of officers, advisers, etc.
21	Declaration of fidelity and secrecy.
22	Indemnity of Directors.
23	Business which the Corporation is authorised to transact.
24	Borrowing powers.
25	Special powers.
26	Power to impose conditions.
27	Disposal of profit.
28	Auditors.
29	Return.

- 30 Power to call for payment before agreed period.
- 31 Recovery of Corporations dues.
- 32 Delegation of powers.
- 33 Offences.
- 34 Liquidation of Corporation.
- 35 Power of Federal Government to make rules.
- 36 Power of the Board to make regulations.

THE SCHEDULE.

THE INVESTMENT CORPORATION OF PAKISTAN ORDINANCE, 1966

¹ORDINANCE NO. IV OF 1966

[19th February, 1966]

An Ordinance to establish an Investment Corporation in Pakistan

PREAMBLE

WHEREAS it is expedient to establish an Investment Corporation to encourage and broaden the base of investments and develop the capital market in Pakistan and to provide for all matters connected therewith;

AND WHEREAS the National Assembly is not in session and the President is satisfied that circumstances exist which render immediate legislation necessary;

NOW, THEREFORE, in exercise of the powers conferred on him by clause (1) of Article 29 of the Constitution, and all other powers enabling him in that behalf, the President of Pakistan is pleased to make and promulgate the following Ordinance:—

1. Short title, extent and commencement.—(1) This Ordinance may be called the Investment Corporation of Pakistan Ordinance, 1966.

(2) It shall extend to the whole of Pakistan and shall also apply to the business of the Corporation transacted outside Pakistan.

(3) It shall come into force at once.

2. Definitions. In this Ordinance, unless there is anything repugnant in the subject or context—

(a) “advance” means a loan for purposes of investment;

(b) “Board” means the Board of Directors of the Corporation ;

(c) “bond” means a bond of any description issued by any institution or by the ²[Federal Government] or a Provincial Government ;

(d) “Chairman” means the Chairman of the Board ;

(e) “company” means a company as defined in section 2 (2) of the Companies Act, 1913 (VII of 1913), and includes a body corporate established or incorporated under any other law for the time being in force in Pakistan;

¹ Approved by the National Assembly of Pakistan on the 16th March, 1966, see *Gaz. of P., 1965, Ext., p. 137.*

² Subs. by F.A.O., 1975, Art. 2 and Table for “Central Government”.

- (f) “constituent institution” means any scheduled bank or other investing institution which becomes a shareholder of the Corporation with the approval of the ¹[Federal Government];
- (g) “Corporation” means the Investment Corporation of Pakistan established under this Ordinance;
- (h) “debenture” means debenture issued by any company or institution in Pakistan in accordance with the rules for the time being applicable to the issue of debentures and includes debenture stock ;
- (i) “Deposit Account” means an account maintained by the Corporation of the cash deposits made with it for purposes of investment;
- (j) “Director” means a Director of the Corporation;
- ²[(jj) “ICP Mutual Funds” means Mutual Funds from time to time constituted, issued and managed by the Corporation, whether directly or through a subsidiary company or agency set-up by it or by any other entity or person qualified to manage Mutual Funds to whom the right to manage the Mutual Funds has been assigned by the Corporation, whether under its trusteeship or any other entity appointed or approved by it operating under any law for the time being in force and the rules or regulations made thereunder]
- (k) “institution” means an organisation established under any law for the time being in force in Pakistan for the promotion of some public object ;
- (l) “investment” means investment in the equity or debentures and other securities of any company or institution ;
- (m) “Managing Director” means the Managing Director of the Corporation and includes any person for the time being authorised to discharge the functions of the Managing Director ;
- (n) “prescribed” means prescribed by rules ;
- (o) “prospectus” means a prospectus as defined in clause (14) of section 2 of the Companies Act, 1913 (VII of 1913);
- (p) “regulations” means regulations made under this Ordinance ;
- (q) “rule” means a rule made under this Ordinance ;
- (r) “scheduled bank” has the same meaning as is assigned to it in the State Bank of Pakistan Act, 1956 (XXXIII of 1956);

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

² Subs. by Act 4 of 1999, s.9.

- (s) “securities” include any note, stock, bond, debenture, evidence of indebtedness, transferable share, investment contract, certificate of deposit for a security, a certificate of interest or participation in any profit sharing agreement ;
- (t) “share” means share of any joint stock company registered in Pakistan ;
- (u) “State Bank” means the State Bank of Pakistan ;
- (v) “underwriting” means contracting, with or without conditions, to purchase or subscribe for stocks, shares, bonds, debentures or other securities issued by any company or institution with a view to holding, selling or distributing the whole or part thereof.

3. Establishment and incorporation.—(1) As soon as may be after the coming into force of this Ordinance, the ¹[Federal Government] shall establish, by notification in the official Gazette, a Corporation to be called the Investment Corporation of Pakistan for the purposes of this Ordinance.

(2) The Corporation shall be a body corporate by the name of the Investment Corporation of Pakistan, having perpetual succession and a common seal, with power, subject to the provisions of this Ordinance, to acquire, hold and dispose of any property and shall, by the said name, sue and be sued.

(3) The Corporation shall not be deemed to be a banking company within the meaning of the Banking Companies Ordinance, 1962 (LVII of 1962).

4. Share capital.—(1) The authorised share capital of the Corporation shall be twenty crores of rupees divided into twenty lakh ordinary shares of one hundred rupees each.

(2) The paid-up share capital of the Corporation shall, in the first instance, be five crores of rupees fully paid-up, and may, with the approval of the ¹[Federal Government], be increased from time to time.

(3) Shares of the Corporation shall be offered for subscription to the constituent institutions and general public as may be decided by the ¹[Federal Government].

(4) The shares of the Corporation shall be listed on each Stock Exchange in Pakistan as the Board of Directors determines.

5. Shares deemed to be securities under certain Acts. The shares of the Corporation shall be deemed to be included among the securities enumerated in section 20 of the Trust Act, 1882 (II of 1882), and to be approved securities for the purpose of the Insurance Act, 1938 (IV of 1938), and the Banking Companies Ordinance, 1962 (LVII of 1962).

¹ Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.