

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

-.-.-.-

Islamabad, the 24th January, 2024

NOTIFICATION

S.R.O. 68 (I)/2024.- In exercise of the powers conferred under section 169 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan hereby makes the following amendments to the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017, the same having been previously published in the official Gazette, vide Notification S.R.O. 1086(I)/2023 dated August 15, 2023 as required by the said section 169, namely:-

AMENDMENTS

In the aforesaid Regulations,

1. in regulation 2, in sub-regulation (1), -
 - (a) in clause (a), after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
 - (b) after clause (b), the following new clause shall be inserted, namely: -

“(ba) “average daily traded volume” means total traded volume of shares of a listed company divided by total trading days during the period under consideration;”;
 - (c) after clause (c), the following new clause shall be inserted, namely: -

“(ca) “frequently traded shares” means shares of a listed company meeting following criteria during 180 days prior to the date of public announcement of public offer:

 - (i) the shares have been traded for at least 80 percent of the trading days; and
 - (ii) the average daily traded volume of the shares in the ready market is not less than 0.5 percent of its free float or 100,000 shares whichever is higher;”;
 - (d) in clause (d), the word “and” at the end shall be omitted; and
 - (e) after clause (e), the following new clause shall be inserted, namely: -

“(f) “weighted average share price” means the price calculated as total traded value divided by total traded volume of the underlying share in the ready market during the period under consideration;”;

2. in regulation 5, in sub-regulation (1), in clause (a), for the words “is notified to the target company” the words “where such intention is notified by the acquirer to the target company” shall be substituted;
3. in regulation 6, in sub-regulation (2), -
 - (a) clause (b) shall be omitted; and
 - (b) for the full stop at the end colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that in case acquirer is a company, it shall make public announcement of intention immediately after it passes a board resolution.”;
4. in regulation 7, after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
5. in regulation 8, for the word “announcement” the words “public announcement” shall be substituted;
6. in regulation 9, after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
7. in regulation 11, after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
8. in regulation 12, -
 - (a) for the words “fifty four day” the words “fifty-four days” shall be substituted; and
 - (b) after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
9. in regulation 13, -
 - (a) in sub-regulation (1), -
 - (i) after the words “frequently traded” the word “shares” shall be added;
 - (ii) the word “public announcement of” occurring first, shall be omitted;

(iii) for clauses (b), (c), and (d), the following shall be substituted, namely: -

“(b) the highest price paid by the acquirer for acquiring the voting shares of target company during the 180 days preceding the date of public announcement of public offer;

(c) the weighted average share price of target company on the securities exchange during the 180 days preceding the date of public announcement of public offer;

(d) the weighted average share price of target company on the securities exchange during 28 trading days preceding the date of public announcement of intention and only those days shall be taken in to account on which the shares of the target company have been traded;”;

(iv) clause (e), shall be omitted; and

(b) in sub-regulation (2), -

(i) for the words “If the shares are not frequently traded the public announcement of offer” the words “If the shares are not frequently traded shares, the public announcement of public offer” shall be substituted; and

(ii) for clauses (b) and (c) along with Explanation, the following shall be substituted, namely: -

(b) the highest price paid by the acquirer for acquiring the voting shares of target company during 180 days preceding the date of public announcement of public 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 the audited or half yearly reviewed financial statements, as the case may be, not older than six months from the date of public announcement of public 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 valuation of fixed assets, as per regulation 8A and 8B of the Companies (Further Issue of Shares) Regulations, 2020.”;

10. in regulation 14, after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
11. in regulation 15, -
 - (a) in sub-regulation (1), -
 - (i) for clause (b), the following shall be substituted, namely: -

“(b) treasury bills and short term sukus with original maturity of twelve (12) months or less with five percent margin or any other government debt securities with ten percent margin; or”; and
 - (ii) clauses (e) and (f) shall be omitted; and
 - (b) in sub-regulation (2), after the words “public announcement of” the word “public” shall be inserted;
12. in regulation 17, -
 - (a) in sub-regulations (1) and (2), after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
 - (b) in sub-regulation (4), -
 - (i) after the words “public announcement of” occurring the first and third time, the word “public” shall be inserted; and
 - (ii) for the words “public announcement of the” the words “public announcement of public” shall be substituted;
 - (c) in sub-regulation (5), after the word “earlier” the word “public” shall be inserted and thereafter in the proviso, after the word “upward revision” the words “under these regulations” shall be inserted;
13. in regulation 18, after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
14. for regulation 19, the following shall be substituted, namely: -

“**19. Mode of payment.** - (1) The consideration for the voting shares to be acquired by the acquirer shall be payable-

 - (a) wholly in cash; or
 - (b) in the form of securities accompanied with a wholly cash alternative.

