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S. A. SALAM's

Company Law Handbook

03rd Update – October 15, 2022

Please find enclosed **83** updated pages so as to complete and update your copy of the Book. Kindly insert as follows:–

Existing Pages to be removed	**Updated Pages to be inserted**	**Existing Pages to be removed**	**Updated Pages to be inserted**

Company Law Handbook

(1), (2)	(1), (2)
(19), (20)	(19), (20)
(31), (32)	(31), (32)
(39) to (41)	(39) to (41)
155, 156	155, 156
323 to 336	323 to 336(20)
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529, 530	529, 530
535 to 540	535 to 540
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695, 696	695, 696
-	760(3) to 760(12)

Yours sincerely,

Abdul Rab Khan
Manager

Note from the Author

It gives me great pleasure to complete the 3rd update of Company Law Handbook. This update covers:

-SRO's: 1754(I)/2022 & 1828(I)/2022.

These are briefly explained as follows:–

1. On page 323 onwards, a number of amendments have been made in the **Companies (Further Issue of Shares) Regulations, 2020** by SRO 1754(I)/2022 dated September 16, 2022.
2. On page 497 onwards, a number of amendments have been made in the **Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017** by SRO 1828(I)/2022 dated September 30, 2022.
3. On page 760(3) onwards, **SECP Anti-Money Laundering Regulations, 2015** (Reg. 4, 5, 7 & Appendix (I & II) has been added.

Suggestions, comments etc. for improving the book and updating service will be most valuable.

Sheikh Asif Salam
Chartered Accountant

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(2) Where in exercise of its powers granted under sub-section (1) the Commission declares a NBFC or a notified entity as sick, the Commission may, in addition to any other powers specified in section 296,–

(a) make an application to the Court under section 412 or section 413 and the provisions contained in sections 412 to 415 shall, *mutatis mutandis,* apply thereto in all respects; and

(b) make an application to the Court for declaring any preference, made or done by or against the NBFC or the notified entity within twelve months before such NBFC or notified entity is declared sick, as fraudulent as provided in section 408, and the provisions contained in sections 408 and 409 shall *mutatis mutandis* apply thereto in all respects.

(3) Whosoever fails to give effect, or carry out or implement the rehabilitation plan approved by the Commission or any matter provided therein or any direction issued, shall be liable to a fine not exceeding ten million rupees and, in case of a continuing failure, to a further fine not exceeding ten thousand rupees for every day after the first during which the failure or default continues.

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286. Application to Court.- (1) If any member or members holding not less than ten percent of the issued share capital of a company, or a creditor or creditors having interest equivalent in amount to not less than ten percent of the paid up capital of the company, complains, or complain, or the Commission or registrar is of the opinion, that the affairs of the company are being conducted, or are likely to be conducted, in an unlawful or fraudulent manner, or in a manner not provided for in its memorandum, or in a manner oppressive to the members or any of the members or the creditors or any of the creditors or are being conducted in a manner that is unfairly prejudicial to the public interest, such member or members or, the creditor or creditors, as the case may be, the Commission or registrar may make an application to the Court by petition for an order under this section.

(2) If, on any such petition, the Court is of opinion-

(a) that the company's affairs are being conducted, or are likely to be conducted, as aforesaid; and

(b) that to wind-up the company will unfairly prejudice the members or creditors;

the Court may, with a view to bringing to an end the matters complained of, make such order as it thinks fit, whether for regulating the conduct of the company's affairs in future, or for the purchase of the shares of any members of the company by other members of the company or by the company and, in the case of purchase by the company, for, the reduction accordingly of the company's capital, or otherwise.

(3) Where an order under this section makes any alteration in, or addition to, a company's memorandum or articles, then, notwithstanding anything in any other provision of this Act, the company shall not have power without the leave of the Court to make any further alteration in or addition to the memorandum or articles inconsistent with the provisions of the order; and the alterations or additions made by the order shall be of the same effect as if duly made by resolution of the company and the provisions of this Act shall apply to the memorandum or articles as so modified accordingly.

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(4) A copy of any order under this section altering or adding to, or giving leave to alter or add to, a company's memorandum or articles shall, within fourteen days after the making thereof, be delivered by the company to the registrar for registration; and if the company makes default in complying with this sub-section, the company and every officer of the company who is in default shall be liable to a penalty of level 1 on the standard scale.

(5) The provisions of this section shall not prejudice the right of any person to any other remedy or action.

287. Powers of Court under section 286.- Without prejudice to the generality of the powers of the Court under section 286, an order under that section may provide for-

(a) the termination, setting aside or modification of any agreement or award compensation, however arrived including but not limited to between the company or any ot her company or any director, including the chief executive or any other officer, wherein the Court concludes that such agreement suffers from conflict of interest on the part of any director or the Board or any such agreement or contract is prejudicial to the interest of members upon such terms and conditions as may, in the opinion of the Court, be just and equitable in all the circumstances;

(b) setting aside of any transfer, delivery of goods, payment, execution or other transactions not relating to property made or done by or against the company within ninety days before the date of the application which would, if made or done by or against an individual, be deemed in his insolvency to be a fraudulent preference; and

(c) any other matter, including a change in management, for which in the opinion of the Court it is just and equitable that provision should be made.

288. Interim order.- Pending the making by it of a final order under section 286 the Court may, on the application of any party to the proceedings, make such interim order as it thinks fit for regulating the conduct of the company's affairs, upon such terms and conditions as appear to it to be just and equitable.

289. Claim for damages inadmissible.- Where an order of the Court made under section 286 terminates, sets aside, or modifies an arrangement, the order shall not give rise to any claim whatever against the company by any person for damages or for compensation for loss of office or in any other respect, either in pursuance of the agreement or otherwise.

290. Application of certain sections to proceedings under this Part.- In relation to an application under section 286, sections 395 to 400 shall mutatis mutandis apply as they apply in respect of winding up.

291. Management by Administrator.- (1) If at any time a creditor or creditors having interest equivalent in amount not less than sixty percent of the paid up capital of a company, represents or represent to the Commission that-

CLHB 08-15-10-2022

Companies (Further Issue of Shares) Regulations, 2020

S.R.O. 231(I)/2020 dated March 16, 2020.- In exercise of the powers conferred under section 512 read with sections 58, [1][82, 83 and 83A] of the Companies Act 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is pleased to notify the following regulations, the same having been previously published in the official Gazette vide Notification No. S.R.O. 33(I)/2020 dated January 15, 2020, as required under proviso to sub-section (1) of the said section 512, namely:-

Chapter I

Preliminary

1. Short Title and Commencement.- (1) These regulations shall be called the Companies (Further Issue of Shares) Regulations, 2020.

(2) They shall come into force at once except in the case of issues announced on or before the date of these regulations.

(3) These regulations shall apply to the companies issuing further capital by way of:

(i) right shares;

(ii) other than right shares;

(iii) bonus shares;

(iv) employee stock option schemes; and

(v) shares with differential rights including preference shares.

2. Definitions.- (1) In these regulations, unless there is anything repugnant in the subject or context,-

(i) "Act" means the Companies Act, 2017 (XIX of 2017);

[2][(ia) "Application Supported by Blocked Amount "(ASBA)" means an application for subscribing to shares, where money is blocked in the subscriber's respective bank account;]

(ii) "issue of share at discount" means issue of share at a price below face value of such share;

(iii) "further issue of shares" means issue of shares under section 83 of the Act and does not include Initial Public Offer or offer for sale of shares by any person holding shares in listed company or further issue of shares pursuant to any scheme of arrangement including merger, demerger, amalgamation etc.;

(iv) "exercise" means making of an application by an employee to a company for issue of shares against option vested in him in pursuance of a Scheme;

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[1]Substituted for "82 and83" by SRO 1754(I)/2022 dated September 16, 2022.
[2]Clause (ia) inserted by SRO 1754(I)/2022 dated September 16, 2022.

(v) "exercise period" means the time period after vesting within which an employee may exercise his right to apply for shares against an option vested in him in pursuance of the Scheme;

(vi) "exercise price" means the price payable by an employee for exercising an option granted to him in pursuance of the Scheme;

(vii) "initial public offer or IPO" means first time offer of securities to the general public;

(viii) "issue" for the purpose of these regulations, means further issue of shares;

(ix) "issue size" means the total number of shares issued or proposed to be issued by a company;

(x) "issue price" means the price per share at which shares are offered or issued;

(xi) "issue of shares by way of other than right" means issue of shares out of the share capital of a company or body corporate to any person without right offer, either for cash or for consideration otherwise than in cash;

(xii) "market price" for the purpose of a scheme means latest available closing price of the share on a securities exchange on which the shares of the company are listed and where share price is not traded on a given date, then the share price on the last trading day shall be considered;

(xiii) "option" means a right but not an obligation granted to an employee in pursuance of a Scheme to apply for shares of a company at a pre-determined price;

(xiv) "preference shares" mean the shares which carry or would carry such preferential rights or privileges as provided for in the articles of association of the company including but not limited to the following:

(a) carry preferential right over the rights of ordinary shareholders to receive dividend; preference dividend may be cumulative or non-cumulative;

(b) carry preferential right over the rights of ordinary shareholders to participate in profits of company;

(c) carry preferential rights over the rights of ordinary shareholders to be paid in the event of winding up of the issuer; and

(d) voting and non-voting rights

(xv) "right issue" means the shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes ;

(xvi) "scheme" means an Employees Stock Option Scheme (ESOS) approved by the [1][shareholders of the company through special resolution] in accordance with procedure and on conditions specified through these regulations;

(xvii) "schedule" means the schedule appended with these regulations.

(xviii) "vesting" means to give or earn a right to apply for conversion of the options, granted under a scheme, into shares of the company; and

[1]Substituted for "Commission" by SRO 1754(I)/2022 dated September 16, 2022.

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(xix) "vesting period" means the period during which the vesting of an option granted to an employee in pursuance of a scheme takes place.

(2) All terms and expression used but not defined in these regulations shall have the same meaning as assigned to them in the Act, the Securities Act, 2015 (III of 2015) and the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

Chapter II

Right Issue

3. Conditions for right issue.-

[1][**General Conditions**]

(1) Subject to requirements of section 83 of the Act, a listed company issuing right shares shall, comply with the following general conditions, namely.–

(i) board shall approve the decision to increase share capital and the said decision shall be communicated on the same day to the Commission and to the securities exchange for public dissemination;

(ii) Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer;

(iii) the decision of board shall clearly state the following-

(a) quantum of the issue i.e. as percentage of existing paid up capital;

(b) issue size;

(c) issue price;

(d) purpose of the issue;

(e) utilization of the proceeds of the issue;

(f) benefits of the issue to the company and its shareholders;

(g) risks, if any, associated with the issue to which the company and/or its members are exposed to;

(h) justification for issue of shares at, premium or at discount to face value (if applicable);

[2][(i) minimum subscription amount; and

(j) provision of ASBA facility (optional).]

(iv) where announcement of the issue of bonus and right shares is made simultaneously, the resolution of the board shall specify whether such bonus shares qualify for right entitlement or not;

(v) the letter of offer under section 83 of the Act and information specified in Schedule I to these regulations, shall be sent to all the members along with copy of the extract of the resolution of the board's meeting approving the right issue; and

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[1]Inserted by SRO 1754(I)/2022 dated September 16, 2022.
[2]Sub-clauses inserted by SRO 1754(I)/2022 dated September 16, 2022.

(vi) A listed company may issue right shares at face value or at premium to face value provided the directors and substantial shareholders of the company undertake in writing that:

(a) they will subscribe the right shares to be offered to them as per their right entitlement or arrange subscription for the same through other persons; and

(b) the balance of the right issue is underwritten through at least two underwriters, not being associated companies or associated undertakings of the issuer;

Explanation: An underwriter may enter into sub-underwriting arrangement through sub-underwriting agreement in writing provided such sub-underwriter is licensed by the Commission to undertake underwriting of securities.

[1][(vii) in case of a listed company, the letter of offer of right shall be dispatched or credited within the time period as specified by the listing's regulations of the securities exchange;

(viii) a listed issuer shall not be eligible to make a right issue if the issuer at the time of right issuance is placed on Pakistan Stock Exchange (PSX) defaulter counter. Provided that this condition will not be applicable on the companies wherein the purpose of the right issue is repayment of the respective overdues or removing defaults;

(ix) a listed issuer shall not be eligible to make right issue if it is not cooperating in an investigation or inspection ordered by the Commission;

(x) if the whole or any part of the shares offered by the issuer is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit within a period of thirty days from the close of the offer or within such extended time not exceeding thirty days with the approval of the Commission;

(xi) right shares shall only be offered for consideration only in cash;

(xii) right shares shall not be subscribed for consideration of already injected funds in the issuing company by the subscriber either in the form of loan or any other consideration;

(xiii) if the board of directors fail, within extended time, to allot shares or underwriters fail to take up the unsubscribed portion, the unsubscribed right issue will be extinguished. In such cases, in addition to any other action specified under the Act against the board, the underwriter will be barred for three years from underwriting any issue of any listed issuer;

(xiv) subject to compliance with the requirement of section 82 of the Act, a company may issue right shares at a discount to face value: provided that-

[1]Clauses (vii) to (xvii) inserted by SRO 1754(I)/2022 dated September 16, 2022.

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(a) the issue is underwritten in the form and manner as stated in clause (vi) of this sub-regulation; and

(b) appropriate disclosures in line with the size of the issue are made;

(xv) the listed Issuer shall not, at any time changes or deviate from the purpose of utilization of proceeds of right issue earlier disclosed to the members through Schedule 1;

(xvi) in exceptional circumstances, the issuer may change the purpose of proceeds utilization subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in purpose of proceeds utilization;

(xvii) the mechanism for an exit offer opportunity shall be as under-

(a) EOGM notice in respect of any change in the purpose of proceeds utilization of the issue as disclosed in the offer document shall be given along with draft special resolution as required under the provisions of the Act;

(b) subject to approval of special resolution as defined in the Act, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit;

(c) during the exit opportunity, shares shall be purchased by sponsors of the issuer;

(d) purchase price per share shall be average market price of the period between last date of payment against right issuance and the date of passing of special resolution;

(e) the exit offer shall be executed by the sponsors with in a period of thirty (30) days from the date of passing of special resolution.]

[1][(2) In case the right issue size cumulatively during a financial or a calendar year is less than or equal to Rs.750 million or 50% of the paid-up capital of the listed company issuing right shares, whichever is lower, the listed company, in addition to compliance of the general conditions, provided in sub-regulation (1), shall-

(i) simultaneously place Schedule 1 on the website of Securities Exchange along with sending it to all the members with copy of the extract of the resolution of the board's meeting approving the right issue;

(ii) Offer letter dispatched to all shareholders should include the copy of Schedule 1;

(iii) the book closure for the issue shall be made within thirty (30) days from the date of board resolution or within such time period as approved by the Commission;

[1]Sub-regulations (2) & (3) substituted by SRO 1754(I)/2022 dated September 16, 2022.

