

Government of Pakistan
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 15th September, 2015

S.R.O. 935 (I)/2015.- In exercise of the powers conferred under Section 23 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, (Act No. XV of 2012) the Securities and Exchange Commission of Pakistan hereby makes the following amendments to the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012, namely:-

In the aforesaid Regulations, after regulation 10, the following new regulations shall be inserted, namely:-

"11. Procedure for scheme of integration.- (1) Stock exchanges in the process of integration under Section 17(1) of the Act shall, with the approval of the shareholders, submit scheme(s) of integration for approval of the Commission.

(2) The proposed scheme(s) of integration shall be submitted by stock exchanges to the Commission along with, *inter alia*, the following information,-

- (a) identification of undertaking including proposed treatment thereof;
- (b) terms of integration agreed between the transferor and successor exchanges;
- (c) details of creditors of the stock exchanges;
- (d) details of material contracts and contingent liabilities of the stock exchanges;
- (e) treatment of assets, undertaking and liabilities;
- (f) treatment of registered TRE Certificate Holders, employees and other stakeholders;
- (g) details of companies listed on the stock exchanges;
- (h) details of trust funds, demands, claims, liabilities including contingent liabilities etc.; and
- (i) details of outstanding investor claims, settlements and awards, if any.

The information provided hereinabove shall not be earlier than thirty days prior to filing of the proposed scheme of integration.

(3) The documents to be filed with the proposed scheme of integration shall include but not limited to:-

- (a) certified true copy of the special resolution of the shareholders of each stock exchange passed to approve the proposed scheme of integration;

- (b) copies of the notice and Statement under Section 160 of the Companies Ordinance, 1984 along with minutes of the Extra-Ordinary General Meeting ("EOGM") in which the above special resolution is passed;
- (c) list of shareholders who attended the EOGM including the respective shares held by them;
- (d) list of dissenting shareholders who attended the EOGM along with the respective shares held by them;
- (e) financial statements, duly reviewed by the auditors, based on the limited scope not earlier than thirty days from the date of filing of the proposed scheme of integration; and
- (f) proposed names of the stock exchanges to be effective after approval of the scheme of integration.

(4) The exchanges shall provide any other information or document as required by the Commission from time to time.

(5) On approval by the Commission in principle the proposed scheme(s) of integration submitted under sub-regulation (1), the stock exchanges shall, within seven days of the mentioned approval, have the same published in two daily newspapers of national coverage, requiring the stakeholder(s) to directly intimate to the Commission, objection, if any, in writing within fifteen days of such publication.

12. Effect of the approval of the scheme by the Commission.- (1) Upon approval of the proposed scheme of integration by the Commission under Section 18 of the Act:-

- (a) TRE Certificate Holders of the transferor exchange(s) shall become the TRE Certificate Holders of the successor exchange in terms of Section 18(7) of the Act having the right to transfer TRE Certificate as provided under section 16(2) of the Act;
- (b) the transferor exchange(s) shall cease to exist as a stock exchange;
- (c) transferor stock exchange shall also change its name to exclude the term "stock exchange";
- (d) transferor stock exchange(s) shall continue to exist as a public company limited by shares with an amended memorandum of association to undertake the business of non-banking finance company or a modaraba management company; and
- (e) the trust funds established by the exchanges shall be maintained in future as per directions of the Commission."

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15/9/15

Bushra Aslam

Secretary to the Commission