

Circular No. 16 - Reference No. 1(18)CF/POL/2000
Disposal of cancelled share certificates of listed companies

Nov. 14, 2000

With the introduction of Central Depository System (CDS) and establishment of Central Depository Company of Pakistan Limited (CDC), the share certificates of a number of listed companies have been de-materialized for trading and settlement purposes and the shares now appear as a book entry security with the CDC. An issue has arisen as to what should be done about the disposal of the cancelled share certificates. The matter has been examined by the Commission and it has been decided that cancelled share certificates of the listed companies which have entered the CDS shall be disposed of in the following manner:

- i. Where the shares are held in the name of the shareholder and he continues to be the beneficial owner at the time of transfer of such shares in the name of CDC, the share certificates may be destroyed after six months of the transfer. However, the transfer deeds should be retained for a period of three years.
- ii. Where the shares are in the name of a person other than the beneficial owner, the cancelled share certificates and transfer deeds should be retained for a period of three years.
- iii. The share certificates in both the cases, should be destroyed after the specified period in the presence of the Chief Executive of the company and company's auditor both of whom shall give a certificate in this respect.

(HIZBULLAH SIDDIQUI)
Joint Director

1. All the Listed Companies.
2. Karachi/Lahore/Islamabad Stock Exchange (Guarantee) Limited.
3. Central Depository Company of Pakistan Limited.