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(3) In case the right issue size cumulatively during a financial or a calendar year exceeds Rs.750 million or 50% of the paid up capital of the listed company issuing right shares, whichever is higher, the listed company, in addition to compliance of the general conditions, provided in sub-regulation (1), shall comply with the following conditions, namely:-

(i) no company shall issue right exceeding the above referred threshold if the issuing company, its sponsor, promoter, substantial shareholder and directors have overdues or defaults irrespective of the amount appearing in the report obtained from Credit Information Bureau;

(ii) the company shall prepare and its board shall approve the draft offer document in easily understandable English and Urdu language;

(iii) the Offer document shall contain all disclosures, as referred to in Schedule I of these regulations. and such disclosure should be true and adequate and enable the applicants to take an informed investment decision;

(iv) the draft offer document shall be submitted to PSX and the Commission within 45 days of the date of announcement and it shall simultaneously be placed by the listed company on the PSX and company's website. It shall be the discretion of the company and its board to seek public comments on the offering document and in such case, the public can submit its comments within 7 days of placement;

(v) PSX and the Commission shall, within 15 days of the filing of draft offer document, share their observations and changes with the company, if any;

(vi) the board shall ensure that draft offer document is updated in light of the public comments, (if opted for), PSX and the Commission comments/observations, and shall submit final offer letter to PSX within 20 days from the date of comments/ observations, whichever is later. Simultaneously, the Board shall also disclose in tabular form on PSX and company website as per the Schedule II, all the comments received along with the explanations as to how they are addressed;

(vii) the final offer document shall be placed on PSX website along with book closure dates, and relevant right issuance timelines in accordance with Section 83 of the Act;

(viii) the sponsors shall retain their entire shareholding for one year or project completion whichever is later;

(ix) the statutory auditor shall monitor the proceed utilization till 95% of the proceeds are utilized in the manner referred to in the final offer letter, and shall submit half yearly report to the issuer. The issuer will include the report, along with its comments, if any, in its half yearly and annual financial statements.

[1][ ]

[1]Sub-regulation (4) deleted by SRO 1754(I)/2022 dated September 16, 2022.

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(5) Right issue once announced by the board of a listed company shall not be varied, postponed, withdrawn or cancelled [1][except that it will stand extinguished in case it is not completed within the timeline line and manner specified with in these regulations.]

[2][(6) The company can opt for announcing minimum subscription amount being less than the total amount of right announced. In instant scenario, the company in addition to complying with the requirements (as applicable depending upon the size of the right issue) as mentioned in Regulation 3, shall comply with the following conditions,-

(i) minimum subscription amount should not be less than 90% of size of right issue;

(ii) directors/substantial shareholders undertake in writing that they will subscribe the right shares to be offered to them as per their right entitlement to the extent of their proportion of minimum subscription;

(iii) public portion of minimum subscription shall be underwritten by the underwriter, not being associated company or associated undertakings of the issuer;

(iv) right entitlement letter will be traded on PSX, risk and rewards shall be sole liability of the investors.

(7) The company can opt for ASBA facility for receiving of right proceeds and in case the company announces the option of ASBA facility it, in addition to complying with the requirements (as applicable depending upon the size of the right issue) as provided in regulation 3, shall also comply with the following conditions,-

(i) the company or banker to the issue, upon receipt of instructions from the subscriber, immediately block the subscription money in respective account of the subscriber;

(ii) in case of subscribers other than ASBA, if the company fails to refund the subscription amount within 15 days, it shall be liable to pay penalty of 15% per annum to the subscriber along with the subscription amount.]

Chapter III

Bonus Issue

4. Conditions for bonus issue.- (1) A company, in accordance with the provisions of its articles of association, may issue bonus shares subject to the following conditions, namely:-

(i) the issue of bonus shares is approved by the board;

(ii) in case of a listed company, the resolution of board approving to issue bonus shares is communicated to the Commission and the securities exchange on the same day i.e. on the day of the decision;

(2) The decision of the board to issue bonus shares, once announced, shall not be varied, postponed, withdrawn or cancelled.

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[1]Full stop substituted and words inserted by SRO 1754(I)/2022 dated September 16, 2022.
[2]Sub-regulations (6) & (7) inserted by SRO 1754(I)/2022 dated September 16, 2022.

Chapter IV

Issue of Shares by Way of Other than Right Offer

5. Conditions for issue of shares by way of other than right offer.- (1) A public company may issue further shares, by way of other than right, under sub-section (1) of section 83 of the Act subject to the following general conditions, namely.–

(i) the issue is proposed by the board;

(ii) the aforesaid proposal of the board clearly states the following-

(a) proposal of the board to issue shares without right offer is subject to approval of the shareholders and the Commission;

(b) quantum of the issue both in terms of the number of shares and percentage of paid up capital before and after the issue;

(c) issue price per share and justification for the same;

(d) consideration against which shares are proposed to be issued i.e. cash or other than cash;

(e) name of person(s), their brief profile, existing shareholding, if any, in the company, to whom the shares are proposed to be issued;

(f) purpose of the issue;

(g) justification for issue of the shares by way of other than right;

(h) benefits of the issue to the company and its members;

(i) breakup value per share as per the latest available audited and reviewed accounts;

(j) consent of the person(s) to whom the shares are to be issued is(are) obtained;

(k) the proposed new shares shall rank pari passu in all respects with the existing ordinary shares of the company. In case the proposed new shares are different from the issued ordinary shares in any respect, then the board's decision must state the differences in detail

(l) average market price of the share, in case of a listed company, during the last three months preceding the board's decision as well as the latest available market price; and

(m) where shares are proposed to be issued for consideration other than in cash, the value of non-cash assets or services or intangible assets shall be determined by a valuer:

Provided that the valuation shall not be older than six months from the date of submission of the application to the Commission [1][and the valuers must be registered as per the requirements of regulation 8A and 8B of the Companies (Further Issue of Shares) Regulations, 2020].

[1]Full stop substituted and words inserted by SRO 1754(I)/2022 dated September 16, 2022.

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[1][(n) the company shall invite claims, if any, on the non-cash assets through advertisement in the widely circulated newspaper both English and Urdu language clearly mentioning the fact that-

(i) after issuance of shares the title of the assets will be transferred in the name of the issuer; and

(ii) claims must be submitted to the statutory auditors (insert name) within seven (7) days of the date of advertisement;

(o) the company shall intimate the Commission, at the time of seeking approval, confirming details of claims received and settled as referred in sub-clause (n) verified through its statutory auditor along with an affidavit that the information is correct to the best of their knowledge;

(p) non-cash assets shall be transferred in the name of issuer within sixty (60) days of the date of approval by the Commission or within such extended time not exceeding 30 days with the approval of the Commission;

(q) the shares shall be issued only in the book entry form within 60 days from the date of approval by the Commission;

(r) the issuer shall intimate the Commission and the securities exchange about issuance of the shares within seven days of the issuance;

(s) the sponsors shall retain their shareholding arising as a result of subject issuance for at least twelve months; and at least twenty five percent of their shareholding for the next two years;

(t) the persons other than sponsors, shall retain their shareholding arising as a result of subject issuance from the date of their issuance as follows-

(i) for a period of one year, in case such shareholding is not more than ten percent (10%) of the issuer's respective paid up share capital;

(ii) for a period of two years, in case such shareholding is above ten percent (10%) but not more than twenty five percent (25%) of the issuer's respective paid up share capital; and

(iii) for a period of three years, in case such shareholding is above twenty five percent (25%) of the issuer's respective paid up share capital:

Provided that the conditions referred in sub-clauses (s) and (t), shall not be applicable in case where offer price is at premium to the market price of the share of the company and free float of the issuing company is less than 10% of its listed capital;

(u) the person(s) to whom share are being issued shall not have overdues or defaults irrespective of the amount appearing in the report obtained from Credit Information Bureau.]

(2) The aforesaid decision of the board, in case of a listed company shall be communicated to the Commission and the securities exchange on the same day i.e. on the date of the decision of the board.

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[1]Sub-clauses (n) to (u) inserted by SRO 1754(I)/2022 dated September 16, 2022.

Chapter V

Classes and Kinds of Share Capital

6. Conditions for issuance of shares with different rights.- [1][(1)] A company may issue shares with differential rights under section 58 of the Act subject to compliance with the following conditions, namely-

(i) the issue of shares with different rights is recommended by the board through resolution;

(ii) the decision of the board shall, in addition to particulars required under clauses (a) to (g) of regulation 3 (iii), state the following-

(a) description of different kind of shares such as ordinary shares and preference shares;

(b) description of different rights such as different class in each kind, rights and privileges attached to each class or kind of capital;

(c) whether the shares are being issued as right or other than right;

(d) whether the holders of such shares shall be entitled to participate in profits or surplus funds of the company;

(e) whether the holders of such shares shall be entitled to participate in surplus assets and profits of the company on its winding-up which may remain after the ordinary shareholders has been repaid;

(f) whether payment of dividend on preference shares is on cumulative or non-cumulative basis;

(g) in case the shares being issued are convertible into ordinary shares, then mode, mechanism and manner of such conversion;

(h) rights of holders of preference shares regarding dividend, participation in general meetings and voting therein before and after conversion of preference shares into ordinary shares;

(i) in case the shares are partially or wholly redeemable, then mode and manner of redemption;

(j) any other feature as deem appropriate by the board.

(iii) the issue of shares is authorized by a special resolution;

[2][ ]

[3][(iva) Irrespective of the size of the issue, the listed company shall comply with all applicable requirements of Chapter IV of these Regulations and seek approval of the Commission for issuance of such shares offered by way of other than Right;

(ivb) If such shares are being offered by way of Right, then the issuing company shall comply with the requirement as specified in Regulation 3.]

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[1]Renumbered as (1) by SRO 1461(I)/2021 dated November 10, 2021.
[2]Clause (iv) deleted by SRO 1461(I)/2021 dated November 10, 2021.
[3]Sub-clauses (iva) & (ivb) inserted by SRO 1754(I)/2022 dated September 16, 2022.

(v) the company shall not amend, alter, vary or reassess the terms and conditions of such issue without approval of the [1][holders of such shares carrying differential rights];

(vi) in case a company perform an act which is contradictory to the provision to clause (v) above, the Commission may:

(a) direct such company to redeem the entire issue with immediate effect and make full compensation along with interest accrued therein, if any; or

(b) direct such company to convert the entire issue into ordinary shares with immediate effect; or

(c) give direction as deemed appropriate by the Commission through an order after providing the company an opportunity of hearing.

[2][(2) Notwithstanding the requirements of sub-regulation (1), a company may convert its ordinary shares into preference shares or convert its shares (of a particular kind) from one class to another, on the basis of a special resolution:

Provided that the rights of holders of such converted shares are provided for in the articles of association of a company:

Provided further that a share that is not a redeemable preference share when issued cannot afterwards be converted into redeemable preference share.]

[3][(3) A listed company, in case of issue of preference shares, by way of other than right offer, in addition to compliance of conditions mentioned at regulation 6 (1) above, is required to submit the following along with the application to the Commission:-

(i) consent of the person(s) to whom the shares are to be issued; and

(ii) terms and conditions of the agreement(s) executed between the company and the preference shareholders.]

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[1]Substituted for "preference shares holders and the Commission" by SRO 1461(I)/2021 dated November 10, 2021.

[2]Sub-regulation (2) inserted by SRO 1461(I)/2021 dated November 10, 2021.

[3]Sub-regulation (3) inserted by SRO 1754(I)/2022 dated September 16, 2022.

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Chapter VI

Employee Stock Option Scheme

7. Condition for issue of Employee Stock Option Scheme.- (1) A public company, may issue shares to employees pursuant to a Scheme under section [1][83A] of the Act, subject to the following conditions-

(i) the articles of association of the company expressly provides and authorizes the offer of scheme;

(ii) the board shall form a compensation committee for administration and superintendence of the scheme provided that the chairman of the compensation committee of listed company shall be an independent director;

(iii) board shall consider and resolve to offer the scheme;

(iv) the aforesaid decision of the board shall provide information required under sub-clause (a) to (f) of clause (ii) of sub-regulation (1) of regulation 5, as applicable;

(v) the offer of scheme is authorized by a special resolution;

Provided that separate special resolution shall be required for the following, where a scheme provides so,-

(a) grant of option to employees of a subsidiary or holding company; and

(b) grant of option to identified employees, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding conversions) of the company at the time of grant of option [2][:]

[2][Provided further that agenda of the EOGM should explicitly provide details of any litigation or legal proceedings in the context of the current or previous ESOS along with management's stance:

Provided further that ESOS by the issuer has to be announced within six months of passing of special resolution, and in case of failure to do so, fresh resolution will be required.]

(vi) In case shares are to be issued at discount to the face value, the company shall also obtain approval of shareholders and the Commission under section 82 of the Act;

(vii) the company and compensation committee shall ensure that its executive directors and employees in senior management shall not participate in the deliberation or discussion of their own allocation of options under the scheme;

[1]Substituted for "83" by SRO 1754(I)/2022 dated September 16, 2022.
[2]Semi-colon substituted and provisos inserted by SRO 1754(I)/2022 dated September 16, 2022.

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(viii) a company shall not vary the terms of a scheme in any manner which may be detrimental to the interests of its employees:

Provided that a company may by special resolution in a general meeting vary the terms of a scheme offered pursuant to an earlier resolution but not yet exercised by its employees provided that such variation is not prejudicial to the interests of the option holders.

(2) There shall be a minimum period of one year between the grant of option and vesting of option.

(3) Where options are granted by a company under its scheme in lieu of options held by the same person under a scheme in another company, which has merged or amalgamated with the first mentioned company, the period during which the options granted by the merging or amalgamating company were held by him shall be adjusted against the minimum vesting period required under these regulations.

(4) A company shall have the freedom to specify the lock-in period for the shares issued pursuant to an exercise of option.

(5) An employee shall not have the right to receive any dividend or to vote or be entitled to rights of members in respect of option granted to him, till shares are issued to such employee on exercise of option.

(6) In case of failure to exercise the option, the options granted shall lapse and such lapsed options may be granted to other employees within a period of thirty days from the date of lapse.

(7) An option granted to an employee shall not be transferable to any other person except to an entitled employee of the company:

Provided that:

(i) in the event of death of an employee while in employment of a company, all options granted to him till the date of his death shall vest in his legal heirs or nominees;

(ii) in case an employee suffers a permanent incapacity while in employment of a company, all options granted to him, as on the date of permanent incapacitation, shall vest in him on that day;

(iii) in the event of resignation or termination of service of an employee, all options not vested as on that day shall expire. Provided, the employee shall, subject to the terms and conditions of the scheme, may be entitled to retain all the vested options.

