



## Press Release

August 7, 2017

*For immediate release*

### **SECP notifies Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017**

**ISLAMABAD, August 7 :** The Securities and Exchange Commission of Pakistan (SECP) after due process of law including comprehensive consultation with the stakeholders and taking into consideration the objections and suggestion received on draft regulations notified on December 2, 2016, has notified Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. These Regulations have replaced Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008.

The regulations have been made for carrying out the purposes and provisions of *inter alia* Part IX of the Securities Act, 2015, which provide regulatory framework for acquisition of voting shares beyond prescribed limit of 30 percent or control of a listed company.

In terms of the newly framed regulations the timeline for completion of the process of public offer has been reduced from 92 days to 75 days. Any “consultant to the issue” duly licensed by the Commission may be appointed by the acquirer as manager to the offer. Moreover, considering the liquidity risk, debt securities other than government securities have not been allowed as eligible securities for performance of obligations by the acquirer under the public offer. Keeping in view, the liquidity risk in debt securities and price risk in equity securities, payments to shareholders have been restricted through cash only.

The acquirer has been obligated to act in good faith and in the best interest of the target company and its shareholders. Moreover, the acquirer and the target company are required to comply with the requirements of the Act, regulations and regulations of PSX.

The notified regulations are available on the SECP’s website

<https://www.secp.gov.pk/document/listed-companies-substantial-acquisition-of-voting-shares-takeovers-regulations-2017/?wpdmdl=28947>