



## 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-144

March 25, 2024

### NOTICE FOR MEMBERS

#### **PROPOSED AMENDMENTS IN THE CDC REGULATIONS RELATING TO DECLARATION OF SECURITIES AND RELATED MATTERS**

Dear Members,

This is in reference to the notification CDC/C/N/01/2024. - dated March 22, 2024 (attached), whereby the comments have been invited by the CDC:

In this regard, the members are hereby requested to kindly submit your comments, if any, at [psamail024@gmail.com](mailto:psamail024@gmail.com) latest by **March 27, 2024**, so that a consolidated response is submitted to the authorities for their consideration.

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**AKBER ALI**

Officer - Secretariat

#### **Copy to:**

1. PSBA Website



**Central Depository Company  
of Pakistan Limited**

Head Office: CDC House, 99-B,  
Block 'B', S.M.C.H.S.,  
Main Shakra-e-Faisal,  
Karachi-74400

Ref. No. CDC/C/N/01/2024

March 22, 2024

**Notification No. 01 of 2024**

**Proposed amendments in the CDC Regulations relating to Declaration of Securities and Related matters**

To,  
The General Public,

This is to bring to the notice of general public that the Board of Directors of CDC has approved the amendments in the CDC Regulations relating to Declaration of Securities and Related matters subject to approval of the Securities and Exchange Commission of Pakistan under Section 35(1) of the Central Depositories Act, 1997 (XIX of 1997) read with Section 52(3) of the Securities Act, 2015 (III of 2015).

Section 72 of Companies Act 2017 ("Act") requires that every company having share capital shall have shares only in book-entry form from the date to be notified by the Commission. Accordingly, shares of newly incorporated company are proposed to be declared as CDS Eligible Securities upon incorporation and inducted on the basis of information transmitted by SECP. In this respect, following changes are required to be made in the CDC Regulations to make the process comprehensible for users with an aim to completely dematerialize the Pakistan Capital market in an efficient and cost-effective manner:

- (a) Flexible and simplified process for declaration of the securities of Issuer as CDS Eligible Securities.
- (b) Removal of choice of Issuer not to join the CDS.
- (c) Requirement to enter into an Agreement with Issuer has now proposed to be replaced with acceptance of Terms and Conditions by subscriber(s).
- (d) Enabling clause to allow credit of shares of newly incorporated company in the subscriber's CDC account or IPO Facilitation Account.
- (e) Do away the option for withdrawal of shares from CDS.
- (f) Enabling clauses for revised mechanism to provide CDS information to specific Issuers.

As required under Section 51(2) of the Securities Act, 2015 (III of 2015), such amendments are placed for public comments which may be sent, in the manner as suggest in the "Guidelines for Submission of Comments", within 7 days of this Notification i.e. by **Friday, March 29, 2024**.