(8) An option granted to an employee shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

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[1][(9) In case of a listed company, entitlement pool is capped at 10% of the enhanced paid capital of the company in a year; and 25% of the enhanced paid up capital of the company at any point in time.

Explanation:- For the purpose of this regulation, "Entitlement Pool" means number of shares that can be issued under an employee stock option scheme determined by the compensation committee and approved by the shareholders through special resolution.

(10) A listed company may raise its capital through issuance of employee stock option scheme with the approval of the shareholders through special resolution passed in the general meeting.

(11) The listed company shall comply with the requirements envisaged in the Act and file the notice of increase in share capital with the registrar in line with the requirements of the Act.]

8. Scheme offered at the time of public offering.- If any options granted to employees in pursuance of a scheme are outstanding at the time of IPO, the offering document shall disclose number of such outstanding options, exercise price, exercise period and impact on shareholding of the members in case all the outstanding options are exercised.

[1]Sub-regulations (9) to (11) inserted by SRO 1754(I)/2022 dated September 16, 2022.

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[1][Chapter VIA
Registration and Valuation

8A. Registered Valuers. (1) Where valuation is required in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities under the provisions of this Act, the following persons shall be eligible to conduct the requisite valuation:

(a) Consulting Engineers registered with Pakistan Engineering Council;

(b) Practicing chartered accountants having satisfactory Quality Control Review awarded by the Institute of Chartered Accountants of Pakistan; and

(c) any other person as may be notified by the Commission.

(2) The valuers eligible under sub-regulation (1) shall also be deemed to be registered with the Commission and shall be entitled to conduct valuation as required under the Act, subject to fulfillment of the requirements of regulation 8A and 8B.

(3) All such valuers shall continue to be regulated, administered and monitored by the entities in which they are originally registered, and shall comply with all relevant rules, regulations, instructions etc. of such entities in addition to requirements of the Act.

Explanation: This Chapter VI-A shall not be applicable on valuers engaged in valuation of banking transactions, and such valuers shall continue to be regulated under the applicable laws.

8B. Qualification and Experience for Valuation.- (1) Following valuers who are independent shall be eligible to conduct valuation:-

(a) in respect of movable property *i.e.* plant and machinery, immovable property *i.e.* land, building etc., and natural resources & exploration thereof, by a valuer registered with the Pakistan Engineering Council as a Consulting Engineer;

(b) in respect of stocks, shares, debentures, securities, net worth of a company or an undertaking, goodwill and other intangible assets, services, and liabilities, by a valuer who is a practicing-chartered accountant having satisfactory Quality Control Review awarded by the Institute of Chartered Accountants of Pakistan; and

(c) in respect of value of all other assets, not covered in clauses (a) and (b), by a valuer registered with the Pakistan Engineering Council as a consulting engineer, having experience as a valuer of at least five years in the relevant field:

[1]Chapter VIA regulation 8A & 8B inserted by SRO 1461(I)/2021 dated November 10, 2021.

***Explanation*:** To maintain independence and impartiality and to ensure true and fair valuation, the valuer shall not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time before submission of the report.

(2) The valuation shall not be older than six months, or such other time period as may be notified by the Commission, from the date of submission to the registrar pursuant to section 70 of the Act in case of a right issue pursuant to section 83(1)(a) of the Act, and from the date of submission of application to the Commission in case of an issue otherwise than right pursuant to section 83(1)(b) of the Act.

(3) The relevant entity or agency, on its own motion or on the reference by the Commission, may initiate necessary action against the eligible valuers for any misconduct or failure to perform professional duties in accordance with its rules and regulations, and may cancel the registration of such a valuer.

(4) Upon cancellation under sub-regulation (3), such valuer shall be deemed as de-registered and shall not be eligible to conduct any valuation for the purposes of the Act.

[2][**8C. Contents of valuation report**.- (1) In case the shares of a listed company are being issued against properties, building, Plant, equipment, machinery etc. separate valuation of each asset is required and such valuation report shall include,-

(i) affidavit/undertaking from the valuer about title verification and physical existence of the asset;

(ii) in case of Land and building, purchase date, chronological transfer of property along with the value for which transferred, fresh Fard, comparison of at least 3 comparable properties, if any, justification/reasons why they are considered comparable; reasons in case no comparable property is available; NOCs from the Bank to ensure that they are free from encumbrance;

(iii) in case of building, plant, equipment, machinery, purchase date, chronological transfer of the building, plant, equipment, machinery; initial useful life; remaining useful life; in case initial useful lime estimate has been revised (detail and reason of such revision), repair/maintenance cost incurred; in case plant is bought from a foreign supplier, the date when the payment for purchase of plant etc. was made, the date when it reached in the country, reasons of time lag in the purchase payment and arrival date; requisite formal approvals from other regulatory bodies and reference to the record of funding for the purchase in relevant books of accounts; and

(iv) in case shares are being issued against intangible assets and services, the valuation should include affidavit/undertaking from the valuer about title verification of the asset; the methodology used and justification for the same.]

[1]Chapter VIA regulation 8A & 8B inserted by SRO 1461(I)/2021 dated November 10, 2021.
[2]Regulation 8C inserted by SRO 1754(I)/2022 dated September 16, 2022.

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Chapter VII

General Conditions, Reporting and Disclosure Requirements

9. General conditions.- (1) The board shall not decide or recommend increase in capital by way of further issue of shares, beyond the authorized capital as stipulated in the memorandum and articles of association of the company or where resolution to give effect to such increase is passed by the members or to be passed by the members before any such increase.

(2) In case share capital of a company has different classes or kinds having different rights and privileges, this fact shall be distinctly mentioned in the letter of offer in case of right issue and the difference in the rights and privileges of each class of share capital shall be clearly stated in directors' report to members.

10. Reporting.- (1) The company shall, within 30 days from the date of issue of shares, submit a report to the Commission clearly indicating the shares issued to:

(i) directors;

(ii) associated companies;

(iii) other shareholders; and

(iv) persons to whom unsubscribed shares are issued under sub-clause (iv) of clause (a) of sub-section (1) of section 83 of the Act.

(2) After issuance of right shares, the listed entity shall submit to the Commission progress report on utilization of the proceeds of the right issue on quarterly basis containing the following-

(i) item-wise breakup of the proceeds utilized both in terms of amount and percentage of the total allocation made to the relevant item. The breakup must be provided in comparative form with the utilization plan earlier disclosed to the members;

(ii) deviation, if any, from the purpose or use of proceeds earlier disclosed to the members along-with justification for such deviation;

(iii) the progress report shall be continuously submitted till such time the proceeds from the right issue have been fully utilized or the purpose for which the proceeds were raised is achieved.

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Chapter VIII

Miscellaneous

11. Penalty for contravention of Regulations: Whoever fails or refused to comply with, or contravenes any requirements of the regulations shall be punishable with penalty as provided under sub-section (2) of section 512 of the Act.

12. Repeal and Savings.- (1) The Companies (Further Issue of Shares) Regulations, 2018, hereinafter referred to as the repealed regulations shall, upon coming into force of these regulations, stand repealed:

Provided that repeal of the repealed regulations shall not-

(i) revive anything not in force at the time at which the repeal take effect; or

(ii) affect the previous operation of the repealed instruments or anything duly done or suffered thereunder; or

(iii) affect any right, privilege, obligation or liability acquired, accrued or incurred under or in respect of the said repealed regulations; or

(iv) affect any penalty imposed, forfeiture made or punishment incurred in respect of any offence committed against or in violation of the repealed regulations; or

(v) affect any inspection, investigation, prosecution, legal proceeding or remedy in respect of any obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such inspection, investigation, prosecution, legal proceedings or remedy may be made, continued or enforced and any such penalty, forfeiture or punishment may be imposed, as if these regulations has not been notified.

(2) Save as otherwise specifically provided, nothing in these regulations shall affect or deemed to affect any action taken, orders issued, relaxation granted unless withdrawn, fee paid or accrued, resolution passed, direction given under the repealed regulations shall, if in force at the effective date of these regulations and not inconsistent with provision of these regulations, shall continue to be in force and have effect as if it were respectively taken, made, directed, passed, given, executed or issued under these regulations.

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[1][**Schedule I**

The Companies (Further Issue of Shares) Regulations, 2020
Right Share - Offer Document

General Instruction for filling the form:

- All information should be relevant and updated. The source and basis of all statements and claims should be disclosed.
- All blank spaces in the draft offer document shall be filled up with appropriate data before filing the offer document.
- Wherever it is mentioned that details are given elsewhere in the document, the same shall be adequately cross referred by indicating the paragraph, heading and page number.
- There should be no forward-looking statement or estimation that cannot be substantiated.

1. Cover Page:

(i) The following statement should appear on the upper most top in bold capital letters:

"ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (*HEREIN REFERRED TO AS* 'OFFER DOCUMENT') AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS

(ii) Following additional information should also appear on the front page:

This document is issued for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue (size of the issue in Rs.) consisting of new ordinary shares (Number of share) by (name of the issuer). A copy of this document has been registered with the Securities Exchange.

This offer document is valid till……. (60 days from the last day of payment of subscription amount).

(iii) Full name of the Issuer (including previous name, if any) along with logo/monogram, if any, date and place of its incorporation, incorporation number, address of its registered and corporate offices, telephone number, contact person, website address and e-mail address.

(iv) Total issue size (number of shares), offer price, premium/discount if any, total amount to be raised through right issue, proportion of right offer.

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[1]Schedule I substituted by SRO 1754(I)/2022 dated September 16, 2022.

(v) Date of placing offer document on PSX for public comments.

(vi) Date of Final Offer Letter, Date of Book Closure, Subscription amount payment dates, Trading dates for Letter of Rights

(vii) Details of the relevant contact persons

	Name of the Person	Designation	Contact Number	Office Address	Email Id
Authorized Officer of the Issuer					
Underwriter					
Banker to the Issue					

(viii) Website addresses from where the offer document can be downloaded.

2. Inside Cover Page:

The following undertaking by the Issuer:

"WE …….THE CHIEF EXECUTIVE OFFICER AND…CHIEF FINANCIAL OFFICER …CERTIFY THAT;

(i) THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;

(ii) THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;

(iii) THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;

(iv) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND

(v) ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED."

For and on behalf of (… Name of the Issuer…)

……..Sd-……
Name of the Chief Executive Officer

……..Sd-……..
Name of the Chief Financial Officer"

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3. Undertaking by the Board of Directors (Board)

In case of right issue above threshold as specified in Regulations….

WE, THE BOARD _____HEREBY CONFIRM THAT:

(i) ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.

(ii) WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.

(iii) RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.

(iv) THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER ON _____ (I.E. WITHIN 45 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.

(v) PUBLIC COMMENTS WERE SOUGHT FOR A PERIOD OF 7 (SEVEN) WORKING DAYS I.E _____TO _____. (OPTIONAL AND IS THE DISCRETION OF THE COMPANY AND ITS BOARD)

(vi) COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON ……..

(vii) THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE PUBLIC COMMENTS, SECURITIES EXCHANGE AND SECP COMMENTS.

(viii) THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.

(ix) THE FINAL OFFER DOCUMENT WAS PLACED ON SECURITIES EXCHANGE WEBSITE ON _____ ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX & SECP).

(x) THE STATUATORY AUDITOR M/s _____WILL MONITOR THE PROCEED UTILIZATION IF THE ISSUANCE PROCEEDS EXCEED RS.750 MILLION OR 50% OF THE PAID UP CAPITAL OF THE LISTED COMPANY ISSUING RIGHT SHARES, WHICHEVER IS HIGHER.

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(xi) THE ISSUER HAS COMPLIED WITH THE REQUIREMENTS OF SECTION 82 OF THE COMPANIES ACT, 2017 IN CASE OF ISSUANCE OF RIGHT SHARES AT DISCOUNT TO FACE VALUE.

4. DISCLAIMER:

(i) Following disclaimer be included:

- *In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).*
- The Securities Exchange and the SECP disclaims
  - *a. any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.*
  - *b. any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.*
  - *c. any responsibility w.r.t quality of the issue*
- *It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.*

5. Glossary of Technical Terms & Definitions:

All the technical terms and abbreviations used in offer document must be defined in the glossary.

6. Table of Content

7. Salient features of the right issue:

(i) Brief Terms of the Rights Issue:

a)	Description of issue:	
b)	Size of the proposed issue	Rs. _____ divided into _____ of Rs. _____ each
c)	Face value of the share	
d)	Basis of determination of price of the right issue	
e)	Proportion of new issue to existing issued shares with condition, if any	
f)	Date of meeting of board of directors (BoD) wherein the right issue was approved	

g)	Names of directors attending the BoD meeting	
h)	Brief purpose of utilization of right issue proceeds	
i)	Purpose of the Right Issue - Details of the main objects for raising funds through present right issue.	• Total funds required for the project: • percentage of funds financed through the right issue: • percentage of funds financed from other sources, if any; • time of completion of project. • Impact on production capacity
j)	'Minimum level of subscription' (MLS)	-------% The Board shall clearly pronounce the options in case MLS is not achieved.
k)	"Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares	

(ii) Principal Purpose of the Issue and funding arrangements:

A. Details of the principal purpose of the issue.

a. Summary item-wise breakup of the proceeds to be utilized both in terms of amount & %age of total allocation made to the relevant item, along with percentage completion status of the relevant item. Additional information may also be included, as needed, to make the table give complete, concise and clear picture.

B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

a) If purpose of the issue is to finance a project:

Details of:

- Total Cost required for the project;
- Sources of Funding;
- Status of Debt Financing if any;
- Project completion status
- location of the project;
- Working capital requirement of the project: - all details, along with following, as specified in 8(ii)(b) of this schedule be included here.

✓ Basis of estimation of working capital requirement, along with relevant assumptions.

✓ If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same.

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- plant and machinery, technology, process, etc. – all details as specified in 8(ii)(c) of this Schedule be included here;
- land, building – all details as specified in 8(ii)(d) of this Schedule be included here;
- Following information regarding persons or entities with whom any agreement is entered into:
  - ✓ Place of registration and year of incorporation.
  - ✓ Nature of business
  - ✓ paid up share capital.
  - ✓ Net worth
  - ✓ Revenue
  - ✓ general information relevant to the issuer.
- Pre and post expansion production capacity of the Issuer, if applicable.

b) If purpose of the issue is to finance working capital: • Specify activities that are classified as working capital.

- Basis of estimation of working capital requirement, along with relevant assumptions.
- Reasons for raising additional working capital, substantiating the same with relevant facts and figures.
- Total envisaged working capital requirement in a tabular form, the margin money thereof and the portion to be financed by any bank(s) or otherwise.
- Cash Conversion Cycle in Number of days for last three years (days inventory outstanding + days sales outstanding - days payables outstanding)

	years	years	years
Cash Conversion Cycle (in days)			

c) If purposes of the issue is to purchase Plant/ Equipment/ Technology:

- Details shall be given in a tabular form, which shall include the details of the machines required to be bought by the issuer, cost of the machines, name of the suppliers, date of placement of order and the date or expected date of supply, etc.
- The percentage and value terms of plant and machinery delivered
- The percentage and value terms of the plant and machinery for which orders are yet to be placed.

