

## Press Release

June 22, 2018

*For immediate release*

### **SECP notifies Regulations regarding further issue of shares**

Islamabad.- June 22, 2018- The Securities and Exchange Commission of Pakistan (SECP) has notified draft regulations regarding further issue of shares by companies.

Currently, companies issuing shares by way of right issue, bonus issue, other than right, shares having differential rights & privileges, shares at discount or employee stock option schemes are required to comply with the requirements of the Companies Act, 2017. However, for right issue and bonus issue by listed companies, in addition to requirements of Act, compliance with applicable requirements of Companies (Issue of Capital) Rules, 1996 and Guide on issue of shares otherwise than right is mandatory. Similarly, companies issuing different kinds of shares with varied rights and privileges are required to comply with the requirements of the Act and Companies' Share Capital (Variation in Rights and Privileges) Rules, 2000. Moreover, public companies issuing Employee Stock Option Scheme under the Act are required to comply with the requirements of Public Companies (Employees Stock Option Scheme) Rules, 2001 and Guidelines for the Structuring and Offering of the Employees Stock Option Schemes, 2016. In addition to the above, companies are required to comply with certain directives, periodic disclosure and reporting requirements.

The Commission has therefore notified draft Companies (issue of further shares) Regulations, 2018 with a view to cogently consolidate relevant requirements of the Act, varied directives and specifying certain additional conditions/ requirements. The said draft Regulations have been placed on the website of the SECP for soliciting public opinion. Stakeholders are encouraged to provide their comments through post or through email to [ccg@secp.gov.pk](mailto:ccg@secp.gov.pk).

The Regulations are aimed at streamlining all legal and procedural requirements for issue of further capital, optimum disclosures by companies to all stakeholders and protecting the rights of shareholder.

