



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Media and Corporate Communications Department

PRESS RELEASE

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Beneficial owners of listed companies should follow Securities Act to file returns

ISLAMABAD, July 7: The Securities and Exchange Commission of Pakistan (SECP) has advised the beneficial owners of listed companies to follow the 2015 Securities Act for the filing of their beneficial ownership returns and reporting of tenderable gain.

The new securities law was promulgated after receiving the presidential assent on May 13, 2015, and publication in the official gazette. The new law is aimed at effective regulation of the securities market and enhanced protection of investors and public in general.

Following the promulgation of the 2015 Securities Act, sections 220-224 of the 1984 Companies Ordinance related to the submission of returns of beneficial ownership of listed companies and reporting/tendering of tenderable gain stand omitted. These sections of the 1984 Companies Ordinance have been replaced by sections 101-106 of the 2015 Securities Act.

The salient features of the new legal framework governing beneficial ownership affairs of listed companies and their responsibilities are as under:

- a) Every person who becomes a beneficial owner of a listed company shall give notice (first disclosure) in writing to the company concerning his beneficial ownership and also report thereafter changes in beneficial ownership to the company. The reporting requirement is to be fulfilled within seven days of becoming beneficial owner or change in beneficial ownership (vide section 101 of the 2015 act).
- b) Every listed company shall maintain a register of beneficial owners' interests (vide section 102 of the act)
- c) Whenever a listed company is notified first disclosure of any matter in consequence of requirement imposed by section 101 (1), the company shall notify it to the SECP, within seven days of the receipt of the information, showing therein name of beneficial owner, date of appointment/acquisition of beneficial ownership and number of shares held by him (vide section 102 (3) of the act).
- d) Every beneficial owner shall file returns of beneficial ownership with the SECP's Securities Market Division, within seven days of the acquisition of beneficial ownership/change in beneficial ownership/position. However, the said returns are no

more required to be filed with relevant Company Registration Office (vide section 103 of the Act).

- e) Gain made by a beneficial owner by the purchase and sale or sale and purchase is required to be reported to the SECP, within seven days of the accrual of the gain (vide section 104 of the act).
- f) The aforesaid gain is required to be tendered by the beneficial owner to the SECP, within six months of its accrual for onward credit to the federal consolidated fund (vide section 105 of the Act).

All relevant individuals are advised to follow the new regulatory framework in letter and spirit. The SECP would also send a notice on the subject matter to all listed companies at their registered addresses for information and compliance.

Besides, pursuant to 2015 Securities Act, the SECP is required to prescribe returns of beneficial ownership including for reporting of accrual of tenderable gain. Till the said returns are prescribed, the SECP is pleased to advise beneficial owners of listed companies to continue filing of Form 31, prescribed under the 1985 Companies (General Provisions and Forms) Rules upon becoming beneficial owner and Form 32 for reporting of subsequent changes in beneficial ownership/position and reporting of tenderable gain.

In case of any query, please contact Mr. Muhammad Farooq, Joint Director (BO) on phone No. 051-9207091-93 Ext. 265 or fax No. 051-9100440 or email muhammad.farooq@secp.gov.pk