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- If second-hand machinery is bought or proposed to be bought, if any, the issuer shall include valuation report (as envisaged in the Regulations) as part of the disclosure. Information contained herein should include useful life of machines, balance estimated life, performance guarantee etc., impact on production capacity, impact on market share.

✓ purchase date, chronological transfer of the building, plant, equipment, machinery; initial useful life; remaining useful life; in case initial useful lime estimate has been revised (detail and reason of such revision), repair/maintenance cost incurred;

✓ expected working capital expenditure during next 3 years.

- In case plant is bought from a foreign supplier, for both new and second-hand plant & machinery/equipment, the date when the payment for purchase of plant etc. was made, the date when it reached in the country, reasons of time lag in the purchase payment and arrival date; requisite formal approvals from other regulatory bodies; reference to the purchase payment in relevant books of accounts.

d) If the purpose of the issue is to acquire Land:

- location of the land
- area of the land
- estimated cost of the land
- details of whether the land has been acquired by the Issuer
- Title of the land
- Property agent hired for the execution of purchase
- Comparable value of the property in the vicinity.
- If the party from whom land is being acquired is a related party, status be disclosed.
- For related party transaction, rationale as to how the transaction is an arm's length transaction.

e) If the purpose of the issue is to acquire intangible assets:

- Nature of the asset
- Title of the asset
- Estimated cost of the asset
- If the party from whom intangible asset is being acquired is a related party, status be disclosed.

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f) If purpose of the issue is loan/debt repayment:

- details of loan proposed to be repaid such as name of the lender, brief terms and conditions and amount outstanding;
- dates of receipt of loan from directors;
- details whether the loan is pledged against any financing facility
- in case the loan is given by the directors, table containing date of deposit of loan in bank account of the company and subsequent utilization of the same.
- Reasons of issuing right for payment of loan
- Impact of loan repayment on financial position of the company.

g) If purposes of the issue is BMR/investment in greenfield project:

- Details of source of funding.
- Status of debt financing, if any.
- Details regarding financial close of the project.
- Details of letter of credit, if applicable.
- Utilization of the proceeds:
- Breakup of the funds required and funds already deployed
- Working capital requirement of the project:

✓ Basis of estimation of working capital requirement, along with relevant assumptions.

✓ If no working capital is shown as a part of the project for which the issue is being made, the reasons for the same. • Implementation schedule of the project like land acquisition, execution of civil works, installation of plant and machinery, date of trial production, date of commercial production.

- Details regarding implementation of the project.
- Pre and post expansion production capacity of the Issuer, if applicable.

(iii) General Requirements:

a) Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be.

b) Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any, which has already been implemented.

c) Details of all material existing or anticipated transactions in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies.

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(iv) Financial effects arising from right issue

	Measurement Unit	Pre – Issue	Post Issue	Increase in Percentage (%)
Authorized Capital				
Paid-up-Capital				
Net Asset/Breakup value per share				
Gearing Ratio				
Production Capacity				
Market Share				

(v) Total expenses to the issue: (i) bankers' commission (ii) others, if any.

(vi) Details of underwriters:

Name of the Underwriter	Amount Underwritten	Associated Company/Associated Undertaking of the Issuer (YES/NO)

(vii) Commitments from substantial shareholders/directors:

Name of the person	Status (Substantial Shareholder/ Director)	Number of Shares Committed to be Subscribed	Amount Committed to be Subscribed	Shareholding % - pre-issuance	Shareholding % - post issuance

(viii) Fractional shares: Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer;

(ix) Important Dates:

(Name of the Issuer) **Tentative Schedule for Issuance of Letter of Rights** **Book Closure: From dd/mm/yy to dd/mm/yy (both days inclusive)**			
S. No	**Procedure**	**Day**	**Date**
1	Date of credit of unpaid Rights into CDC in Book Entry Form		
2	Dispatch of Letter of Right (LOR) to physical shareholders		
3	Intimation to Stock Exchange for dispatch of physical Letter of Rights		
4	Commencement of trading of unpaid Rights on the Securities Exchange		
5	Last date of trading of letter of Rights		
6	Payment of subscription amount start date		
7	Last date for acceptance of payment		
8	Allotment of shares and credit of Shares into CDS		
9	Date of dispatch of physical shares certificates		

8. Subscription Amount Payment procedure:

(i) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "<Issuer Name> Right Shares Subscription Account" through any of the authorized branches of above mentioned bank(s) on or before dd/mm/yy along with this Right Subscription Request* duly filled in and signed by the subscriber(s).

(ii) Right Subscription Request can be downloaded from ……

(iii) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, (Issuer Name) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.

(iv) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.

(v) The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on dd/mm/yyyy, unless evidence is available that these have been posted before the last date of payment.

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(vi) Payment of the amount indicated above to the issuer's Banker(s) to the issue on or before dd/mm/yyyy shall be treated as acceptance of the Right offer.

(vii) After payment has been received by the Company's banker(s), the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

9. Profile of management and sponsors

(i) Profile of directors (names, executive/ nonexecutive/independent/nominee director and tenure of directorship held)

(ii) other directorships held (provide names of the company(ies))

(iii) Profile of sponsors

(iv) If sponsor is company registered in Pakistan, date of incorporation, names of directors % age of shareholding.

(v) If sponsor is foreign registered company, % age of shareholding, Form 43, form 45 be provided.

10. Financial Details of the Issuer

(i) financial highlights of issuer for last three years

	Audited Account Year	Audited Accounts Year	Audited Accounts Year…
Name of the Statutory Auditor			
Gross Revenue/Sale			
Gross Profit			
Profit before interest & Tax			
Profit after tax			
Net Profit/Loss			
Accumulated Profit/Loss			
Total Assets			
Total Liabilities			
Net Equity			
Break-up value Per Share			
Earnings/Loss per share			
Dividend Announced			
Bonus Issue			

(ii) financial highlights for preceding one year of consolidated financial statements same as (B) above,

(iii) Detail of issue of capital in previous five years

Right Issue	FY___	FY___	FY___	FY___	FY___
Percentage					
Number of Shares					
Amount Raised					
Unsubscribed portion					
Unsubscribed portion allotted by BoD					
Unsubscribed portion taken up by the Underwriter					
Proceed utilization break up….					

(iv) Average market price of the share of the issuer during the last six months

(v) Share Capital and Related Matters

a) Pattern of shareholding of the issuer in both relative and absolute terms.

b) Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).

c) Details and shareholding of holding company, if any.

11. Risk Factors:

(i) Each risk factor shall appear in the following manner

a) Risk as envisaged by the issue;

b) Proposals, if any, to address the risk.

(ii) Risk factors shall be classified as internal and external risk factor.

(iii) Risk factors shall be disclosed in the descending order of materiality.

(iv) All possible risk factors relating to business of the company, the project, technology, competition, suppliers, consumers, industry, liquidity, regulatory, changes in Govt. policies, law and order situation, capital market, pending litigations, defaults etc. shall be disclosed.

(v) Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable:

a) Approvals that are yet to be received by the issuer;

b) Seasonality of the business;

c) Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;

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d) Lack of experience of the Management to run the business;

e) If the issuer has incurred losses in the last three financial years;

f) Dependence of the issuer or any of its business segments upon a single customer or a few customers

g) Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.

h) In case of outstanding debt instruments, any default in compliance with the material covenants;

i) Default in repayment of loan by the issuer and associated group companies, if any.

j) Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.

k) Excessive dependence on any key managerial personnel for the project for which the issue is being made.

l) Any material investment in debt instruments by the issuer which are unsecured.

m) Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.

n) Negative cashflow from operating activities in the last three preceding financial years.

o) Any restrictive covenant that could hamper the interest of the equity shareholders

p) Low credit rating of the Issuer.

q) Dependence of the issuer or any of its business upon a single customer or few customers, loss of any one or more may have material adverse effect on the issuer.

r) Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.

(vi) A statement that 'to the best of our knowledge and belief all risk factors have been disclosed' shall be given immediately after the risk factor by the authorized officer/Management.

12. Legal proceedings

(i) Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer.

(ii) Action taken by the securities exchange against the issuer or associated listed companies of the issuer during the last three years due to noncompliance of the its regulations.

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(iii) Legal proceedings be summarized in the following format

Legal Order dated	Issuing Authority	Tax Period, if any	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance

13. Signatories to the Offer document:

(i) List of the signatories to the offer document and their signatures in original duly dated and witnessed.]

[1][**Schedule II**

The Companies (Further Issue of Shares) Regulations, 2020

Sr. No	**Name of the Person**	**Comment received**	**Whether the Company agree/ disagree to the comment**	**Proposed change, if agreed.**	**Rationale**

]

[1]Schedule I substituted by SRO 1754(I)/2022 dated September 16, 2022.

[2]Schedule II inserted by SRO 1754(I)/2022 dated September 16, 2022.

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(4) If any information give by the target company under these regulations is found to be false and the target company gains any benefit from the false information, the target company shall be liable to a penalty under the Act.

6. Public announcement of intention.- (1) Before making any public announcement of intention, the acquirer shall appoint a "Consultant to the Issue" duly licensed by the Commission, as manager to the offer to assist it in the acquisition of shareholding beyond the limits prescribed in section 111 of the Act or control of the target company;

(2) Before an acquirer,-

(a) enters into negotiations for a share purchase agreement;

(b) in the case of a company, passes a board resolution;

(c) starts raising funds; or

(d) commences a due diligence process to evaluate the share price of the target company;

For the purpose of the acquisition of voting shares beyond the limits prescribed in section 111 of the Act or control of the target company, the acquirer through the manager to the offer shall, after careful and responsible consideration, make a public announcement of intention in the newspapers.

(3) Notice of the public announcement of intention shall be submitted to the target company (at its registered office for placement before the board of directors of such company), the securities exchange and the Commission.

(4) The securities exchange shall make the information about the public announcement of intention available, on the same day, by placing the information on its website, posting it on its notice board, through notification on the automated information system and by making an announcement on the house of the securities exchange.

(5) Within two working days of submission of notice of the public announcement of intention to the target company, the securities exchange and the Commission, the public announcement of intention shall be published in English and Urdu language, in at least two daily newspapers having circulation in all provinces. Published copy of public announcement of intention shall be submitted to the Commission, the target company (at its registered office) and the securities exchange on the same day of its publication.

(6) The public announcement of intention shall contain such information as prescribed in Schedule VI.

(7) Where an acquirer makes a public announcement of intention in order to deceive any other person, or to induce or influence any other person to act in a particular manner or withdraws the public announcement of intention without any reasonable cause or reason, such person shall be liable to a penalty under the Act.

(8) All persons concerned with public announcement of intention shall make full and prompt disclosure of all relevant information and take every precaution to avoid the creation or continuance of an uniformed market and the parties involved in such announcement shall take care that statements which may mislead the shareholders or the market are not made.

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7. Public announcement of offer.- (1) A public announcement of offer shall be made by the acquirer through the manager to the offer within one hundred and eighty days of making the public announcement of intention in the newspapers:

Provided that the acquirer may extend the aforementioned time period for a maximum of ninety days under intimation to the Commission and the Securities Exchange [1][and such intimation shall be made on or before the expiry of 180 days for making the public offer.]

(2) Notice of the public announcement of offer shall be submitted through manager to the offer to the target company (at its registered office for being placed before the board of directors of such company), the securities exchange and the Commission.

(3) The securities shall make the information about the public announcement of offer available, on the same day by placing the information on its website, posting it on its notice board through notification on the automated information system and by making an announcement on the house of the securities exchange.

(4) The public announcement of offer shall contain the information as prescribed in schedule VII.

(5) Notice of public announcement of offer shall be submitted to the Commission along with the document prescribed in Schedule VIII along with a non-refundable fee of Rs.500,000/- to be deposited in the designated account of the Commission.

(6) Within two working days of the submission of notice of the public announcement of offer to the target company, the securities exchange and Commission, the public announcement of offer shall be published in English and Urdu language, in at least two daily newspapers having circulation in all provinces. Published copy of public announcement of offer shall be submitted to the Commission, the target company (at its registered office) and the securities exchange, on the same day of its publication.

Chapter IV

Public Offer

8. Offer Timetable.- The acquirer, manager to the offer, target company or any person making a competitive bid shall comply with the offer timetable as prescribed under Schedule IX. In the said schedule, Time (T) stands for date of announcement of public offer.

9. Book Closure.- (1) On the twenty second day of the public announcement of offer, the target company shall announce its book closure from the thirty sixth day of the public announcement of offer to determine the eligibility of persons to receive the offer letter.

(2) The books of the target company shall remain closed for a period of seven days from the date of book closure i.e. from thirty sixth day till the forty second day of the public announcement of offer.

10. Determination of entitlement.- After announcement of book closure determination of entitlement will take place in accordance with respective regulations of Pakistan Stock Exchange.

[1]Full stop substituted by SRO 1828(I)/2022 dated September 30, 2022.

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11. Provision of list of shareholders and issuance of offer letters.- (1) On the forty third day of the public offer, the target company shall provide an updated and certified list of shareholders to the acquirer to enable the acquirer to send the offer letters as required under section 117 of the Act.

(2) On the forty fourth and forty fifth day of the public announcement of offer, the acquirer shall issue offer letters to the shareholders of the target company, the custodians of Global Depository Receipts or American Depository Receipts and the convertible security holders (where the period of conversion falls within the offer period).

12. Date of closure of public offer.- The date of closure of public offer for the acquisition of voting shares of the target company by the acquirer shall not be later than fifty four day from the date of public announcement of offer:

Provided that where an addendum or corrigendum to the public announcement of offer is published by the acquirer, whether on the acquirer's own motion or on the direction of the Commission, the offer period shall re-commence from the date of the publication of the addendum or the corrigendum as the case may be.

Chapter V

Offer pricing and number of shares to be acquired

13. Minimum offer price.- (1) If the shares of the target company are frequently traded, the public announcement of offer shall be at the price which is highest amongst the following,-

(a) the negotiated weighted average price under share purchase agreement(s) for the acquisition of voting shares of the target company;

Provided that the expression "negotiated weighted average price" shall include total consideration paid in whatsoever manner, including the liabilities settled whether taken over or not, personal liabilities of sellers and consideration paid either in cash or otherwise against the shares purchased;

(b) the highest price paid b the acquirer for acquiring the voting shares of target company during six months prior to the date of public announcement of offer;

(c) the weighted average share price of target company as quoted on the securities exchange during the last [1][180 days] preceding the date of announcement of public offer;

(d) the weighted average share price of target company as quoted on the securities exchange during [2][28 days] preceding the date of public announcement of intention [3][:]

[3][Provided that the weighted average share price shall be calculated as total value/total volume of the Target Company in the ready market and only those days shall be incorporated where the shares of the Target Company have been traded;]

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[1]Substituted for "six months" by SRO 1828(I)/2022 dated September 30, 2022.
[2]Substituted for "four weeks" by SRO 1828(I)/2022 dated September 30, 2022.
[3]Semi colon substituted and proviso inserted by SRO 1828(I)/2022 dated September 30, 2022.