(2) In case the consideration includes securities as mentioned in sub-regulation (1)(b), only the following securities or a combination thereof may be offered as consideration by the acquirer:

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

- (i) such company is listed for at least two years before the date of public announcement of public offer;
- (ii) shares of such listed company are presently being traded at normal counter of securities exchange;
- (iii) shares of such listed company are frequently traded:

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; or

(b) listed debt instruments owned/proposed to be issued by the acquirer or owned by any person acting in concert; or

(c) Government debt securities in the form of treasury bills and sukuks with remaining maturity of not more than 364 days owned/held by the acquirer or owned by any person acting in concert.

(3) The value of shares offered as consideration shall be the weighted average share price during 180 days preceding the date of public announcement of public offer.

(4) The value of government debt securities to be offered as consideration shall be calculated on basis of applicable Pakistan Revaluation (PKRV) rates at the end of the day preceding the date of the public announcement of public offer.

(5) the value of listed debt instruments offered as consideration shall be calculated on the basis of a valuation methodology in accordance with generally accepted principles for valuation of such instruments as disclosed by the acquirer.”;

15. in regulation 20, for the expression “; (:)” a colon shall be substituted and thereafter for the proviso the following shall be substituted, namely: -

“Provided that in case the option of receiving consideration in the form of securities is exercised the offeror shall post or credit the non-cash

consideration to the securities account of the person accepting the takeover offer within 2 days from the date of closure of public offer.”;

16. in regulation 21, in sub-regulation (1), in clauses (e) and (f), after the words “public announcement of”, the word “public” shall be inserted;
17. in regulation 23, after the words “revision of”, wherever occurring, the word “public” shall be inserted;
18. in regulation 24, in sub-regulations (1), (2), (4), (5) and (7), after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
19. in regulation 25, in sub-regulations (1) after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
20. in regulation 26, in sub-regulations (2) and (3) after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
21. in schedule I,-
 - (a) after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
 - (b) in paragraph (4),-
 - (i) for the words “be payable in” the words “payable in the” shall be substituted; and
 - (ii) after the expression “banking instruments,” the expression “or the transfer of securities,” shall be added;
22. in schedule IV, in the first paragraph, for the word “twelve” the words “twelve months” shall be substituted;
23. in schedule VI, in PART A, after the first table, the words “If there is more than one person, above information shall be provided separately for each person comprising the acquirer(s).” shall be inserted;
24. in schedule VII, -
 - (a) after the words “public announcement of” wherever occurring, the word “public” shall be inserted;
 - (b) in paragraph (2) in clause (e), after the word “conditional” the word “public” shall be inserted; and

- (c) in paragraph (6), after the words “REGARD TO THE” occurring at the last line, the word “PUBLIC” shall be added;
25. in schedule VIII, in the heading, after the words “public announcement of” the word “public” shall be inserted;
26. in schedule IX, -
- (a) for the expression “**Offer Timetable-T**” the expression “**Public Offer Timetable-T**” shall be substituted;
- (b) in the table, in row (2) and (3), after the words “public announcement of” the word “public” shall be inserted;
- (c) in row (9), after the words “accept the” the word “public” shall be inserted;
- (d) in row (13), after the words “acceptance of” the word “public” shall be added; and
- (e) in row (16), for the expression “T+ 75 days” the expression “T+74 days” shall be substituted;
27. in schedule X, after the words “public announcement of” the word “public” shall be inserted and thereafter for the expression “one day” the expression “two days” shall be substituted; and
28. in schedule XI, -
- (a) in paragraph (2), after the word “captioned” the word “public” shall be inserted;
- (b) in paragraph (2a), after the word “implement the” the word “public” shall be added; and
- (c) in paragraph (3) and (5) after the words “public announcement of” the word “public” shall be inserted.

[File No. EMD/TO/O5/2008]


(Bilal Rasul)
Secretary to the Commission