

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

-.-.-

Islamabad, September 30, 2022

NOTIFICATION

S.R.O. 1828 (I)/2022.- In exercise of the powers conferred under section 169 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan is pleased to make the following amendments in the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017, the same having been previously published in the official Gazette vide S.R.O. 1715 (I)/2022, dated September 5, 2022, as required under sub-section (4) of section 169 of the Securities Act, 2015 for eliciting public opinion, namely:-

In the aforesaid Regulations, -

1. In regulation 7, in sub-regulation (1), in the proviso at the end for the full stop the words “and such intimation shall be made on or before the expiry of 180 days for making the public offer.”
2. in regulation 13, in sub-regulation (1), -
 - (a) in clause (c), for the expression ‘six months’, the expression “180 days” shall be substituted;
 - (b) in clause (d), -
 - (i) for the expression “four weeks”, the expression “28 days” shall be substituted; and
 - (ii) for the semi-colon at the end a colon shall be substituted and thereafter, the following proviso shall be inserted namely: -

“Provided that the weighted average share price shall be calculated as total value/total volume of the Target Company in the ready market and only those days shall be incorporated where the shares of the Target Company have been traded;”;
3. in regulation 15, in sub-regulation (1), after the sub-clause (d), the following new sub-clauses shall be inserted, namely: -

“(e) the shares of a listed company that are proposed to be offered as non-cash consideration in the takeover transaction shall be subject to following requirements: -

- (i) such company is listed for at least two years before the date of announcement of offer; and
- (ii) shares of such listed company are presently being traded at normal counter of securities exchange:
Provided that this requirement shall not be applicable on proposed further issuance of shares offered under section 83 of the Companies Act 2017, as consideration, if any, in the takeover transaction;

(f) Government debt securities owned/held by the acquirer or by any person acting in concert, offered as consideration in the takeover transaction; or

(g) a combination thereof;”;

4. in regulation 17, in sub-regulation (5), for the proviso, the following shall be substituted namely:

“Provided that if no such announcement is made within the time lines prescribed with reference to competitive bids and upward revision, the earlier offer on the original terms shall continue to be valid and binding on the acquirer who has made the earlier public offer, except that the date of closing of such public offer shall stand extended to the date of closure of public offer under the last subsisting competitive bid(s).”

5. for regulation 19, the following shall be substituted namely:

“(19) **Mode of payment.** — The consideration for the voting shares to be acquired by the acquirer shall be payable in the form of –

- (a) cash; or
- (b) by exchange or transfer of shares of listed company owned or held or proposed further issuance of shares by the acquirer or any person acting in concert subject to the following conditions, -
 - (i) such company is listed for at least two years before the date of announcement of offer; and
 - (ii) shares of such listed company are presently being traded at normal counter of securities exchange:

Provided that in case of proposed further issuance of shares, appropriate regulatory approvals in accordance with the requirements of the Companies Act, 2017 are in place prior to the Public Announcement of Offer;

- (c) by exchange or transfer of listed debt instruments owned/issued by the acquirer or held by any person acting in concert; or
- (d) by exchange or transfer of listed convertible debt securities owned/issued by the acquirer or held by any person acting in concert; or
- (e) by exchange of transfer of Government debt securities owned/held by the acquirer or by any person acting in concert; or
- (f) a combination of the modes of payment for consideration stated in clause (a), clause (b), clause (c), clause (d) and clause (e) above.

Explanation: - for the purpose of calculating the consideration for existing as well as new securities, 90 days average closing price of respective security before the public offer shall be considered.”;

6. in regulation 20, after the full stop in the end, a colon shall be substituted and thereafter the following proviso shall be added namely: -

“Provided that in the case where the consideration involves only securities, or a combination of cash and securities, as the case may be, the offeror shall post or credit the non-cash consideration to the persons’ securities account, as the case may be, accepting the take-over offer within 2 days from the date of closure of public offer.”

7. in regulation 21, in sub-regulation (1), in clause (e), for the expression “if granted”, the expression “if availed” shall be substituted and thereafter for the expression “;or” a colon shall be substituted and the following proviso shall be inserted namely:-

“Provided that the withdrawal notice shall be submitted to the Securities Exchange and the Commission not later than one working day of expiry of time period for making the public offer or extension thereof if availed, has lapsed.”;

8. in regulation 22, sub-regulation (2) shall be omitted; and

9. in Schedule VI, -

- (a) in Part-B, in clause (1), in sub-clause (g),-


- (i) for the expression “in case of individual”, the following shall be substituted namely:

“Name(s) of the natural person(s), CNIC/Passport Number, nationality and address of each person.”;

- (ii) the expression “in case of fund/Company etc.” and clauses (i), (ii) (iii) shall be omitted; and

- (b) in Part – C, in clause 2, sub-clause (f), for the expression “four weeks”, the expression “twenty-eight days (28) days” shall be substituted.

[File No. EMD/TO/05/2008]



(Bilal Rasul)
Secretary to the Commission