(e) the price per share arrived at on the basis of net assets value carried out by a Chartered Accountant firm based on of audited financial data not older than six months from the date of public announcement of offer made by the manager to the offer. In case of fixed assets, being part of total assets, the Chartered Accountant firm shall obtain the services of a valuer to carry-out value of fixed assets, whose name appears on the list of panel of valuers maintained by Pakistan Banks' Association.

(2) If the shares are not frequently traded, the public announcement of offer to acquire shares under section 111 of the Act shall be at the price which is highest amongst the following,-

(a) the negotiated weighted average price under share purchase agreement(s) for the acquisition of voting shares of the target company;

Provided that the expression "negotiated weighted average price" shall include total consideration paid in whatsoever manner, including the liabilities settled whether taken over or not, personal liabilities of sellers and consideration paid either in cash or otherwise against the shares purchased;

(b) the highest price paid b the acquirer for acquiring the voting shares of target company during six months prior to the date of public announcement of offer; or

(c) the price per share arrived at on the basis of net assets value carried out by a Chartered Accountant Firm based on of audited financial data not older than six months from the date of public announcement of offer made by the manager to the offer. In case of fixed assets, being part of total assets, the Chartered Accountant firm shall obtain the services of a valuer to carry-out value of fixed assets, whose name appears on the list of panel of valuers maintained by Pakistan Banks' Association.

Explanation.- For the purpose of this regulation, shares shall be deemed to be frequently traded if they have been traded for at least 80 percent of the trading days during six months prior to the date of public announcement of offer and their average daily trading volume in the ready market is not less than 0.5 percent of its free float or 100,000 shares whichever is higher.

14. Number of voting shares to be acquired.- (1) The acquirer may acquire any number of voting shares through an agreement but where the acquisition attracts the provisions of section 111 of the Act, the acquirer shall make a public announcement of offer to acquire at least fifty percent of the remaining voting shares of the target company.

(2) Where the public offer is made conditional upon minimum level of acceptances, such minimum level shall not be more than thirty-five percent of the remaining voting shares:

Illustration:- Where the acquirer holds 10 percent voting shares of the target company and enters into an agreement to acquire another 20 percent voting shares, then such acquirer shall make a public announcement of offer for fifty percent of the remaining 70 percent voting shares of the target company. In such a case the minimum level of acceptances for the public offer cannot be more than 24.5 percent which is 35 percent of the 70 percent offered to be acquired through the public offer.

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Chapter VI

Security

15. Security to e furnished by the acquirer.- (1) For performance of obligations under the public offer, the acquirer shall provide security in the following forms to the manager to the offer:

(a) cash deposited in an escrow account with a commercial bank with a minimum rating of "A" and to be operated by the manager to the offer; or

(b) government securities with minimum ten percent margin shall be deposited as a security; or

(c) bank guarantee in favor of the manager to the offer from a commercial bank with a minimum rating of "A" and valid till all obligations of the acquirer are fulfilled as certified by the manager to the offer; or

(d) margin trading system eligible shares with thirty percent haircut based on their current market value. The manager to the offer shall mark to market the shares on a weekly basis and any shortfall after market to market shall be notified by the manager to the offer to the acquirer in the form of margin call and the acquirer shall deposit the shortfall on the same day of receipt of the margin call from the manager to the offer.

[1][(e) the shares of a listed company that are proposed to be offered as non-cash consideration in the takeover transaction shall be subject to following requirements:-

(i) such company is listed for at least two years before the date of announcement of offer; and

(ii) shares of such listed company are presently being traded at normal counter of securities exchange:

Provided that this requirement shall not be applicable on proposed further issuance of shares offered under section 83 of the Companies Act 2017, as consideration, if any, in the takeover transaction;

(f) Government debt securities owned/held by the acquirer or by any person acting in concert, offered as consideration in the takeover transaction; or

(g) a combination thereof;]

(2) The security referred in sub-regulation (1) shall be provided by the acquirer on or before the date of issue of public announcement of offer; and

(3) In case of any upward revision of offer, the security deposited shall be increased accordingly.

[1]Clauses (e) to (g) inserted by SRO 1828(I)/2022 dated September 30, 2022.

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16. Release of security.- (1) The security deposited by the acquirer shall be released by the manager to the offer, within a period of seven days,-

(a) after all payments to the shareholders have been made and completion of all obligations of the acquirer under the Act and these regulations; and

(b) in the case of withdrawal of public offer, upon certification by the manager to the offer that the offer has been validly withdrawan.

(2) In the event of non-fulfillment of obligations by the acquirer the manager to the offer shall realize the security amount by way of withdrawal of cash, foreclosure of deposit, calling of bank guarantee or sale of government securities and shares and the proceeds so obtained shall be utilized by the manager to offer to meet all obligations under the Act and these Regulations.

(3) Where the security is not released by the manager to the offer with seven days, the manager to the offer shall pay a surcharge at the rate of 6 months KIBOR +4 percent.

Chapter VII

Procedure for Competitive Bid and Acceptance of Public Offer

17. Procedure for making competitive bid.- (1) The public announcement of first and subsequent competitive bids shall be made within twenty-one days of the public announcement of first offer.

(2) The public announcement of competitive bid shall be published in the same newspapers in which the first public announcement of offer was published. A copy of the public announcement of competitive bid shall be submitted, through the manager to the offer, to the Commission, the acquirer who made the previous public announcement of offer, the target company (at its registered office for being placed before the board of directors of such company) and the securities exchange (for being notified on the notice board and on the automated information system thereof), at least four days prior to the date of publication in newspapers.

(3) The public announcement of a competitive bid shall contain the information as prescribed in Schedule VII.

(4) Where competitive bid(s) has been made, the manager to the offer of the competitive bidder(s) and the manager to the offer of the acquirer who made the first public announcement of offer shall jointly, one day before the commencement of the acceptance period for the public offer, publish a comparative statement containing details of the first public announcement of the offer and subsequent competitive bid(s) in the same newspapers in which the first public announcement of offer and the competitive bid(s) were published.

(5) Upon the public announcement of a competitive bid, the acquirer, who has made a public announcement of the earlier offer, shall have the option to make another announcement,-

(a) revising the public offer in respect of the price and the number of voting shares to be acquired without changing any other terms and conditions of the said public offer; or

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(b) withdrawing the public offer:

[1][Provided that if no such announcement is made within the time lines prescribed with reference to competitive bids and upward revision, the earlier offer on the original terms shall continue to be valid and binding on the acquirer who has made the earlier public offer, except that the date of closing of such public offer shall stand extended to the date of closure of public offer under the last subsisting competitive bid(s).]

(6) Where there is a competitive bid, the date of closure of the earlier bid, as also the date of closure of all the subsequent competitive bids, shall be the date of closure of public offer under the last subsisting competitive bid and the public offers under all the subsisting competitive bids shall close on the same date.

18. Acceptance of public offer.- (1) On forty sixth day, the acquirer through an advertisement in the newspapers in which the public announcement of offer or competitive bid, as the case may be, was published, shall inform the shareholders of the target company of the commencement of the acceptance period.

(2) The advertisement referred to in sub-regulation (1) shall be in the form prescribed under Schedule X.

(3) The shareholders of the target company may accept the public offer during the acceptance period by tendering their shares physically to the manager to the offer or in a designated CDC account specified for the purpose in the public announcement of offer.

(4) Convertible security holder intending to accept the public offer shall convert their securities into shares and tender the same to the manager to the offer during the acceptance period in the designated CDC account.

(5) The custodians of Global Depository Receipts holders or American Depositary Receipts holders shall upon the request of the respective holders convert the Global Depository or American Depositary Receipts, as the case may be, into shares and tender the same to the manager to the offer during the acceptance period in the designated CDC account.

(6) The manager to the offer shall send a written confirmation of receipt to the custodians of Global Depository Receipts holders or American Depositary Receipts holders, the shareholders of the target company and convertible security holders who have tendered their shares to the manager to the offer as acceptance of the public announcement of offer.

[2][**19. Mode of payment**.- The consideration for the voting shares to be acquired by the acquirer shall be payable in the form of–

(a) cash; or

(b) by exchange or transfer of shares of listed company owned or held or proposed further issuance of shares by the acquirer or any person acting in concert subject to the following conditions,-

(i) such company is listed for at least two years before the date of announcement of offer; and

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[1]Proviso substituted by SRO 1828(I)/2022 dated September 30, 2022.
[2]Regulation 19 substituted by SRO 1828(I)/2022 dated September 30, 2022.

(ii) shares of such listed company are presently being traded at normal counter of securities exchange:

Provided that in case of proposed further issuance of shares, appropriate regulatory approvals in accordance with the requirements of the Companies Act, 2017 are in place prior to the Public Announcement of Offer;

(c) by exchange or transfer of listed debt instruments owned/issued by the acquirer or held by any person acting in concert; or

(d) by exchange or transfer of listed convertible debt securities owned/issued by the acquirer or held by any person acting in concert; or

(e) by exchange of transfer of Government debt securities owned/held by the acquirer or by any person acting in concert; or

(f) a combination of the modes of payment for consideration stated in clause (a), clause (b), clause (c), clause (d) and clause (e) above.

Explanation*: - for the purpose of calculating the consideration for existing as well as new securities, 90 days average closing price of respective security before the public offer shall be considered.*]

20. Procedure for payment.- The acquirer shall, within a period of two days from the date of closure of public offer, open a special bank account and deposit therein such sum as would, together with the security furnished under regulation 15, make up the entire sum due and payable to the shareholders as consideration for acceptances received and accepted in terms of public offer [1][:]

[1][Provided that in the case where the consideration involves only securities, or a combination of cash and securities, as the case may be, the offeror shall post or credit the non-cash consideration to the persons' securities account, as the case may be, accepting the take-over offer within 2 days from the date of closure of public offer.]

[1]Full stop substituted and proviso inserted by SRO 1828(I)/2022 dated September 30, 2022.

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Chapter VIII

Withdrawals of Public Announcement

21. Withdrawal of public announcement of intention.- (1) A public announcement of intention shall be withdrawn,-

(a) where the sole acquirer being a natural person, has died or has been declared bankrupt or has been decided to be of unsound mind;

(b) where the negotiations to acquire voting shares of the target company have failed;

(c) where the results of the due diligence carried out by the acquirer for the acquisition of shares of the target company are unfavorable;

(d) in case the acquirer is a company and it has gone into liquidation or its board of directors have passed a resolution not to acquire the voting shares of the target company;

(e) the time period for making the public announcement of offer and extension thereof, [1][if availed], has lapsed [2][:]

[2][Provided that the withdrawal notice shall be submitted to the Securities Exchange and the Commission not later than one working day of expiry of time period for making the public offer or extension thereof if availed, has lapsed.]

(f) in case of regulated / licensed entity the requisite approval have not been granted by the concerned regulatory authority.

(2) In the event of withdrawal of the public announcement of intention under any of the circumstances specified under the sub-regulation (1), the acquirer shall immediately-

(a) make a public announcement of withdrawal in all the newspapers in which the public announcement of intention was made and disclose reasons for withdrawal; and

(b) inform the Commission, the securities exchange and the target company at its registered office along with reasons.

22. Withdrawal of public announcement of offer.- (1) In terms of clause (c) of sub-section (2) of section 122 of the Act, a public announcement of offer once made, may be withdrawn,-

(a) in case the acquirer is a company and it has gone into liquidation or has been declared bankrupt before the completion of the acquisition process; or

(b) where the acquirer is an individual and he has been declared as an undischarged insolvent or has applied to be adjudicated as insolvent before the completion of the acquisition process; or

[1]Substituted for "if granted" by SRO 1828(I)/2022 dated September 30, 2022.
[2]Colon substituted for "; or" and proviso inserted by SRO 1828(I)/2022 dated September 30, 2022.

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(c) the acquirer has been declared by a Court of competent jurisdiction as a defaulter in repayment of loans to financial institutions.

[1][ ]

(3) Where there is a withdrawal of pubic offer, the manager to the offer shall,-

(a) return the shares, if any, tendered by the shareholders of the target company to the respective shareholders of the target company within a period of three days from the date of the public announcement of withdrawal in the newspapers; and

(b) thereafter release the security deposited to the acquirer or the Court in case of insolvency or bankruptcy of the acquirer as the case may be.

Chapter IX

Miscellaneous

23. Conditions for upward revision of offer.- Any upward revision of offer under section 121 of the Act shall be made on the following conditions, namely:-

(a) making of a public announcement in respect of such changes or amendments in all the newspapers in which the earlier public announcement was made;

(b) informing the Commission, the securities exchange and the target company at its registered office, simultaneous with the issue of public announcement referred in clause (a); and

(c) increase in the value of the security accordingly.

24. General obligations of the acquirer.- (1) The acquirer shall announce its public announcement of offer only after careful and responsible consideration and the acquirer and its Manager to the Offer must be satisfied that it can and would continue to be able to implement the takeover offer in full.

(2) The acquirer shall at the time of the public announcement of offer ensure that the identities of all the persons interested in the acquisition of voting shares beyond the limit prescribed in section 111 of the Act or control of the target company including the persons who makes arrangement for all the funding requirements including payments and would exercise ultimate control over the target company is disclosed to the public and the target company.

(3) If any director of an acquirer that is a public company is faced with a conflict of interest as a result of a proposed acquisition, the acquirer's board of directors shall establish an independent committee to assess the proposed public offer.

(4) Within two working days of the public announcement of offer, the acquirer shall send a copy of the proposed offer letter to the target company at its registered office address, securities exchange and the Commission.

[1]Regulation 22(2) deleted by SRO 1828(I)/2022 dated September 30, 2022.

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(5) In case acquirer is a company, whether incorporated in Pakistan or outside Pakistan, the public announcement, brochure, circular, offer letter or any other advertisement or publicity material issued to shareholders in connection with a public offer shall state that the directors accept the responsibility for the information contained in such documents:

Provided that if any of the directors desires to exempt himself from responsibility for the information in such documents, such director shall issue a statement to that effect together with reasons thereof in the public announcement of offer.

(6) Persons, other than the acquirer, representing or having interest in the target company or an insider or a beneficial owner of more than ten per cent of the voting shares during the last twelve months, shall not participate in any matters concerning or relating to a public offer including any preparatory steps leading to the offer.

(7) On or before the date of issue of public announcement of offer, the acquirer shall arrange the requisite security as provided under the Act and these regulations.