Regards,

Hammad Ali Faisal  
Chief Compliance Officer

**The Director/ HOD (PRDD-SMD)**  
Securities and Exchange Commission of Pakistan  
Islamabad

**The Chief Executive Officer**  
National Clearing Company of Pakistan Limited  
Karachi

**The Chief Executive Officer**  
Pakistan Stock Exchange Limited  
Karachi

**All CDS Elements**

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
<b><i>Amendments relating to Declaration of Securities</i></b>				
1.	5.1.1	<p>If, in respect of any Securities of an Issuer, the CDC is satisfied that:</p> <p>(a) it has the data processing capacity and operational capabilities to permit, in relation to the Securities, without endangering or impairing the integrity of the CDS or its orderly functioning, the performance of services ordinarily rendered by the CDC with respect to other Eligible Securities;</p> <p>(b) a question does not exist, in the opinion of the CDC, regarding the validity, legality or transferability, whether by book-entry or otherwise, of the Securities;</p> <p>(c) the Issuer of the Securities:</p> <p style="padding-left: 20px;">(i) has acquired; or</p> <p style="padding-left: 20px;">(ii) in the opinion of the CDC, has the capability to acquire,</p> <p>the capacity to communicate reliably with the CDC in accordance with the Procedures;</p>	<p>If, in respect of any Securities of an Issuer, the CDC is satisfied that <u>the Issuer meets the requirements as prescribed by CDC in the Procedures, the CDC may give notice to the Issuer of the Securities, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange that, with effect from the date specified in that notice, those Securities shall be declared as Eligible Securities whether or not the Issuer has made an application for those Securities to be declared as Eligible Securities:-</u></p> <p><u>Provided that, upon incorporation of company, the shares of newly incorporated company shall stand declared as Eligible Securities without any notice and all applicable requirements in connection with declaration and duties and obligations of an Issuer as set out in these Regulations and the Procedures shall be deemed to have been complied with. However, such facility shall be operationalized from such date as may be notified by CDC.</u></p> <p><u>Provided further that where the Issuer, except in case where applicant is a private company or a single member</u></p>	<p><i>After the date notified by the Commission under Section 72 of the Companies Act, 2017, it will become mandatory that the shares shall only be issued in book-entry form.</i></p> <p><i>Accordingly, Regulations for declaration of securities are proposed to be simplified and only enabling provisions have been retained in the CDC Regulations.</i></p> <p><i>Further, in order to facilitate the Issuer, it is proposed to introduce a new mechanism where shares of companies are declared as CDS Eligible upon the incorporation of company without any notice.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		<p>(d) the Issuer of the Securities:</p> <p>(i) employs or retains; or</p> <p>(ii) in the opinion of the CDC, has the capability to employ or retain,</p> <p>such personnel familiar with these Regulations and the Procedures made thereunder as are necessary to allow the Issuer to carry out its obligations in accordance with these Regulations and generate, receive and process Transactions and Obtain Reports in accordance with the Procedures, provided that where the Issuer is also an Account Holder or a Participant or, as the case may be, the Securities of the Issuer are listed on the Securities Exchange for the purpose of trading, it has, in accordance with the Procedures, entrusted to an independent Transfer Agent, the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer as applicable under Regulations 5.2A,</p>	<p><u>company, is also an Account Holder or a Participant or, as the case may be, the Securities of the Issuer are listed on the Securities Exchange, Issuer shall appoint independent Transfer Agent in accordance with the Procedures and entrust to such Transfer Agent, the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer as applicable under Regulations 5.2A, 5.9, 8.3.1, 8.3A, 8.7.1 and 8.7.2.</u></p> <p><del>(a) it has the data processing capacity and operational capabilities to permit, in relation to the Securities, without endangering or impairing the integrity of the CDS or its orderly functioning, the performance of services ordinarily rendered by the CDC with respect to other Eligible Securities;</del></p> <p><del>(b) a question does not exist, in the opinion of the CDC, regarding the validity, legality or transferability, whether by book entry or otherwise, of the Securities;</del></p>	

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		<p>5.9, 8.3.1, 8.3A, 8.7.1 and 8.7.2;</p> <p>Provided that provisions of this clause relating to independent Transfer Agent shall not apply where the applicant is a private company or a single member company.</p> <p>(e) (i) if the Issuer of the Securities is a company, the Issuer is not in receivership, Court-appointed managership or winding up; or</p> <p>(ii) if the Issuer of the Securities is a body corporate other than a company, the Issuer is not under any equivalent form of administration; and</p> <p>(f) the declaration of the Securities as Eligible Securities would be in the public interest,</p> <p>the CDC may give notice to the Issuer of the Securities, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange that, with effect from the date specified in that notice, those Securities shall be declared as Eligible Securities whether or</p>	<p><del>(c) the Issuer of the Securities:</del></p> <p><del>(i) has acquired; or</del></p> <p><del>(ii) in the opinion of the CDC, has the capability to acquire,</del></p> <p><del>the capacity to communicate reliably with the CDC in accordance with the Procedures;</del></p> <p><del>(d) the Issuer of the Securities:</del></p> <p><del>(i) employs or retains; or</del></p> <p><del>(ii) in the opinion of the CDC, has the capability to employ or retain,</del></p> <p><del>such personnel familiar with these Regulations and the Procedures made thereunder as are necessary to allow the Issuer to carry out its obligations in accordance with these Regulations and generate, receive and process Transactions and Obtain Reports in accordance with the Procedures, provided that where the Issuer is also an Account Holder or a Participant or, as the case may be, the Securities of</del></p>	

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		<p>not the Issuer has made an application for those Securities to be declared as Eligible Securities.</p>	<p><del>the Issuer are listed on the Securities Exchange for the purpose of trading, it has, in accordance with the Procedures, entrusted to an independent Transfer Agent, the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer as applicable under Regulations 5.2A, 5.9, 8.3.1, 8.3A, 8.7.1 and 8.7.2;</del></p> <p><del>Provided that provisions of this clause relating to independent Transfer Agent shall not apply where the applicant is a private company or a single member company.</del></p> <p><del>(e) (i) if the Issuer of the Securities is a company, the Issuer is not in receivership, Court-appointed managership or winding up; or</del></p> <p><del>(ii) if the Issuer of the Securities is a body</del></p>	

