



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,
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PSBA/Notice-201

April 04, 2025

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO PUBLIC DISSEMINATION OF PENAL ACTION(S) TAKEN BY PSX AGAINST NON-COMPLAINT LISTED COMPANIES

This is in reference to the notification PSX/N-343 dated April 04, 2025 (attached), whereby the comments have been invited by the PSX:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **April 11, 2025**, so that a consolidated response is submitted to the authorities for their consideration.

Sd
Akber Ali
Officer - Secretariat

Copy to:

1. PSBA Website

INVITATION OF PUBLIC COMMENTS

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO PUBLIC DISSEMINATION OF PENAL ACTION(S) TAKEN BY PSX AGAINST NON-COMPLIANT LISTED COMPANIES

This is to inform that the Pakistan Stock Exchange Limited (PSX), in exercise of the power conferred upon it u/s (7) of the Securities Act, 2015, is proposing to insert an enabling provision in PSX Regulations to publically disseminate the penal action taken by PSX against listed companies through enforcement orders on account of violations of PSX's Listing Regulations.

Stock exchanges play a critical role in ensuring market transparency by enforcing continuous reporting and disclosure obligations on the listed companies. These measures are meant to safeguard the interests of investors and uphold the integrity of the market. If a listed company fails to adhere to these requirements, stock exchanges are empowered to take enforcement actions, which include imposition of fines, suspension of trading, or delisting in extreme situations.

PSX monitors compliance of listed companies with continuous reporting and disclosure obligations as set out in the PSX Regulations and takes appropriate disciplinary and penal actions against companies contravening the listing standards. PSX regularly issues public notices to disseminate the regulatory action of regressing a non-compliant company to a Non-Compliant Segment or Winding Segment, suspending trading in its shares, advising CDC to freeze the shares of the company held by the sponsors, directors and senior management of the company etc.

Proposed Amendments to PSX Regulations:

In line with international practices found in various regional stock exchanges, PSX now proposes that in addition to the public dissemination of regulatory actions as aforesaid, the other penal actions such as imposition of fine taken against a non-compliant listed company should also be disseminated publicly on its website along with the description of the violation committed. The public reporting of penal actions is aimed at enhanced accountability and transparency.


In view of the above, PSX is proposing to insert a clause 5.21B in Chapter 5 of PSX Regulations to empower it to:

- (a) Notify the information relating to disciplinary action(s) taken against a listed company after due process of providing an opportunity of being heard and issuance of enforcement order on account of violation(s) of the requirements set out in PSX Regulations; and
- (b) Publish on its website, and update every quarter, a consolidated report in respect of disciplinary actions taken against the listed companies during the past three (03) years.

The proposed amendments to PSX Regulations are attached herewith as **Annexure A**.

Invitation of Public Comments:

In terms of Section 7(3) of the Securities Act, 2015, the listed companies and other concerned are invited to provide written comments on proposed amendments to PSX Regulations latest by **April 15, 2025** through such modes and in such manner as prescribed in the 'Guidelines for Submission of Comments', which are attached herewith as **Exhibit A**.



AJEET KUMAR
Chief Regulatory Officer

“ANNEXURE A”

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO PUBLIC DISSEMINATION PENAL ACTION(S) TAKEN BY PSX AGAINST NON-COMPLIANT LISTED COMPANIES

Existing PSX Regulations	Proposed Amendments	Rationale
<p>5.21. DISCIPLINARY ACTIONS:</p> <p><u>New Insertion</u></p>	<p><u>5.21B. PUBLIC DISSEMINATION OF DISCIPLINARY ACTIONS:</u></p> <p><u>5.21B.1. The Exchange shall notify, in accordance with its procedures, the information relating to disciplinary action(s) taken against a listed company after due process of providing an opportunity of being heard and issuance of enforcement order on account of violation(s) of the requirements set out in this Chapter.</u></p> <p><u>5.21.B.2. The Exchange shall also publish on its website and update every quarter, a consolidated report in respect of disciplinary actions taken against the listed companies during the past three years.</u></p>	<p>In line with international practices found in various regional stock exchanges, PSX proposes that other penal actions such as imposition of fine taken against a non-compliant listed company through issuance of enforcement order should also be notified on its website along with the description of the violation committed.</p> <p>Further, PSX is also proposing that a report be maintained on its website in respect of disciplinary actions taken against the listed companies during the past three years.</p> <p>The public notification and reporting of disciplinary actions is aimed at enhanced accountability and transparency.</p>

End of Proposed Amendments

“EXHIBIT A”

GUIDELINES FOR SUBMISSION OF COMMENTS

1. PSX invites the interested parties to provide their comments and views with specific reference to the subject matter of the proposed amendments to PSX Regulations notified in this Notice.
2. The comments can be submitted through any of the following modes:

Email	comments.rad@psx.com.pk
Mail	The Chief Regulatory Officer, Regulatory Affairs Division, 2 nd Floor, Administration Building, Pakistan Stock Exchange Building, Pakistan Stock Exchange Road, Karachi – 74000.

3. At the time of submission of comments, respondent is advised to provide the information, as per **Table-A** below, so that PSX may contact him/her for clarification or deliberation on the comments, if needed. Anonymous responses may be disregarded by PSX.

Table-A

TO BE FILLED BY THE RESPONDENT	
Name of respondent	
Name of company (if applicable)	
Designation (if applicable)	
Contact Number	
Email Address	

4. The respondent may request confidential treatment for his/ her identity and all or any part of comments due to their proprietary, confidential or commercial nature, by clearly marking the information in **Table-B** below:

Table-B

DISCLOSURE OF IDENTITY AND COMMENTS
Please check the box(es) if you wish to be remain confidential:
<input type="checkbox"/> I wish to have my identity remain confidential.
<input type="checkbox"/> I wish to keep all or any part of my comments confidential.

If respondent wishes to keep any part(s) of comments confidential, then he/she is required to clearly specify such part(s) of comments.

5. To ensure quality and promote transparency, PSX will publish the relevant comments of respondents and its management’s response thereon in the form of a **Response Paper** on its website, within a reasonable timeframe, after close of public consultation session, unless the respondent has made a confidentiality request.
6. Any policy or rule amendment may be subject to regulatory concurrence. For this purpose, respondents should note that notwithstanding any confidentiality request, PSX will share all their response(s) with the Securities and Exchange Commission of Pakistan (Apex Regulator).
7. By submitting comments, respondents are deemed to have consented to the collection, use and disclosure of data that is provided to PSX, unless respondents wish to have their identity or comments remain confidential.