(8) The acquirer shall ensure that firm financial arrangements for fulfillment of the obligations under the public offer and suitable disclosures in this regard have been made in the public announcement.

(9) The acquirer shall, within a period of ten days from the date of the closure of public offer, complete all procedures relating to the public offer including payment of consideration to the shareholders who have accepted the public offer.

(10) The acquirer shall comply with all the requirements of the Act, these regulations and the regulations of the securities exchange at all times.

(11) All acts of the acquirer shall be in good faith and in the best interest of the target company and its shareholders considering the long term viability of the target company.

25. General Obligations of the Board of Directors of the target company.- (1) The target company shall furnish to the acquirer, within seven days of the request of the acquirer or within seven days from the date mentioned in the public announcement of offer, whichever is later, a list of convertible security holders as are eligible for participation containing name, address, shareholding and folio number, and of those persons whose applications for registration of transfer of the securities are pending with the company.

(2) The target company shall ensure that the acquirer and the Manager to the Offer are provided with all relevant and material information which they require for the purposes of due diligence.

(3) The board of directors of the target company shall send its unbiased comments and recommendations on the public offer to the shareholders if so desired by the acquirer(s) or shareholder(s) of the target company.

(4) The board of directors of the target company shall facilitate the acquirer in verification of securities tendered for acceptance.

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(5) Where an acquirer, in compliance with the provisions of the Act has acquired requisite percentage of the voting shares of the target company after completing the process of public offer, shall be entitled to a proportionate representation on the board of directors or control of the company as prescribed under the Act.

(6) The target company shall comply with all the requirements of the Act, these regulations and the regulations of the securities exchange at all times.

26. General obligations of the manager to the offer.- (1) The manager to the offer shall deemed to be the agent of the acquirer.

(2) Before the public announcement of offer is made, the manager to the offer shall-

(a) ensure that the acquirer, its sponsors, promoters, substantial shareholders, directors and associates have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau.

(b) ensure that the acquirer or its directors, sponsors or substantial shareholders have not been holding the office of the directors, or have been sponsors or substantial shareholders in any company,

(i) which had been declared defaulter by the securities exchange of futures exchange; or

(ii) whose TRE certificate has been cancelled or forfeited by the securities exchange; or

(iii) Which has been de-listed by the securities exchange due to non-compliance of its regulations.

Provided that Commission may grant relaxation upon reasons to be recorded, and rectification of cause leading to such delisting

(c) ensure that the acquirer is able to implement the public offer;

(d) ensure that firm arrangements for funds and money have been made to fulfill the obligations under the public offer;

(e) ensure that the public announcement is made in accordance with the Act and these regulations;

(f) furnish to the Commission on format provided in Schedule XI a due diligence certificate which shall accompany a copy of the proposed offer letter;

(g) ensure that the contents of the public announcement and offer letter are true fair and adequate and based on reliable sources, quoting the source wherever necessary;

(3) The manager to the offer shall,-

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or

d. Target Company has started negotiations or discussions to commence to induct people (detail of which is mentioned below) for acquiring control of the target company.

or

e. The director/chief executive and/or majority shareholder of the target company has informed that they individually or in concert with each other or their family members or associates are entering into negotiations for sale of their shareholding beyond the limits prescribed in section 111 of the Act.

The securities exchange is required to make the above information immediately available to the shareholders of the target company under regulation 5(1), by placing it on the notice board and through notification on automated information system and make an announcement on the house of the exchange.

_____
Company Secretary

Schedule VI

Public announcement of intention to acquire .....% shares (number of shares) or control of the (Name of Target Company)

By

Name of the Acquirer(s)

Under Securities Act, 2015

Note: In case the Target Company is engaged in a regulated activities, duly licensed by the Securities and Exchange Commission of Pakistan or by any other concerned authority, the acquirer shall make the following statement in Bold and Italic words.

Admonishment: *Please note that the public announcement of intention to acquire voting shares/control of the "name of the target company" is subject to obtaining the requisite regulatory approvals including clearance of fit and proper criteria from the "name of the concerned regulatory authority(ies)". The public announcement of intention may be withdrawn, if the requisite approvals are not granted by the concerned regulatory authority(ies).*

Part A

Brief description of the intended acquisition-

Intended acquisition through	Number of shares	Percentage
Agreement(s)		
Public offer		

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Part B

1) Information about the acquirer

(a) Name(s) and address(es) of acquirer along with persons acting in concert, if any.

(b) Name(s) of the ultimate acquirer or the ultimate controlling shareholder.

(c) Name(s) and address(s) of manager to the offer of the acquirer.

(d) Principal areas of business of the acquirer and relevant experience

(e) In case the acquirer is a fund/company(s):

(i) Names of the chief executive and directors of the company(s);

(ii) Names of substantial shareholders of the company.

(iii) Date of incorporation

(iv) Jurisdiction of incorporation

(v) Authorized and paid up capital.

(f) Detail of companies, where the intended acquirer(s) hold more than thirty percent voting shares:

Name of Company	Registration No.	Nature (listed/ unlisted/ Private	Nature of business	Jurisdiction of incorporation	Description held control/ more than thirty % shares or both

(g) Information about ultimate beneficial owner of the intended acquirer(s):-

[1][Name(s) of the natural person(s), CNIC/Passport Number, nationality and address of each person.]

[2][ ]

(iv) Detail of companies located in and outside Pakistan, where the ultimate acquirer or the ultimate controlling shareholder held control and or more than thirty percent voting shares:-

Name of Company	Registration No.	Nature (listed/ unlisted/ Private	Nature of business	Jurisdiction of incorporation	Description held control/ more than thirty % shares or both

(h) details of any existing holding of voting rights in the target company-

(i) which the acquirer owns or over which it has control or direction;

(ii) which is owned or controlled or directed by any person acting in concert with the of acquirer;

(iii) in respect of which the acquirer or any person acting in concert with him has received an irrevocable commitment to accept the takeover offer; and in respect of which the acquirer or any person acting in concert with him holds an option to purchase or warrants or other convertible securities.

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[1]Substituted for **"In case of individual:** (i) Name, CNIC, nationality and address of each person" by SRO 1828(I)/2022 dated September 30, 2022.

[2]Deleted by SRO 1828(I)/2022 dated September 30, 2022.-

(i) all conditions (including normal conditions relating to acceptance, listing and increase of capital) to which the public offer or the posting of it is subject.

Part C

2) Information about the target company

(a) name of the target company, its directors and major shareholders along with number of shares and percentage of paid-up capital.

(b) Total number of issued shares of the company.

(c) Date of listing and offer price at the time of initial public offering

(d) Opening price at securities exchange at time of listing

(e) share price quoted on the securities exchange one day before the public announcement of intention.

(f) the weighted average share price as quoted on the securities exchange during [1][twenty-eight days (28) days] preceding the date of public announcement of intention.

(g) financial position/ performance of the company for the last five years, including profit/loss after tax, earning per share, payouts.

Schedule VII

(Ref Regulations 7(4) and 17(3))

Standard document for public announcement of offer or competitive bid

Public announcement of offer to acquire .....% shares (number of shares to be acquired through public offer) or control of the (Name of Target Company) by (Name of the Acquirer(s)) Under Securities Act, 2015

Part A

Before description of the acquisition-

Acquisition through	Number of shares	Percentage	Price per share highest price paid in case of SPA
Shares Purchase agreement(s)			
Public offer			

Part B

This list is not intended to be exhaustive. The acquirer is obliged to disclose any information which may be necessary for the shareholders of the target company to make an informed decision. Care shall be taken by the manager to the offer that the document is simply worded and technical, legal or financial jargons are not used unnecessarily

The following information shall be disclosed:

1. The Acquirer

1.1 If acquirer(s) is a company

(a) Name and registered address of the acquirer.

(b) Date and jurisdiction of incorporation.

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[1]Substituted for "four weeks" by SRO 1828(I)/2022 dated September 30, 2022.

(c) The authorized and issued share capital.

(d) If there is more than one acquirer, their relationship.

(e) Total number of voting shares of the target company already held by the acquirer and the persons acting in concert, including any shares purchased through an agreement and relevant details of such agreement, including the share price agreed.

(f) The number of shares issued since the end of the last financial year of the company.

(g) Details of any re-organization of the acquirer during the two financial years preceding the public announcement of offer.

(h) Details of any bank overdrafts or loans, or other similar indebtedness, mortgages, charges or other material contingent liabilities of the acquirer and subsidiaries if any, and if there are no such liabilities a statement to that effect.

(i) Financial advisors of the acquirer.

(j) Brief history and major areas of operations of the acquirer.

(k) Names and addresses of sponsors or persons having control over the acquirer.

(l) Names and addresses of board of directors of acquirer.

(m) Brief audited financial details of the acquirer for a period of at least last five years including income, expenditure, profit before depreciation, interest and tax, depreciation, profit before and after tax, provision for tax, dividends, earnings per share, return on net worth and book value per share.

(n) Details of any agreement or arrangement between the acquirer and the directors of the target company as compensation for loss of office or otherwise in connection with the acquisition.

(o) Details of every material contract entered into not more than two years before the date of the public announcement of offer, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the company.

1.2 If acquirer(s) is an Individual

(a) Name(s) and address(es) of each individual along with the persons acting in concert.

(b) CNIC number(s).

(c) If there are more than one acquirer their relationship, if any.

(d) Total number of voting shares of the target company already held by the acquirer, including any shares purchased through an agreement and relevant details of such agreement including the share price agreed.

(e) Financial advisors of the acquirer, if any.

(f) Principal areas of business of the acquirer and relevant experience.

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Public Offering Regulations, 2017

S.R.O. 296(I)/2017 dated May 02, 2017.- In exercise of powers conferred by sections 19, 87, 88, 89, 90, 91, 94 and 95 read with section 169 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan hereby makes the following regulations, the same have been previously published in the official Gazette vide Notification No.S.R.O.1139(I)/2015 dated 16th November 2015 as required by sub-section (4) of section 169 of the Act, namely:-

Chapter I

Preliminary

1. Short title, commencement and application.- (1) These Regulations shall be called the Public Offering Regulations, 2017.

(2) They shall come into force at once.

(3) They shall apply to:

(i) a public limited company or body corporate proposing to issue securities to the general public;

(ii) an Offeror who intends to offer securities to the general public; and

(iii) sponsors of the public limited company or body corporate, the Consultants to the Issue, the Underwriter, the Book Runner, the Designated Institution, the Banker to an Issue, Investment Agent and Issuing and Paying Agent.

(4) These Regulations shall not apply to an Issue by Special Purpose Vehicle or body corporate specifically setup by the Federal Government or any provincial Government for the purpose of issue of any debt security, under any other law or offer of securities as mentioned under sub-section (4) of section 87 of the Act.

2. Definitions.- (1) In these Regulations, unless there is anything repugnant in the subject or context,–

(i) "Abridged Prospectus" means condensed form of the Prospectus containing such information and disclosures as mentioned in Second Schedule to these Regulations;

(ii) "Act" means the Securities Act, 2015 (III of 2015);

(iii) "Application Supported by Blocked Amount" means an application for subscription to shares or bidding, where money is blocked in the applicant's or bidder's respective bank account;

(iv) "Banker to an Issue" means a scheduled bank licensed by the Commission as a Banker to an Issue.;

(v) "Bid" in case of shares means an intention to buy a specified number of shares at a specified price;

(va) "Bid" in case of debt securities means an intention to buy a specified number of debt securities for a particular profit rate/spread;

(vi) "Bid Amount or Bid Money in case of shares" means the amount equal to the product of the number of shares bid for and the Bid Price;

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(via) "Bid Amount or Bid Money" in case of debt securities means the amount equal to the product of the number of debt securities bid for and the face value of debt security;

(vii) "Bid Collection Center" includes designated offices of the Book Runner, specified branches of any scheduled bank and offices of any other institution specified by the Book Runner where bids are received and processed;

(viii) "Bidder" means an investor who makes a bid for subscription of securities in the Book Building process;

(ix) "Bidding Period" means the period during which bids for subscription of securities are received;

(x) "Bid Price" means the price at which Bid is made for a specified number of shares;

(xi) "Book Building" in case of shares means a process undertaken to elicit demand for shares under which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels;

(xia) "Book Building" in case of debt securities means a process undertaken to elicit demand for debt securities under which bids are collected from the Bidders and a book is built which depicts demand for the debt securities at different profit rate/spread levels;

(xii) "Book Building Portion" means the part of the total Issue which has been allocated for subscription through Book Building;

(xiii) "Book Building System" means an online electronic system operated by the Designated Institution for conducting Book Building;

(xiv) "Book Runner" means a securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter;

(xv) "Centralized E-PO System (CES)" means a centralized system through which applications for subscription of securities through Public Offering can be made electronically through internet, Automated Teller Machines (ATM) and mobile phones;

(xvi) "Commercial Paper" means an unsecured debt security with a maturity of not less than 30 days and not more than one year;

(xvia) "Companies Act" means Companies Act, 2017 (XIX of 2017;

(xvii) "Consultants to the Issue" means any person licensed by the Commission to act as a Consultant to the Issue , which may also be called Lead Manager or Advisor;

(xviii) "Consolidated Bid" mean a bid which is fully or partially beneficially owned by persons other than the one named therein.

(xviiia) "Cut off profit rate/spread" mean the profit rate/spread of a debt security determined on the basis of book building process.

(xviiib) "Custodian" means an investment agent/debt securities trustee, Bank, Investment Finance Service license holder and Depository Company engaged in regulated activities, not being an associate of the Special Purpose Acquisition Company, appointed for securing the monies of investors in the escrow account.

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(xxxviii) "Prospectus" includes any document, notice, circular, material, advertisement, offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company, body corporate or entity, other than deposits invited by a bank and certificate of investments and certificate of deposits issued by non-banking finance companies;

(xxxix) "Public Offer" means offer of securities by an Issuer including an offer to the general public or a section of the public but does not include Private Offer or Private Placement;

(xl) "Regulations" means the Public Offering Regulations, 2017;

(xli) "Related Employees" mean such employees of the Issuer, the Offeror, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue or the Offer for Sale;

(xlii) "Retail Investor" means an investor who bids for a security or make an application for subscription of a security out of the offer size allocated to the general public;

(xliia) "Reverse Dutch Auction Method" means the method through which the cutoff profit rate/spread is determined by arranging all the profit rate/spread in an ascending order along with the number of debt securities and the cumulative number of debt securities bid for at each profit rate/spread. The cut off profit rate/spread is determined by increasing the profit rate/spread to the extent that the total number of debt securities offered under the Book Building portion are subscribed.