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rational for change</i>
			<p align="center"><del>corporate other than a company, the Issuer is not under any equivalent form of administration; and</del></p> <p><del>(f) the declaration of the Securities as Eligible Securities would be in the public interest;</del></p> <p><del>the CDC may give notice to the Issuer of the Securities, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange that, with effect from the date specified in that notice, those Securities shall be declared as Eligible Securities whether or not the Issuer has made an application for those Securities to be declared as Eligible Securities.</del></p>	
2.	5.1.6	<p>An Issuer:</p> <p>(a) which receives a notice referred to in Regulation 5.1.1; and</p> <p>(b) which does not desire its Securities, to which the notice pertains to be declared as Eligible Securities,</p> <p>may make, in accordance with Regulation 5.1.7, an application to the CDC for such Securities not to be declared as Eligible</p>	<p><del>An Issuer:</del></p> <p><del>(a) which receives a notice referred to in Regulation 5.1.1; and</del></p> <p><del>(b) which does not desire its Securities, to which the notice pertains to be declared as Eligible Securities,</del></p> <p><del>may make, in accordance with Regulation 5.1.7, an application to the CDC for such Securities not to be</del></p>	<p><i>The Regulation 5.1.6 proposed to be deleted since the shares of companies in the book-entry form will become mandatory requirement therefore, the Issuer will not have a choice for refusing to join of CDS.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		Securities.	<del>declared as Eligible Securities.</del>	
3.	5.1.7	An application under Regulation 5.1.6 shall be made within 10 Business Days from the date of the notice given under Regulation 5.1.1.	<del>An application under Regulation 5.1.6 shall be made within 10 Business Days from the date of the notice given under Regulation 5.1.1.</del>	<i>These changes are consequential to changes made in serial no. 2 above.</i>
4.	5.1.9	If the CDC receives an application from an Issuer pursuant to Regulations 5.1.6 or 5.1.8, as the case may require, the CDC shall accept or reject the application within 15 Business Days from the date of receiving the application.	If the CDC receives an application from an Issuer pursuant to Regulations <del>5.1.6 or 5.1.8, as the case may require,</del> the CDC shall accept or reject the application within 15 Business Days from the date of receiving the application <u>and completion of all the requirement as may be prescribed by CDC in the Procedures.</u>	(a) <i>These changes are consequential to changes made in serial no. 2 above.</i>  (b) <i>It is clarified that days will started after the completion of all requirements.</i>
5.	5.1.10	If the CDC accepts an application made under Regulation 5.1.6, it shall forthwith give notice of such acceptance to the Issuer, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange, confirming in the notice that the CDS Eligibility of the Issuer's Securities has been cancelled.	<del>If the CDC accepts an application made under Regulation 5.1.6, it shall forthwith give notice of such acceptance to the Issuer, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange, confirming in the notice that the CDS Eligibility of the Issuer's Securities has been cancelled.</del>	<i>These changes are consequential to changes made in serial no. 2 above.</i>
6.	5.1.12	If the CDC rejects an application made under Regulations 5.1.6 or 5.1.8, as the case may require, it shall forthwith give notice of the rejection to:  (a) the Issuer;  (b) the Commission, and  (c) if the Securities are listed on the	If the CDC rejects an application made under Regulations <del>5.1.6 or 5.1.8, as the case may require,</del> it shall forthwith give notice of the rejection to:  (a) the Issuer;  (b) the Commission, and  (c) if the Securities are listed on the	<i>These changes are consequential to changes made in serial no. 2 above.</i>



