

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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Islamabad, the 6th September, 2022

NOTIFICATION

S.R.O. 1725(I)/2022.- In exercise of the powers conferred under section 512, read with section 88 of the Companies Act, 2017 (XIX of 2017), the Securities and Exchange Commission of Pakistan is hereby pleased to make the following amendments to the Listed Companies (Buy-Back of Shares) Regulations, 2019, the same having been previously published in the official Gazette vide notification S.R.O. 813 (I)/2022, dated 16th June, 2022 for public consultation as required under the said section 512 of the Companies Act, 2017, namely:-

AMENDMENTS

In the aforesaid Regulations, -

1. in regulation 2, in sub-regulation (1), clauses (c) and (d) shall be omitted;
2. in regulation 3, in sub-regulation (1), -
 - (a) in clause (b), the expression “or minimum free float requirements of the securities exchange, as set out in listing regulations” shall be omitted; and
 - (b) for the clause (e), the following shall be substituted, namely: -

“the purchasing company shall not be on the default counter and has not defaulted on any debt instrument supported by auditors’ certificate;”;
3. in regulation 4, -
 - (a) in sub-regulation (1), for the word “thirty”, the expression “forty-five” shall be substituted;
 - (b) in sub-regulation (2), after the words ‘public announcement, the words ‘as per Schedule II’ shall be inserted; and
 - (c) sub-regulation (4) shall be omitted;
4. regulation 5 shall be omitted;
5. in regulation 6, -
 - (a) in heading, after the word ‘purchase’, the word ‘procedure’ shall be inserted;
 - (b) in clause (a), the word ‘and’ at the end, shall be omitted;

- (c) for clause (b). the following shall be substituted, namely: -
 - “(b) the purchasing company shall open an Investor Account Service (IAS) at Central Depository Company (CDC) for the purpose of the purchase and shall intimate all related details to CDC;” and
- (d) after clause (b), substituted as aforesaid, the following new clauses shall be added, namely: -
 - “(c) the authorized officer shall open a subaccount of the purchasing company with any licensed brokerage house which can only be utilized for purchase of shares during the purchase period;
 - (d) the purchasing company shall ensure that sufficient funds are available for settlement in the designated clearing bank account of the company;
 - (e) the purchasing company shall intimate to the securities exchange, the number of shares purchased, along with the purchase price on daily basis for public dissemination;
 - (f) the shares purchased on daily basis shall be placed in the blocked IAS account of the purchasing company maintained with CDC; and
 - (g) CDC shall ensure that the shares shall remain in Blocked account until the company decides to sell the treasury shares or cancel the shares in accordance with these regulations.”;

6. in regulation 7, -

- (a) sub-regulation (1) shall be omitted; and
- (b) for sub-regulation (2), the following shall be substituted, namely:-

“(2) The purchase period for purchase through securities exchange shall start not later than seven days from the date of public announcement and shall close within one hundred and eighty (180) days from the date of passing of special resolution wherein members have given approval of the Purchase or till such date that the purchase is completed, whichever is earlier.”;

7. in regulation 8, -

- (a) sub-regulation (1) along with proviso shall be omitted; and
- (b) in sub-regulation (2), for the full stop at the end a colon shall be substituted and thereafter the following proviso be inserted, namely: -

“Provided that this should not include purchase through negotiated deals market”;

8. in regulation 10, -
- (a) clause (c) shall be omitted;
 - (b) in clause (d), for the semi colon, a colon shall be substituted and thereafter the following proviso shall be inserted, namely: -

“Provided that for cancellation of shares, the purchasing company has to follows the filing requirements of the Act, the Companies (General Provisions and Forms) Regulations, 2018 and the procedure prescribed by CDC.”; and
 - (c) clause (j), (k) and (l) shall be omitted;
9. in regulation 11, -
- (a) in sub-regulation (a), for the expression “twelve months”, the expression “two years” shall be substituted;
 - (b) in sub-regulation (e), the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be inserted, namely: -

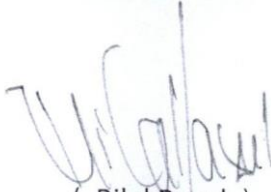
“Provided, if the purchasing company is able to maintains 25% free float at the Securities Exchange, subsequent to the second buy back, it may offer the buy back during the above stated period.”;
10. in regulation 12, in sub-regulation (2), the expression “and shareholders holding more than ten percent of the voting shares” shall be omitted;
11. in regulation 13, in sub-regulation (6), for clause (b), the following shall be substituted, namely: -

“(b) sell the treasury shares to its employees under section 83A of the Act read with the Companies (Further Issue of Shares) Regulations, 2020 under the authority of a special resolution in accordance with its articles of association.”;
12. Schedule 1 shall be omitted;
13. in Schedule II, -
- (a) in the heading, for the expression “4 (b)” the expression “(2)” shall be substituted; and
 - (b) for paragraph (1), the following shall be substituted namely: -

“(1) It is clarified that all those persons who validly hold shares of the purchasing company except for the persons mentioned in regulation 12(2) of these regulations are eligible to participate in the purchase even if their names do not appear on Members' register of the purchasing company.”;

14. Schedule III shall be omitted; and
15. in Schedule IV, -
- (a) in clause (v), the expression “(in case of tender offer)” shall be omitted;
 - (b) in clause (vi), the expression “(in case of purchase through securities exchange)” shall be omitted; and
 - (c) clauses (viii) and (xii) shall be omitted.

[File No. CSD/BBR/124/2018]


(Bilal Rasul)
Secretary to the Commission