(xliii) "securities" means shares and debt securities

(xliv) "Schedule" means a schedule to these Regulations;

(xlv) "Secondary Public Offering" means offer of securities to the general public subsequent to IPO;

(xlvi) "Shariah Advisor" means means an individual, a Limited Liability Partnership (LLP) or a company who/that meets the fit and proper standards specified by the Commission

(xlvii) "Shariah Compliant Security" means a security structured on the basis of any of the Shariah concepts;

(xlviia) "Shariah concepts" for the purpose of these Regulations includes Ijarah, Musharakah, Murabahah, Modaraba, Salam and any other concept allowed by the Shariah Advisor;

(xlviii) "Shariah certificate" for the purpose of these Regulations means a Shariah pronouncement, a fatwa or Shariah opinion signed by Shariah Advisor in such form and manner as notified by the Commission from time to time;

(xlix) "Shelf Registration" means an arrangement that allows the Issuer to make offering in multiple tranches through a single offering document i.e. Prospectus;

(l) "Supplement to the shelf prospectus" means an updated condensed form of the full prospectus for inviting public subscription through subsequent tranche(s);

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(li) "Step Bid in case of shares" means a series of Limit Bids at increasing prices provided that Bid Amount of any step is not less than one million rupees under the Book Building method;

(lia) "Step Bid" in case of debt securities means a series of Limit Bids at different profit rates/spreads provided that Bid Amount of any step is not less than one million rupees under the Book Building method;

(lii) "Strike Price" means the price per share determined on the basis of Book Building process;

(liii) "Special Purpose Vehicle (SPV)" for the purpose of these regulations means a public limited company or a body corporate registered with the Commission under the Companies (Asset Backed Securitization) Rules, 1999;

(liiia) "Special Purpose Acquisition Company" or "SPAC" means a Company formed and registered under the Companies Act, 2017, having sole principal line of business to raise money through public offering for entering into merger or acquisition transactions;

(liv) "Sponsor" means:

(a) a person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;

(b) A person who replaces the person referred to in clause (a) above; and

(c) A person or group of persons who has control of the issuing company whether directly or indirectly.

(lv) "Sukuk" means an instrument of equal value representing undivided share in ownership of the identified tangible assets, usufruct and services or in the ownership of the assets of particular projects or special investment activity.

(lvi) "Tranche" means offer of a certain portion out of the total issue size as disclosed in the shelf prospectus.

(lvii) "Valuation Section" means a section in the prospectus containing the justifications given by the Consultant to the Issue in support of the offer price or Floor Price set by the Issuer and disclosure of post issue Free Float as number of shares as well as in percentage.

(2) Words and expressions used but not defined in these Regulations shall have the same meaning as are assigned to them in the Act, the Companies Act, or the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997).

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(15a) Any change in the Prospectus subsequent to its approval by the Commission and prior to its publication, may be made only with prior written approval of the securities exchange and the Commission.

(15b) Any change in the Prospectus subsequent to its publication, may be made only with the prior written approval of the securities exchange and the Commission and such change shall be disseminated to the public through publication of addendum to the Prospectus in at least all those newspapers, websites in which the Prospectus has been published earlier.

(16) In case application for listing is refused by the securities exchange, the Issuer itself or through its Consultant to the Issue, if any, may file a petition before the Commission within thirty days of such refusal.

(17) A company may issue securities outside Pakistan subject to prior approval of the Commission under section 95 of the Act and payment of non-refundable fee of one million rupees and submission of such documents as prescribed in Sixth Schedule.

(18) Securities of any company established outside Pakistan can be offered for sale to the public under sections 87 and 88 of the Act read with sections 446 and 447 of the Companies Act.

Provided such foreign company is compliant with the provision of Part XII of the Companies Act, these Regulations and meets requirements of regulations of the securities exchange for listing of companies and securities.

(19) The securities subscription form on the format provided in Seventh Schedule shall be made part of the Prospectus.

(20) the Issuer, the Consultant to the Issue, the Underwriter, the Book Runner and the Designated institution shall maintain record of the issue for a period of at least ten years from the closing of the public subscription.

(21) The offer size and allocation of capital to the general public shall be as per the requirements of the relevant regulations of the securities exchange.

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Chapter III

Public Offer of Shares

4. Methods for public offer of shares: An Issuer including an Offeror may make public offer of shares as per any of the method given below:

(1) **Fixed Price Method**: Under the fixed price method, the offer price is set by the Issuer in consultation with the Consultant to the Issue.

(2) **Book Building Method**: Book building is a mechanism of price discovery of shares through Bidders who make Bids at Floor Price or within the Price Band. Bids received are listed in descending order of price evidencing demand at different price levels at Floor Price or within the Price Band. A Strike Price is arrived at through Dutch Auction Method.

5. Conditions for public offer of Shares.- An Issuer shall comply with the following conditions, namely,-

(1) The sponsors of the Issuer shall retain their entire shareholding in the company for a period of not less than twelve months from the last date for public subscription or in case of green field projects from the date of commencement of commercial operations or production by the company, whichever is later;

(2) The sponsors of the Issuer shall retain not less than twenty five percent of the paid up capital of the company for not less than three financial years from the last date for the public subscription or, in case of green field projects, from the date of commencement of commercial operations or production by the company, whichever is later;

Provided that sub regulation (1) and (2) shall not apply in case of: (i) secondary public offering; and (ii) initial public offering of other class of shares by listed companies.

(3) The shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;

(4) Subject to compliance with sub-regulation (1) and (2) above, and with the approval of the securities exchange, the sponsors of the Issuer may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of these Regulations. Any such person and its directors, sponsors and substantial shareholders shall comply with conditions as stipulated in sub regulation (1) of regulation 3 above;

(5) The issuer may allot shares on account of preferential allocation to its employees at the same price at which shares are offered to the general public;

(6) In case of public offer of shares for a green field project, balancing, modernization and replacement or expansion,-

(i) The public offer of shares shall be in accordance with the financial plan approved by the board of directors of the Issuer. The financial plan shall be disclosed in the prospectus along with rationale for variations, if any;

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Chapter IV

Offer of shares through fixed price method

6. Conditions for public offer of shares through fixed price method.- In addition to the conditions as mentioned at regulation 5 above, an Issuer shall comply with the following conditions, namely,-

(1) The Issuer shall decide the offer price in consultation with the Consultant to the Issue, if any. The Consultant to the Issue, if any or the Issuer shall provide explanations in support of the offer price under a separate section titled as "Valuation Section" of the prospectus.

(2) The public offer under the fixed price method shall be fully underwritten.

(3) An issuer shall issue shares to the general public at the price not higher than the price at which the shares were issued to investor during the period of six months prior to the date of public subscription.

(4) After approval of the prospectus by the Commission, the Issuer itself or through its Consultant to the Issue, if any shall seek from the securities exchange the dates for the publication of prospectus and the subscription period.

(5) Non-compliance with any of the condition imposed by the securities exchange and the Commission while granting approval for issuance, circulation and publication of the prospectus shall be considered as violation of the prospectus and the Act.

(6) After inserting the dates of the subscription period, the copy of the approved Prospectus shall be placed on the website of the Issuer, the securities exchange and the Consultant to the Issue, if any.

(7) The prospectus shall be issued, circulated and published not less than seven days and not more than thirty days before the commencement of the subscription period for the retail portion of the Issue.

(8) The prospectus or abridged prospectus, as approved by the Commission shall be published in at least one English and one Urdu Newspaper.

(9) The general public shall submit application for the subscription of shares to the Banker to an Issue either in physical form or electronically. The application shall be duly accompanied by a crossed cheque or demand draft or pay order in the name of the Issuer or evidence of direct debit of subscription money from the applicant's bank account or blocking of the subscription money in the applicant's bank account.

(10) Within 10 working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

(11) The company whose shares are offered through fixed price method shall not be provisionally listed.

Chapter V

Public Offer of shares through book building method

7. Conditions for offer of shares through Book Building: In addition to the conditions as mentioned at regulation 5 above, the Issuer shall comply with the following conditions, namely:

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(1) The offer Size is not less than twenty five million shares and two hundred fifty million rupees or such higher number of shares and amount as may be specified by the Commission from time to time;

(2) The company whose shares are issued through Book Building shall not be provisionally listed.

(3) Maximum seventy-five percent of the offer size is allocated to book building portion and the remaining minimum twenty-five percent to the retail investors. The retail portion of the public offer shall be fully underwritten.

Provided further that the Commission may allow undertaking of book building process and subscription by retail investors simultaneously, subject to the condition that the Consultant to the Issue, the Book Builder and the Issuer shall satisfy the Commission that the necessary arrangements in terms of IT infrastructure, underwriting for the retail portion, distribution network, etc are in place for simultaneously undertaking book building and retail subscription;

(4) The bidders may be allowed to place bids for hundred percent of the offer size and the strike price shall be the price at which the hundred percent of the offer size is subscribed. However, the successful bidders would be allotted and issued only seventy-five percent of the offer size and the remaining twenty five percent would be offered to the retail investors. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares by the retail investors, if any, to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be immediately refunded or unblocked. In this case, the retail portion may not be underwritten.

[ ]

(6) Book building portion shall be credit underwritten by one or more book runners.

(7) The Issuer and the Consultant to the Issue, if any shall provide names and Unique Identification Numbers of all their associates, if any, to the Book Runner; at least three working days before the commencement of the Bidding Period. The book runner shall enter the names and UIN number of associates of the Issuer, the associates of the Consultant to the Issue and its associates, if any in the book building system in order to ensure compliance with these regulations.

(8) The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the shares offered though Book Building.

(9) The associates of the Consultant to the Issue and Book Runner shall not in aggregate make bids in excess of ten percent of the shares offered through Book Building:

Provided that sub-regulation (9) shall not apply to such associates of the Consultant to the Issue and the Book Runner that are Financial Institutions, Mutual Funds and Insurance Companies.

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(10) The consultant to the issue shall ensure that the issuer has entered into a tripartite agreement in writing with the Designated Institution and the Book Runner. The said agreement shall specify inter-alia, the rights, privileges, duties, responsibilities and obligations of each party to the agreement and shall provide a clause on dispute resolution mechanism among the parties to the agreement.

Provided that in case where there is no consultant to the Issue, the Issuer itself shall ensure that tripartite agreements contain the required content as prescribed above.

(11) The Issuer, the Consultant to the Issue, the Book Runner, the Underwriter and the Designated Institution shall maintain record of the issue for a period of at least ten years from the closing of the public subscription.

8. Procedure for public offer of shares through Book Building.- The following procedure shall be adopted for book building process:

(1) The Issuer shall decide the Floor Price and the Price Band in consultation with the Consultant to the Issue, if any.

Provided that the upper limit of the Price Band should not be more than 40% of the Floor Price.

The Floor Price and its determination shall be disclosed under a separate section titled as "Valuation Section" in the prospectus. The Consultant to the Issue, if any or the Issuer shall Justify the Floor price.

(2) After approval of the prospectus by the Commission, the Issuer itself or through its Consultant to the Issue, if any shall seek from the securities exchange the dates for the publication of prospectus and the Bidding Period.

(3) Non-compliance with any of the condition imposed by the securities exchange and the Commission while granting approval for issue, circulation and publication of the prospectus shall be considered as violation of the prospectus and the Act.

(4) The prospectus and abridged prospectus as approved by the Commission shall be published in at least one English and one Urdu Newspaper.

(5) The prospectus shall be issued, circulated and published not less than seven days and not more than thirty days before the commencement of the subscription period for the retail portion of the Issue.

(6) After inserting the dates of the Bidding period, the copy of the approved Prospectus shall be placed on the website of the Issuer, the Book Runner, the Designated Institution, the securities exchange and the Consultant to the Issue, if any.

(6a) The Issuer shall publish the Prospectus at least one day before the commencement of registration of bidders by the Book Runner.

(7) The bidding shall be conducted electronically through the System in a fair, efficient and transparent manner.

(8) Save as provided in regulation 3(15)(a) and (b), Floor Price shall not be revised once the Prospectus has been approved by the Commission.

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(9) The registration of bidders by the Book Runner shall commence at least three working days before the start of the bidding period and shall remain open till 03:00 pm on the last date of the bidding period.

(10) The Book Runner shall at least establish bid collection centers in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan. The Book Runner may also designate any of the Bankers to an Issue as its collection agent.

(11) The Book Runner shall provide a mechanism for registration of the bidders at the bid collection centers and collection agents.

(12) The Book Runner shall make all necessary arrangements for receiving bids and the instruments evidencing payment of the bid money

(13) The Book Runner shall put in place a mechanism to enter details including the maximum Bid amount of the Bidders into the System

(14) Once details of the bidders are entered into the System, the Designated Institution shall assign and communicate password and user ID to the bidders enabling them to directly place the bid and revise the bid, if required.

(15) The bidding shall remain open for at least one working day.

(16) The Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Book Runner and Consultant to the Issue to the Commission, the securities exchange, the Designated Institution and the bankers to an issue. All the Bankers to an Issue shall be advised by the book runner for refund/ unblocking of the Bid Money of the bidders. The margin money shall be unblocked/ refunded to the bidders, where required, immediately but not later than three working days of the closing of the Bidding Period;

(17) The Book Building process shall be considered as cancelled if the total number of bids received is less than one* forty; and

(18) The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:

(i) credit of all shares allocated under the retail portion of the issue; and

(ii) issuance of NOC by the securities exchange in case the company is already listed or formal trading of the company in case of new listing.

9. Procedure for bidding.- The following procedure shall be followed for bidding:

(1) Bids can be placed as 'Limit Bid' or a 'Step Bid' either electronically or with the bid collection centers and collection agent.

Provided that the minimum size of a limit bid and that of any step, in case of a Step Bid, shall not be less than one million rupees;

(2) The book runner shall vet the bid applications and accept only such bid applications that are duly filled in and supported by a crossed cheque or demand draft or pay order or confirmation from the Banker to an Issue that Bid Money has been electronically debited from the bidder account or is blocked in the bidder account;

*Word "one" is not amended with any SRO

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(2) The total outstanding Exposure (fund based and non-fund based) by an NBFC to any group shall not exceed twenty five per cent (25) of the equity of an NBFC (as disclosed in the latest financial statements):

Provided that the maximum outstanding fund-based Exposure does not exceed twenty per cent (20) of the equity of an NBFC:

Provided further that the limits prescribed in sub-regulation (1) and (2) shall not be applicable to exposure taken by an NBFC in its own subsidiaries out of its surplus equity:

Provided further that for an NBFC engaged exclusively in the business of issuance of guarantees to enhance the quality of debt instruments issued to finance infrastructure projects in Pakistan, the total outstanding Exposure (fund based and non-fund based) to any group shall not exceed fifty per cent (50%) of the equity (as disclosed in the latest financial statements) and Qualified Capital and for this purpose the Commission may, through circular, specify qualified capital and its terms and conditions:

Provided also that this relaxation shall be applicable to the NBFC as mentioned above:

(i) for the first five (5) years of its operations; and

(ii) for total outstanding Exposure in relation to finance raised otherwise from the public:

Provided further that an infrastructure finance company and a non-deposit taking NBFC that is not involved in retail lending and provides finance to other NBFCs or financial institutions, may exceed the above limits by up to five percent and ten percent of its equity, respectively.