**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		Securities Exchange, also to the Securities Exchange.	Securities Exchange, also to the Securities Exchange.	
7.	5.1.14	<p>If the CDC rejects an application made under Regulations 5.1.6 or 5.1.8, as the case may require, the Issuer may Appeal against the rejection by giving an Appeal Notice to the CDC that:</p> <p>(a) identifies the decision against which Appeal is made;</p> <p>(b) sets out the grounds of the Appeal; and</p> <p>(c) is given no later than 10 Business Days after receipt by the Issuer of a notice under Regulation 5.1.12.</p>	<p>If the CDC rejects an application made under Regulations <del>5.1.6 or</del> 5.1.8, <del>as the case may require,</del> the Issuer may Appeal against the rejection by giving an Appeal Notice to the CDC that:</p> <p>(a) identifies the decision against which Appeal is made;</p> <p>(b) sets out the grounds of the Appeal; and</p> <p>(c) is given no later than 10 Business Days after receipt by the Issuer of a notice under Regulation 5.1.12.</p>	<p><i>These changes are consequential to changes made in serial no. 2 above.</i></p>
8.	5.1.15	<p>If:</p> <p>(a) the CDC does not decide an application made under Regulation 5.1.6 by the end of the period stipulated in Regulation 5.1.9; or</p> <p>(b) the Issuer gives an Appeal Notice in accordance with Regulation 5.1.14,</p> <p>the CDS Eligibility Date of the Issuer's Securities as specified in the notice under Regulation 5.1.1 shall forthwith be suspended.</p>	<p><del>If:</del></p> <p><del>(a) the CDC does not decide an application made under Regulation 5.1.6 by the end of the period stipulated in Regulation 5.1.9; or</del></p> <p><del>(b) the Issuer gives an Appeal Notice in accordance with Regulation 5.1.14,</del></p> <p><del>the CDS Eligibility Date of the Issuer's Securities as specified in the notice under Regulation 5.1.1 shall forthwith be</del></p>	<p><i>These changes are consequential to changes made in serial no. 2 above.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
			<del>suspended.</del>	
9.	5.1.16	An Issuer receiving a notice under Regulation 5.1.1 shall, subject to its right to make an application under Regulation 5.1.6, enter into an Issuer Agreement with the CDC on the first occasion that any of such Issuer's Securities are to be declared as Eligible Securities prior to the CDS Eligibility Date of such Securities.	<p>An Issuer receiving a notice under Regulation 5.1.1 shall, <del>subject to its right to make an application under Regulation 5.1.6,</del> enter into an Issuer Agreement with the CDC on the first occasion that any of such Issuer's Securities are to be declared as Eligible Securities prior to the CDS Eligibility Date of such Securities.</p> <p><u>Provided that where the shares are declared as Eligible Securities pursuant to first proviso of the Regulation 5.1.1, the subscriber(s) to the memorandum of proposed company shall, in accordance with the Procedures, accept terms and conditions as prescribed by CDC, in place of Issuer Agreement.</u></p> <p>Provided that, for the purpose of these Regulations, in case of Government Debt Securities, the Issuer may also include the agent(s), assignee(s), or delegate(s) of the Issuer.</p>	<p>(a) <i>These changes are incidental to changes made in serial no. 2 above.</i></p> <p>(b) <i>Because of the auto declaration process for shares of newly incorporated companies, the requirement of Issuer Agreement will be replaced with the acceptance of T&amp;C.</i></p>
10.	5.3.1	<p>Without prejudice to any remedy of the CDC under the law or under these Regulations, if:</p> <p>(c) at the time of any determination, one or more eligibility criteria stipulated in Regulation 5.1.1 cease to be met; or</p>	<p>Without prejudice to any remedy of the CDC under the law or under these Regulations, if:</p> <p>(c) at the time of any determination, one or more eligibility criteria stipulated in Regulation 5.1.1 <u>and/or the Procedures made thereunder</u> cease to be met; or</p>	<p><i>These changes are incidental to changes made in serial no. 1 above.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
11.	5.3.10	<p>An Appeal:</p> <p>(a) made under Regulation 5.1.14 against rejection of an application made by an Issuer under Regulations 5.1.6 or 5.1.8, as the case may require;</p>	<p>An Appeal:</p> <p>(a) made under Regulation 5.1.14 against rejection of an application made by an Issuer under Regulations <del>5.1.6 or 5.1.8, as the case may require;</del></p>	<p><i>These changes are incidental to changes made in serial no. 2 above.</i></p>
