

GOVERNMENT OF PAKISTAN  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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*Islamabad, the 16<sup>th</sup> June 2022*

NOTIFICATION

S.R.O. 813 (I)/2022.- The following draft amendments to the Listed Companies (Buy-Back of Shares) Regulations, 2019, proposed to be made by the Securities and Exchange Commission of Pakistan, in exercise of the powers conferred under section 512 read with section 88 of the Companies Act, 2017 (XIX of 2017) is hereby published for information of all persons affected thereby and as required by proviso to sub-section (1) of the said section 512, notice is hereby given that objections or observations, if any, received within fourteen days from the date of this notification shall be taken into consideration, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

1. in regulation 2, in sub-regulation (1), clauses (c) and (d) shall be omitted;
2. in regulation 3, in sub-regulation (1), -
  - (a) in clause (b), the expression “or minimum free float requirements of the securities exchange, as set out in listing regulations” shall be omitted;
  - (b) after clause (e), the following new clause shall be inserted, namely: -

“(i) it has not defaulted on any debt instrument supported by auditors’ certificate;”
3. in regulation 4, -
  - (a) in sub-regulation (2), after the words ‘as per’, the words ‘Schedule II’ shall be inserted; and
  - (b) sub-regulation (4) shall be omitted;
4. regulation 5 shall be omitted.
5. in regulation 6, -
  - (a) in heading, after the word ‘purchase’, the word ‘Procedure’ shall be inserted;
  - (b) in clause (a), the word ‘and’ at the end, shall be omitted; and

(c) after clause (b), the following new clauses shall be inserted, namely:

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- “(c) the purchasing company shall open an Investor Account Service (IAS) at Central Depository Company (CDC) for the purpose of the purchase;
- (d) the authorized officer shall open a subaccount of the purchasing company with any licensed brokerage house which can only be utilized for purchase of shares during the purchase period;
- (e) the purchasing company shall ensure that sufficient funds are available for settlement in the designated clearing bank account of the company;
- (f) the purchasing company shall intimate to the securities exchange, the number of shares purchased, along with the purchase price on daily basis for public dissemination;
- (g) the shares purchased on daily basis shall be placed in the blocked IAS account of the purchasing company maintained with CDC; and
- (h) CDC shall ensure that the shares shall remain in Blocked account until the company decides to sell the treasury shares in accordance with these regulations.”;

6. in regulation 7, -

- (a) sub-regulation (1) shall be omitted; and
- (b) in sub-regulation (2), after the words “date of”, the words ‘passing of’ shall be added;

7. in regulation 8, -

- (a) sub-regulation (1) along with proviso shall be omitted; and
- (b) in sub-regulation (2), for the full stop at the end a colon shall be substituted and thereafter the following shall proviso be inserted, namely: -

“Provided that this should not include purchase through negotiated deals market”;

8. in regulation 10, -

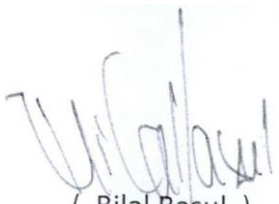
- (a) clause (c) shall be omitted;
- (b) in clause (d), for the semi colon a colon shall be substituted and thereafter the following proviso shall be inserted, namely: -

“Provided that for cancellation of shares, the purchasing company has to follow the filing requirements of the Act, the Companies (General Provisions and Forms) Regulations, 2018 and the procedure prescribed by CDC.”; and

- (c) clauses (j), (k) and (l) shall be omitted;
9. in regulation 13, in sub-regulation (6), for clause (b), the following shall be substituted, namely: -
- “(b) sell the treasury shares to its employees under section 83A of the Act read with the Companies (Further Issue of Shares) Regulations, 2020 under the authority of a special resolution in accordance with its articles of association.”;
10. Schedule 1 shall be omitted;
11. in Schedule II, -
- (a) in the heading, for the expression “4 (b)” the expression “(2)” shall be substituted; and
- (b) for paragraph (2), the following shall be substituted namely: -
- “It is clarified that all those persons who validly hold shares of the purchasing company except for the persons mentioned in regulation 12(2) of these regulations are eligible to participate in the purchase even if their names do not appear on Members' register of the purchasing company.”;
12. Schedule III shall be omitted;
13. in Schedule IV,
- (a) in clause (v), the expression “(in case of tender offer)” shall be omitted;
- (b) in clause (vi), the expression “(in case of purchase through securities exchange)” shall be omitted; and
- (c) clauses (viii) and (xii) shall be omitted.

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( Bilal Rasul )  
Secretary to the Commission