

CHAPTER 14

16. Payment of Dividend to Non-Resident Shareholders.

(i) Authorized Dealers may allow remittance of dividends to non-resident shareholders/unitholders without the prior approval of the State Bank. For this purpose, the Authorized Dealer shall first complete the designation requirement under Para 7(v) of Chapter 20 of FE Manual.

(ii) Before allowing remittance of dividends, the designated Authorized Dealer must ensure that:

- (a) the shares are held by the non-residents (other than Indian nationals) under the specific and/or general permission of the State Bank and are registered at their foreign addresses,
- (b) the shares in question were not acquired by the non-residents on the basis of their undertaking that they will not claim remittance of dividend and,
- (c) the application for remittance of dividends is net of Pakistan tax liability. The designated Authorized Dealers must also ensure that the auditor's certificate to this effect on the prescribed application (Appendix V-54) is from a well-known firm of auditors.

Note: Subsequent sub-paras starting from 16(iv) to 16(vii) in the existing instructions are renumbered to 16(iii) to 16(vi) without any revisions thereof.

CHAPTER 20

7. Procedures for Registration of Shares/Units.

(v) The company/fund shall request an Authorized Dealer of its choice to act as the designated Authorized Dealer for the purpose of registration of shares/units issued/transferred to non-residents and effecting remittance of dividends/disinvestment proceeds to the non-resident shareholders/unitholders. Authorized Dealer will first process the request for designation as per the Standard Operating Procedures (SOPs) attached as **Appendix-I** of this Chapter. Subsequently, the designated AD shall register the shares/units issued/transferred to non-resident shareholders/unitholders as per the procedure laid down in the said SOPs.

(vi) In case of issue of Government Securities, issue/transfer of debt instruments under paragraph 6 (B) (VII) and 6 (B) (VIII), PRCs along with related documents shall be forwarded, within 60 days of issuance/transfer, through an Authorized Dealer for registration with SBP.

(vii) Subject to observance of the procedures outlined in the SOPs that are attached as Appendix-I of this Chapter, the companies may export the shares/unit certificates registered on repatriable basis through the designated Authorized Dealer to the non-resident shareholders/unitholders. The designated Authorized Dealer shall also allow remittances in respect of the following:-

Note: Instructions contained in the subsequent sub-paras remain unchanged.