12.	5.3.11	<p>The Commission may:</p> <p>(a) if the Appeal is made under Regulation 5.1.14 against a decision to reject an application made by an Issuer under Regulation 5.1.6:</p> <p style="padding-left: 40px;">(i) affirm the decision to reject the application; or</p> <p style="padding-left: 40px;">(ii) direct the CDC not to declare the Securities of the Issuer as Eligible Securities;</p> <p>(b) if the Appeal is made under Regulation 5.1.14 against a decision to reject an application made by an Issuer under Regulation 5.1.8:</p> <p style="padding-left: 40px;">(i) affirm the decision to reject the application; or</p> <p style="padding-left: 40px;">(ii) direct the CDC to declare</p>	<p>The Commission may:</p> <p>(a) <del>if the Appeal is made under Regulation 5.1.14 against a decision to reject an application made by an Issuer under Regulation 5.1.6:</del></p> <p style="padding-left: 40px;"><del>(i) affirm the decision to reject the application; or</del></p> <p style="padding-left: 40px;"><del>(ii) direct the CDC not to declare the Securities of the Issuer as Eligible Securities;</del></p> <p>(b) if the Appeal is made under Regulation 5.1.14 against a decision to reject an application made by an Issuer under Regulation 5.1.8:</p> <p style="padding-left: 40px;">(i) affirm the decision to reject the application; or</p> <p style="padding-left: 40px;">(ii) direct the CDC to declare</p>	<p><i>These changes are incidental to changes made in serial no. 2 above.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		<p>the Securities of the Issuer as Eligible Securities and give the notice referred to in Regulation 5.1.1 [DELETED];</p> <p>(c) if the Appeal is made under Regulation 5.3.5:</p> <p>(i) affirm the decision to revoke CDS Eligibility of the Securities of the Issuer; or</p> <p>(ii) direct the CDC to remove the revocation; or</p> <p>(d) if the Appeal is made under Regulation 5.3.6:</p> <p>(i) reject the Appeal; or</p> <p>(ii) direct the CDC to reinstate the CDS Eligibility of the Securities of the Issuer.</p>	<p>the Securities of the Issuer as Eligible Securities and give the notice referred to in Regulation 5.1.1 [DELETED];</p> <p>(c) if the Appeal is made under Regulation 5.3.5:</p> <p>(i) affirm the decision to revoke CDS Eligibility of the Securities of the Issuer; or</p> <p>(ii) direct the CDC to remove the revocation; or</p> <p>(d) if the Appeal is made under Regulation 5.3.6:</p> <p>(i) reject the Appeal; or</p> <p>(ii) direct the CDC to reinstate the CDS Eligibility of the Securities of the Issuer.</p>	
13.	5.3.13	If, on an Appeal of the kind referred to in Regulation 5.3.11(a), the Commission makes the determination referred to in Regulation 5.3.11(a)(i):	<del>If, on an Appeal of the kind referred to in Regulation 5.3.11(a), the Commission makes the determination referred to in Regulation 5.3.11(a)(i):</del>	<i>These changes are incidental to changes made in serial no. 2 above.</i>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		<p>(a) the CDC shall determine a revised CDS Eligibility Date for the Issuer's Securities; and</p> <p>(b) give notice to the Issuer, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange of the revised CDS Eligibility Date.</p>	<p><del>(a) the CDC shall determine a revised CDS Eligibility Date for the Issuer's Securities; and</del></p> <p><del>(b) give notice to the Issuer, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange of the revised CDS Eligibility Date.</del></p>	
14.	5.3.14	<p>If, on an Appeal of the kind referred to in Regulation 5.3.11(a), the Commission makes the determination referred to in Regulation 5.3.11(a)(ii):</p> <p>(a) the CDS Eligibility Date of the Issuer's Securities shall forthwith be cancelled; and</p> <p>(b) the CDC shall give notice of such cancellation to the Issuer, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange.</p>	<p><del>If, on an Appeal of the kind referred to in Regulation 5.3.11(a), the Commission makes the determination referred to in Regulation 5.3.11(a)(ii):</del></p> <p><del>(a) the CDS Eligibility Date of the Issuer's Securities shall forthwith be cancelled; and</del></p> <p><del>(b) the CDC shall give notice of such cancellation to the Issuer, the Commission and, if the Securities are listed on the Securities Exchange, also to the Securities Exchange.</del></p>	<p><i>These changes are incidental to changes made in serial no. 2 above.</i></p>
15.	5.7.1	<p>An Issuer of Eligible Securities shall promptly give notice to the CDC if:</p> <p>(d) one or more of the eligibility criteria stipulated in Regulation 5.1.1 cease to be met;</p>	<p>An Issuer of Eligible Securities shall promptly give notice to the CDC if:</p> <p>(d) one or more of the eligibility criteria stipulated in <u>the Procedures made pursuant to</u> Regulation 5.1.1 cease to be met;</p>	<p><i>These changes are incidental to changes made in serial no. 1 above.</i></p>
16.	8.9.1	<p>An Issuer appointing a Transfer Agent pursuant to Regulations 5.1.1(d) or 8.11.2</p>	<p>An Issuer appointing a Transfer Agent pursuant to Regulations 5.1.1<del>(d)</del> or</p>	<p><i>These changes are incidental to changes</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		or, as the case may be, registering the transfer of any Registered-Form Eligible Securities into the name of the CDC for the purpose of deposit of the Securities into the CDS shall:	8.11.2 or, as the case may be, registering the transfer of any Registered-Form Eligible Securities into the name of the CDC for the purpose of deposit of the Securities into the CDS shall:	<i>made in serial no. 1 above</i>

