



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Media and Corporate Communications Department

### **SECP seeks comments to amend the manner of calculating tenderable gain**

ISLAMABAD, December 1: Under the 1984 Companies Ordinance, the Securities and Exchange Commission of Pakistan is responsible for monitoring trading activities of beneficial owners of listed companies with the primary objective of detecting instances, where the beneficial owners have made gain by trading in the shares of issuer companies within a period of less than six months.

Pursuant to Section 224(1) of the Companies Ordinance, the beneficial owner who makes such gain is required to surrender the amount of the gain to the company and the amount of tenderable gain is calculated in the manner provided in Rule 16 of the 1985 Companies General Provisions and Forms Rules.

For the purpose of determining the amount of tenderable gain provided in Rule 16, purchases at lowest rates are matched against the sales at highest rates prevailing within the six months. Over a period of time, different opinions and disagreements were submitted by the market participants and stakeholders about the manner of this calculation. In order to address their concerns and to make the calculation more rational, reasonable and fair, the SECP with the approval of federal government intends to amend the Rule 16.

In this regard, S.R.O 1050(I)/2014 dated 26/11/2014 has been placed on the SECP's website at the following link for information of all persons likely to be affected thereby: [http://www.secp.gov.pk/notification/pdf/2014/SRO\\_1050\\_2014.pdf](http://www.secp.gov.pk/notification/pdf/2014/SRO_1050_2014.pdf)

The comments thereon, if any, received within 30 days of the publication of this notification shall be taken into consideration.