(3) In case of micro financing, the following Exposure limits shall be applicable:

(a) Poor Person

Rs. 1,500,000 for housing loan;

Rs. 500,000 for general loans other than housing loan;

(b) Microenterprise

Rs. 1,500,000]

(4) Exposure under this Regulation shall be calculated as under,-

(a) hundred per cent (100) of the deposits placed with the lending NBFC, under perfected lien, shall be deducted from Exposure;

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(b) ninety per cent (90) of the following shall be deducted from Exposure,-

(i) deposits with any other financial institution or scheduled bank rated at least A or equivalent by a credit rating agency registered with the Commission, under perfected lien; and

(ii) encashment value of Government Securities and National Saving Scheme securities deposited by the Borrower with the lending NBFC as collateral;

(c) 85% of the unconditional financial guarantees, payable on demand, issued by the scheduled banks rated at least 'A' or equivalent by a credit rating agency registered with the Commission, accepted as collateral by NBFCs shall be deducted from the Exposure;

(d) thirty per cent (30) of listed Term Finance Certificates and Sukuks and shares of the KSE 100 index companies held us security with duly marked lien shall be deducted:

Explanation.- The TFCs and Sukuks to qualify for this purpose should have been rated at least 'A' or equivalent by a credit rating agency registered with the Commission;

(e) seventy five per cent (75) of the Encashment Value of a Life Policy issued by an A-rated insurance company, duly assigned and endorsed in favor of the lending NBFC using its as a Security"; and

(f) the following weightage will be applicable in respect of placements with financial institutions,-

(i) 10% weightage on Exposure to financial institutions with 'AAA' Rating;

(ii) 25% weightage on Exposure to financial institutions rated at least 'AA';

(iii) 75% weightage on Exposure to financial institutions rated at least 'A'.

(5) This regulation, with exception of sub-regulation (4), shall not apply to an NBFC not accessing Public Funds in Pakistan.

Explanation:- Public Funds include public deposits, inter-corporate deposits, bank finance and all funds received whether directly or indirectly from outside sources such as funds raised by issue of debentures, commercial papers, etc. Further, indirect receipts of public funds means funds received not directly but through associates and group entities which have access to public funds;

17A. Maintenance of Capital Adequacy Ratio ('CAR').- A deposit taking NBFC shall be required to maintain CAR of eight per cent (8) for the first two years from coming into force of these regulations and ten per cent (10) for subsequent years as per the criteria given in Schedule IXA.

17B. Asset Liability Management System.- The board of directors of a deposit taking NBFC shall approve a policy for effective monitoring of the NBFC's assets and liabilities profiles for managing liquidity risks by containing mismatches (running total) in maturity of assets and liabilities across all time buckets by establishing internal prudential limits.

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Doubtful.	Where installment, mark-up, interest, profit or principal is overdue by one year or more from the due date.	As above.	Provision of 50% of the difference resulting from the outstanding balance of principal against the facility less the amount of Liquid Assets realizable without recourse to a Court of Law and adjusted FSV of mortgaged, pledged, leased or collaterally held assets as valued by valuers fulfilling prescribed eligibility criteria, in accordance with the requirements provided in Regulation 25.
Loss.	Where installment, mark-up, interest, profit or principal is overdue by one and half year or more from the due date. (b) Where financial instruments discounted are not paid or adjusted within 180 days of the due date.	As above. As above. As above	Provision of 100% of the difference resulting from the outstanding balance of principal against the facility less the amount of Liquid Assets realizable without recourse to a Court of Law and adjusted FSV of mortgaged, pledged, leased or collaterally held assets as valued by valuers fulfilling prescribed eligibility criteria, in accordance with the requirements provided in Regulation 25.

(b) For Miro Finance Portfolio

Classification	**Determinant**	**Treatment of income**	**Provisions to be made**
(1)	**(2)**	**(3)**	**(4)**
OAEM (Other Assets Especially Mentioned)	Where installment, mark-up, interest, profit or principal is overdue by 30 days or more from the due date.	Unrealized mark-up, interest or profit to be put in Suspense Account and not to be credited to Income Account except when realized in cash.	No provision is required

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Sub-standard	Where installment, mark-up, interest, profit or principal is overdue by 60 days or more from the due date.	Unrealized mark-up, interest or profit to be put in Suspense Account and not to be credited to Income Account except when realized in cash.	Provision of 25% of the difference resulting from the outstanding balance of principal against the Finance less the amount of Liquid Assets realizable without recourse to a Court of Law and adjusted FSV of mortgaged, pledged, leased or collaterally held assets as valued by valuers fulfilling prescribed eligibility criteria, in accordance with the requirements provided in Regulation 25.
Doubtful	Where installment, mark-up, interest, profit or principal is overdue by 90 days or more from the due date.	Unrealized mark-up, interest or profit to be put in Suspense Account and not to be credited to	Provision of 50% of the difference resulting from the outstanding balance of
		Income Account except when realized in cash.	principal against the Finance less the amount of Liquid Assets realizable without recourse to a Court of Law and adjusted FSV of mortgaged, pledged, leased or collaterally held assets as valued by valuers fulfilling prescribed eligibility criteria, in accordance with the requirements provided in Regulation 25.

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SECP
Anti Money Laundering Regulations, 2015

(Regulations 4, 5, 7 & Appendix I & II)

S.R.O. 57(KE)/2015 dated Karachi, the 13th April, 2015.- In exercise of the powers conferred by section 44 of the Anti Money Laundering Act, 2010 (ACT No. VII of 2010) read with clause (h) of sub-section (4) of section 6 thereof, the Financial Monitoring Unit, in consultation with the State Bank of Pakistan and the Securities and' Exchange Commission of Pakistan, with the approval of the National Executive Committee (NEC) hereby ma.kes the following regulations, namely:-

1. Short title and Commencement.- (1) These regulations may be called the Anti-Money Laundering Regulations, 2015.

"**4. Reporting of suspicious transactions**.- (1) In addition to financial institutions, Director General may, under the Act, require any NFBP to report suspicious transaction to FMU in the manner as he may, from time to time, prescribe.

(2) Every financial institution and such NFBP as required under clause (1) shall file with FMU on the prescribed format as annexed (appendix-I), STR effected or attempted by, at or through that financial institution or NFBP if the financial institution or NFBP knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is a part) involves funds derived from illegal activities or is, intended or effected in order to hide or disguise proceeds of crimes or is designed to evade any requirements of section 7 of the Act or has no apparent lawful purpose after examining the available facts, including the background and possible purpose of the transaction or concerns financing of terrorism. A guide containing examples of possible suspicious transactions and characteristics of financial transaction that may be a cause for increased scrutiny is given in Appendices - III to VIII.

(3) The STR shall be filed by financial institutions and designated NFBPs immediately but not later than seven working days after forming that suspicion in respect of a particular transaction, irrespective of the fact that the transaction was followed through or not.

5. Reports on currency transactions.- (1) When a financial institution or a NFBP undertakes a cash based transaction involving payment, receipt, or transfer of an amount exceeding the minimum threshold as specified by the National Executive Committee (NEC), hereinafter referred t.oas the NEC, the financial institution or NFBP shall file a report of such transaction on prescribed format as annexed (appendix-II) immediately but not later than seven working days, after the respective currency transaction.

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(2) Currency transactions amongst the financial institutions and between financial institutions and the following categories of entities, are exempted from the reporting requirements of clause (1):-

(a) a department or agency of the Federal Government or a Provincial Government; or

(b) a Local Government; or

(c) a statutory body.

7. Freezing of property.- (1) Where a financial institution or NFBP knows, suspects or-has reasons to suspect that any property or account is involved in money laundering or terrorist financing and needs immediate attention or action on the part of FMU as to the freezing of such property or account, the concerned financial institution or NFBP as the case may be, shall immediately inform the Director General of such property or account along with the grounds that warrant immediate action.

(2) The Director General may, if there appear to be reasonable grounds to believe that any property or account is involved in money laundering or terrorist financing, order freezing of such property or account for a maximum period of fifteen days, in any manner that he may deem fit in the circumstances."

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Appendix I

Suspicious Transaction Report Template

[See regulation 4(2)]

(Check appropriate box)

1) Date ____dd____/___mm___/__yy___

2) O Initial Report O Corrected Report O Supplemental Report

Part I

Reporting Financial Institution Information

3)	Name of Institution	
4)	NIFT Code	
5)	Address of Financial Institution:	
6)	Name of Branch where transaction / activity occurred :	
7)	Branch Code	
8)	Address of Branch:	

9) Primary Regulator

O SBP O SECP O Other (please specify) _____

Reporting Officer

10)	Name	
11)	Designation	
12)	Phone Number(s) (Include area code)	
13)	Fax Number(s) (Include area code)	
14)	Email Address	
15)	Cell Number(s)	

Contact for Assistance (If different from Reporting Officer)

16)	Name	
17)	Designation	
18)	Phone Number(s) (Include area code)	

19) Fax Number(s) (Include area code)

20) Email Address

21) Cell Number(s)

Part II

Suspect Information

22) Name

23) Father/ Husband's name

24) Address (permanent)

25) Address (present)

26) Other Known Address

27) Phone Number(s)-Residence (Include area code)

28) Phone Number(s)-Office (Include area code)

29) Fax Number(s)

30) Cell Number(s)

31) CNIC Number

32) NIC Number (in case CNIC number is not available) :

33) Any other Identification Number

34) National Tax Number (NTN), if available

35) Date of Birth: __dd__/___mm____/__yy__

36) Nationality

37) Occupation / Type of Business

38) Relationship with Financial Institution
O Account holder O Employee O Agent O Walk in Customer O Other (please specify) _____

39) Business Relation with Suspect (if any) | |

40) Is Relationship Still Maintained With the Person? ☐ Yes ☐ No

41) In Case No, Mention Date of Termination of relationship __dd__/__yy__/__yyyy__

42) Capac;ity in which the person is performing the transactions / acts
O Individual O Company O Agent O Broker
O Other (please specify) _____

43) Identities of other persons known to be involved in reported activity | |

Part III
Suspicious Transaction Information

44) Date of Suspicious Transaction __dd__/__yy__/__yyyy__

45) Amount involved (Please Specify Currency) | |

46) Suspicious Transactions:

Date	Amount	Description of Transaction

47) Brief Narrative (Reasons for Suspicion)

(Include suspicious activity information, explanation I description and background details)

48) Characterization of Suspicious Transaction (i.e. nature of suspected predicate schedule offence)

49) Has the transaction already been reported to any Law Enforcement Agency?

If so, list the agency

a	
b	
c	
d	

Part IV

Account Information

50) Account number (s) effected. if any

a)	b)	c)	d)

51) Account(s) opened on *(dd/mm/yyyy)*

a)	b)	c)	d)

52) Current Status of the Account(s)

a)	b)	c)	d)

53) Purpose of account (s)

a)	b)	c)	d)

54) Average Monthly Turnover of account (s)

a)	b)	c)	d)

55) Aggregate Credits / Debits for last 3 Years

a)	b)	c)	d)

56) Peak Balance(s) of last 3 Years

a)	b)	c)	d)

57) Nature of Account (s):

☐ Individual ☐ Partnership ☐ Company ☐ Trust ☐ Other please specify_____

58) Transaction Mean / Method

☐ Cash ☐ Cheque ☐ Remittance ☐ Pay Order ☐ Credit Card

☐ Deposits ☐ Fixed Deposit ☐ Draft ☐ Trust ☐ Transfer

☐ LC ☐ Online Transfer ☐ Other (Please specify)

59) Copies of Following Documents are attached:

☐ Customer rdentification documents / Account Opening Form

☐ KYC / COD of Customer or Suspect

☐ Other Documents obtained at the time of opening of account / relationship.

☐ Relevant documents.supporting the STR

60) **Other Relevant Information** (information linked to STR or action taken by the reporting entity)

(Seal & Signature of Reporting Officer)

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Appendix II

Currency Transaction Report

[See Regulation 5]

(Check appropriate box)

1) Date ____dd____/___mm___/__yy___

2) O Initial Report O Corrected Report O Supplemental Report

Part I

Person(s) Involved in Transaction(s)

Section A --Person(s) on Whose Behalf Transaction(s) Is Conducted

3)	Name	
4)	Father's / Husband's name	
5)	Address (permanent)	
6)	Address (present)	
7)	Other Known Address	
8)	Phone Number-Residence (Include area code)	
9)	Phone Number-Office (Include area code)	
10)	Fax Number	
11)	Cell Number	
12)	CNIC Number	
13)	NIC Number (in case CNIC number is not available):	
14)	Any other Identification Number	
15)	National Tax Number (NTN), if available	

16) Date of Birth: __dd__/___mm____/__yy__

17)	Nationality	

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18) Occupation / Type of Business

19) Relationship with Financial Institution
O Customer O Employee O Agent O Walk in Customer O Other (please specify) _____

20) Business Relation with Customer (if any)

Section B –Individuals Conducting Transaction(s) (if other than above).

21) Name

22) Father's / Husband's name

23) Address (permanent)

24) Address (present)

25) Contact Numbers (Include area code)

26) CNIC Number

27) Any other Identification Number:

28) Date of Birth: __dd__/___mm____/__yy__

29) Nationality

30) Occupation / Type of Business

31) Relationship with Financial Institution
O Customer O Employee O Agent O Walk in Customer O Other (please specify) _____

Part II

Amount and Type of Transaction(s) Check all boxes that apply.

32) Date of Transaction __dd__/__yy__/__yyyy__

(In Case of Local Currency)

33) Total Cash in

34) Total Cash out

(In Case of Foreign Currency)

35) Foreign Cash in

36) Foreign Cash out

37) Name of Foreign Currency

Type of Transaction

Negotiable Instrument(s)		Negotiable Instrument(s)	
38)	☐ Purchased	39)	☐ Cashed
40)	☐ Currency Exchange(s)	41)	☐ Deposit / Withdrawal
Account Number(s)			
42)	☐ Affected (if any)	43)	☐ Wire Transfer(s)
44)	☐ Other (specify)		

_____ _____

_____ _____

Part III
Financial Institution Where Transaction(s) Takes Place

45)	Name of Institution	
46)	NIFT Code	
47)	Branch Code	
48)	Address of Financial Institution:	
49)	Name of Branch where transaction I activity occurred:	
50)	Address of Branch:	

Reporting Officer

51)	Name	52)	Designation
53)	Phone Number(s) (Include. area code)	53)	Fax Number(s) (Included area Code)
54)	Email Address	55)	Cell Number(s)

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Contact Person

56)	Name	57)	Phone Number(s)

(Seal & Signature of Reporting Officer)