**Amendments relating to allow IPO Facilitation Account**

17.	2.11.1	<p>IPO Facilitation Account</p> <p>means an Investor Account opened by CDC under these Regulations for the purpose of crediting and holding of Securities on behalf of investors who have subscribed to such Securities offered by an Issuer or an Offeror to the general public [under the Securities Act, 2015 (III of 2015) and the regulations made thereunder by the Commission] and opted for credit of the same in to such Account where no Transaction shall be allowed by CDC in respect of such Securities with the exception of those Transactions as prescribed by CDC under these Regulations;</p> <p>Provided that IPO Facilitation Account shall also be available for investors in case of auction of CDS eligible Government Debt Securities.</p>	<p>IPO Facilitation Account</p> <p>means an Investor Account opened by CDC under these Regulations for the purpose of crediting and holding of Securities on behalf of investors who have subscribed to such Securities offered by an Issuer or an Offeror to the general public [under the Securities Act, 2015 (III of 2015) and the regulations made thereunder by the Commission] and opted for credit of the same in to such Account where no Transaction shall be allowed by CDC in respect of such Securities with the exception of those Transactions as prescribed by CDC under these Regulations;</p> <p>Provided that IPO Facilitation Account shall also be available for investors in case of auction of CDS eligible Government Debt Securities.</p> <p><u>Provided further that IPO Facilitation Account shall also be used for the</u></p>	<p><i>To allow credit of shares of newly incorporated companies in IPO Facilitation Account (where no CDS account details of the subscribers are available) as per procedure agreed with the SECP.</i></p> <p><i>Accordingly, necessary changes are made to reflect such change.</i></p>
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**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
			<p><u>purpose of crediting and holding of shares of a newly incorporated company in the manner and subject to terms and conditions as may be prescribed by CDC in the Procedures.</u></p>	
18.	12A.3.4	<p>CDC shall, upon receipt of an approved Prospectus from an Issuer or an Offeror, open an IPO Facilitation Account in respect of public offering covered by such Prospectus. Such IPO Facilitation Account shall be operated by CDC in accordance with Regulation 12A.6B and closed after the expiry of such number of days from the date of closing of public subscription to which such IPO Facilitation Account relates as prescribed by CDC in the Procedures. Provided that if there is any credit balance of the Book-entry Securities in such IPO Facilitation Account at such expiry date or, as the case may be, the Books Closure Date announced by the Issuer of such Securities, whichever comes earlier, CDC shall open an Investor Account in the name of each remaining entitled persons under inactive status and transfer the credit balances of Securities in to the respective inactive Investor Accounts of such persons.</p> <p>Provided that the requirement of Customer Relationship Form, the Sahulat Account Opening Form and the KYC Application Form, shall not be applicable in respect of</p>	<p><del>CDC shall, upon receipt of an approved Prospectus from an Issuer or an Offeror,</del> open an IPO Facilitation Account in respect of public offering covered by <del>such an approved Prospectus</del> <u>or otherwise subject to conditions and manner as may be prescribed by CDC in the Procedures.</u> Such IPO Facilitation Account shall be operated by CDC in accordance with Regulation 12A.6B and closed after the expiry of such number of days from the date of closing of public subscription <u>or otherwise</u> to which such IPO Facilitation Account relates as prescribed by CDC in the Procedures. Provided that if there is any credit balance of the Book-entry Securities in such IPO Facilitation Account at such expiry date or, as the case may be, the Books Closure Date announced by the Issuer of such Securities, whichever comes earlier, CDC shall open an Investor Account in the name of each remaining entitled persons under inactive status and transfer the credit balances of Securities in to the respective inactive Investor Accounts of such persons.</p>	<p>(a) <i>Incidental changes due changes made in serial no. 17 above.</i></p> <p>(b) <i>To seek the power for directly open an Investor Account under in active status on basis information transmitted by SECP to CDC.</i></p> <p>(c) <i>Further, reference to Simplified Investor Account Opening Form added for clarification.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
		establishment of such inactive Investor Accounts.	<p><u>Provided that CDC may directly open an Investor Account in the name of each subscribers to the memorandum of newly incorporated company under inactive status for credit of Securities under Regulation 8A.1.1 upon the information transmitted by SECP to CDC in accordance with Procedures.</u></p> <p>Provided <u>further</u> that the requirement of Customer Relationship Form, the Sahulat Account Opening Form, <u>and the</u> KYC Application Form, <u>and Simplified Investor Account Opening Form</u> shall not be applicable in respect of establishment of such inactive Investor Accounts.</p>	
19.	12A.6B.1	A person, who has subscribed to the Securities of an Issuer or an Offeror in a public offering and opted for the credit of such Securities in an IPO Facilitation Account, may make an application on a prescribed format to the CDC in accordance with the Procedures for transfer of such Securities to his Sub-Account maintained with a Participant or to his Investor Account maintained with CDC.	<del>A-Any person, who has subscribed to the Securities of an Issuer or an Offeror in a public offering and opted for the credit of such whose Securities are credited</del> in an IPO Facilitation Account, may make an application on a prescribed format to the CDC in accordance with the Procedures for transfer of such Securities to his Sub-Account maintained with a Participant or to his Investor Account maintained with CDC	<i>These changes are incidental to changes made in serial no. 17 above.</i>

