



PRESS RELEASE

For immediate release

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SECP proposed amendments in the Public Offering Regulations, 2017

ISLAMABAD, October 16: The Securities and Exchange Commission of Pakistan (SECP) has proposed certain amendments in the Public offering Regulations, 2017 for seeking public comments. The objective behind the proposed amendments is to promote capital formation by facilitating issuers, reducing the cost of an IPO and safeguarding the interest of general public by enhancing disclosures.

In order to promote capital formation through securities market, the objective eligibility criteria for listing of companies is being reviewed to enable companies that presents a viable time bound business plan, to raise funds. Such companies are however, required to comply with certain conditions including enhanced risk disclosures in the offering document for information of the prospective investors.

To help reduce the cost of an IPO, the role of Consultant to the Issue and Book Runner may be performed by same entity provided such entity is independent of the issuer.

In order to safeguard the interest of general public, certain parameters for green field projects (GFP) are being introduced. Through such parameters, sponsors of GFPs are required to have successful business track record of running a listed company and to contribute at least 75% in the form of equity and financial close should be in place. The issuer shall also make certain risk related disclosures in the offering document and shall offer the shares through fixed price method only.

Further, to ensure investor protection, in case of change in the principal purpose of the issue, an exit offer mechanism is being proposed.

The proposed amendments are placed at SECPs website <https://www.secp.gov.pk/laws/draft-for-discussion/>. Public/Stakeholders may send their comments latest by October 24, 2019 at emails

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