**Amendments relating to Credit of Securities in the CDS**

20.	<u>8A.1.1</u>	Does not Exist	<u>Notwithstanding anything contained in this Chapter 8A, CDC may credit the Securities that are declared as Eligible</u>	<i>This new Regulation seeks the power to allow credit of shares of newly</i>
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**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
			<u>Securities, pursuant to first proviso of Regulation 5.1.1, in the Account(s), Sub-Account(s), Investor Account(s) or the IPO Facilitation Account, as the case may be, upon the information transmitted by SECP to CDC in the manner and subject to terms and conditions as may be prescribed by CDC in the Procedures.</u>	<i>incorporated company in the subscriber's account or IPO Facilitation Account on the basis of information transmitted by SECP.</i>

**Amendments relating to Withdrawal of Securities**

21.	8.5.1	Any Account Holder may process, in accordance with Regulation 8.6, a withdrawal of Registered-Form Securities from the CDS represented by Book-entry Securities entered in:  (a) the House Account of the Withdrawing Account Holder; or  (b) any Sub-Account controlled by the Withdrawing Account Holder as a Participant.	Any Account Holder may process, in accordance with Regulation 8.6, a withdrawal of Registered-Form Securities from the CDS represented by Book-entry Securities entered in:  (a) the House Account of the Withdrawing Account Holder; or  (b) any Sub-Account controlled by the Withdrawing Account Holder as a Participant.  <u>Provided that, in case of shares, no withdrawal of Registered-Form Securities shall be allowed from the CDS in terms of the Section 72 of the Companies Act, 2017 (XIX OF 2017).</u>	<i>After the date notified by the Commission, physical shares will not be allowed, accordingly, the option for withdrawal of shares cannot be provided.</i>
22.	<b>12A.8</b>	<b>Withdrawal of Securities</b>	<b>Withdrawal of Securities</b>	<i>After the date notified by the Commission, physical shares will not</i>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rational for change</i>
		<p>The Investor-Accountholder may request Withdrawal from CDC of any Book-entry Securities in his Investor Account by signing and submitting to CDC a Securities Withdrawal Form, in quadruplicate, together with the amount of CDC's charges for Withdrawal as in force at that time. After verification of the available balance and scrutinizing the Securities Withdrawal Form submitted, CDC shall, subject to receipt of its charges, permit Withdrawal by forwarding two copies of the Securities Withdrawal Form to the concerned Issuer, or its registrar, for issuance of definitive certificates in respect of the Book-entry Securities withdrawn from CDS. The Issuer shall thereupon register, in the name of the Investor-Accountholder, Registered Form securities corresponding to the number of Book-entry Securities withdrawn by the Investor-Accountholder from CDC and prepare definitive certificates in respect of such securities. The Investor-Accountholder will be entitled to receive such definitive certificates from the Issuer, or its Registrar, upon presenting to the Issuer or its Registrar, a copy of the Securities Withdrawal Form endorsed by CDC as the Investor-Accountholder's copy. CDC shall not be liable for failure or delay on the part of the Issuer and/or its registrar in issuing definitive certificates to the Investor-Accountholder.</p>	<p>The Investor-Accountholder may request Withdrawal from CDC of any Book-entry Securities in his Investor Account by signing and submitting to CDC a Securities Withdrawal Form, in quadruplicate, together with the amount of CDC's charges for Withdrawal as in force at that time. After verification of the available balance and scrutinizing the Securities Withdrawal Form submitted, CDC shall, subject to receipt of its charges, permit Withdrawal by forwarding two copies of the Securities Withdrawal Form to the concerned Issuer, or its registrar, for issuance of definitive certificates in respect of the Book-entry Securities withdrawn from CDS. The Issuer shall thereupon register, in the name of the Investor-Accountholder, Registered Form securities corresponding to the number of Book-entry Securities withdrawn by the Investor-Accountholder from CDC and prepare definitive certificates in respect of such securities. The Investor-Accountholder will be entitled to receive such definitive certificates from the Issuer, or its Registrar, upon presenting to the Issuer or its Registrar, a copy of the Securities Withdrawal Form endorsed by CDC as the Investor-Accountholder's copy. CDC shall not be liable for failure or delay on the part of the Issuer and/or its registrar in issuing</p>	<p><i>be allowed, accordingly, the option for withdrawal of shares cannot be provided.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	Rational for change
			definitive certificates to the Investor-Accountholder.  <u>Provided that, in case of shares, no withdrawal of Registered-Form Securities shall be allowed from the CDS in terms of the Section 72 of the Companies Act, 2017 (XIX OF 2017).</u>	

**Amendments relating to revised mechanism to provide CDS access to Specific Issuers**

23.	2.11.1	<b>Obtain</b> means:  (a) to Transmit, within the Designated Time, a request for any Report to the CDC; and  (b) to receive a Transmission of that Report from the CDC in response to the request;	<b>Obtain</b> means:  (a) to Transmit, within the Designated Time, a request for any Report to the CDC; and  (b) to receive a Transmission of that Report from the CDC in response to the request;  <u>Provided that, for the purpose of these Regulations, in case of Securities that are declared as Eligible Securities pursuant to first proviso of Regulation 5.1.1, the Issuer of such Eligible Securities shall only Obtain any Report from CDC under these Regulations in the manner and subject to terms and conditions as may be prescribed by CDC in the Procedures.</u>	<i>To seek the power to provide any CDS report to Issuer through any medium other than CDS as the access to the CDS will not be available to the Issuer whose shares are declared as Eligible Securities upon the incorporation of company.</i>
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**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rational for change</i>
24.	7.1.1	<p>Each CDS Element shall:</p> <p>(a) comply with the Hardware Specifications and the Software Specifications for the purpose of establishing and maintaining an interface with the CDS in accordance with the Procedures; and</p> <p>(b) ensure that no person other than the CDS Element itself or an Authorised Person has access to that interface with the CDS.</p>	<p>Each CDS Element shall:</p> <p>(a) comply with the Hardware Specifications and the Software Specifications for the purpose of establishing and maintaining an interface with the CDS in accordance with the Procedures; and</p> <p>(b) ensure that no person other than the CDS Element itself or an Authorised Person has access to that interface with the CDS.</p> <p><u>Provided that the provisions of this Chapter shall not apply to the Issuers as may be prescribed by CDC and such Issuers shall comply with the requirements of the Procedures for purpose of this Chapter.</u></p>	<p><i>To clarify that the requirements for Hardware and Software Specifications shall not be applicable to the Issuer whose shares are declared as Eligible Securities upon the incorporation of company as the access to the CDS will not be available.</i></p>
25.	8F.2	<p>CDC and every concerned Issuer shall comply with the requirements of the Procedures as applicable for the implementation of and taking of all necessary steps in terms of this Chapter.</p>	<p>CDC and every concerned Issuer shall comply with the requirements of the Procedures as applicable for the implementation of and taking of all necessary steps in terms of this Chapter.</p> <p><u>Provided that the provisions of this Chapter shall not apply to the Eligible Securities as may be prescribed by CDC and the Issuer of such Eligible Securities shall comply with the requirements of the Procedures for purpose of this Chapter.</u></p>	<p><i>To seek the power to provide the revised mechanism in the Procedures for entering of Securities as the access to the CDS will not be available to the Issuer whose shares are declared as Eligible Securities upon the incorporation of company.</i></p>

**Comparative Statement - Amendments in the CDC Regulations relating to Declaration of Securities and related matters**

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rational for change</i>
26.	12.1.1	An Issuer of Eligible Securities shall give a notice to the CDC of any Books Closure Period fixed by the Issuer in respect of any Registered-Form Securities of the Issuer, specifying in the notice the Books Closure Date and the Books Closure End Date determined by the Issuer. Such notice shall be given by the Issuer at least seven (7) Business Days prior to the Books Closure Date.	<p>An Issuer of Eligible Securities shall give a notice to the CDC of any Books Closure Period fixed by the Issuer in respect of any Registered-Form Securities of the Issuer, specifying in the notice the Books Closure Date and the Books Closure End Date determined by the Issuer. Such notice shall be given by the Issuer at least seven (7) Business Days prior to the Books Closure Date.</p> <p><u>Provided that this Regulation shall not apply to the Eligible Securities as may be prescribed by CDC and the Issuer of such Eligible Securities shall comply with the requirements of the Procedures.</u></p>	<i>To seek the power to provide the revised mechanism in the Procedures for notifying the book closure as the access to the CDS will not be available to the Issuer whose shares are declared as Eligible Securities upon the incorporation of company.</i>

## Guidelines for Submission of Comments

1. CDC invites the interested parties to provide their comments and views, with specific reference to the subject matter of the proposed amendments to CDC Regulations notified via notices, through any of the following modes.

Email	<a href="mailto:comments@cdcpak.com">comments@cdcpak.com</a>
Mail	The Chief Compliance Officer, Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan

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

**Table A**

To Be Filed By The Respondent	
Name of respondent	
Account No.	
Name of company (if applicable)	
Designation (if applicable)	
Contact Number	
Email Address	

3. 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:

I wish to have my identity remain confidential.

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.

4. To ensure quality and promote transparency, CDC 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.
5. Any policy or rule amendment may be subject to regulatory concurrence. For this purpose, respondents should note that notwithstanding any confidentiality request, CDC will share all their response(s) with the Securities and Exchange Commission of Pakistan (Apex Regulator).
6. By submitting comments, respondents are deemed to have consented to the collection, use and disclosure of data that is provided to CDC, unless respondents wish to have their identity or comments remain confidential.