



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,
Off I.I Chundrigar Road, Karachi.

Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

PSBA/Notice-165

July 10, 2024

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX) REGULATIONS IN RELATION TO STRENGTHENING OF LISTING REGULATIONS

Dear Members,

This is in reference to the notification Ref. No. PSX/N-643 dated July 09, 2024 (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 **July 22, 2024**, so that a consolidated response is submitted to the authorities for their consideration.

sd

AKBER ALI

Officer - Secretariat

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1. PSBA Website

INVITATION OF PUBLIC COMMENTS

PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX) REGULATIONS IN RELATION TO STRENGTHENING OF LISTING REGULATIONS

This is to inform all listed companies and other concerned that the PSX, in the exercise of the power conferred upon it u/s 7 of the Securities Act, 2015, is proposing amendments to its Regulations in relation to strengthening of listing regulations of equity, Growth Enterprise Market (GEM) and debt securities while taking into account the international practices.

PSX conducted a comprehensive review of the listing regulations with an aim to broaden the scope and applicability of certain regulatory requirements, specify reporting timelines, rationalize penalties in critical areas, remove reporting obligations where appropriate and add clarities where needed.

Accordingly, PSX is proposing following major amendments in PSX Regulations:

(1) ADDITION OF CERTAIN AREAS IN PSX REGULATIONS:

PSX is proposing the following for enhanced compliance monitoring, better transparency and timely enforcement:

- (a) A new clause 5.6.1(c) has been inserted to broaden the scope of requirement of dissemination of price sensitive information by allowing the listed company, under its own responsibility, to delay the public disclosure of price sensitive information such as not to prejudice its legitimate interests with certain requirements as stipulated in Section 96(4) of the Securities Act, 2015.
- (b) Clause 5.6.4 has been amended to broaden the applicability of closed period on all those employees who have access to inside information/ material non-public information, besides CEO, COO, CFO, Head of Internal Audit, Company Secretary and other relevant employees.
- (c) A new clause 5.6.5A is proposed to be inserted to require the listed companies to timely update data of relevant persons in the UIN Management System to ensure compliance of trades disclosure requirements by the relevant persons under PSX Regulation 5.6.4.
- (d) Clause 5.7.1 has been amended to additionally require the listed companies and Modarabas to publicly disseminate the information relating to rejection of request for extension in time for holding AGM/ARM by the SECP.
- (e) Clause 5.25 has been inserted to empower PSX to refer the cases of possible breach of requirements of the following regulations by listed companies to SECP as and when PSX becomes aware of such breaches:
 - (i) Access to Inside Information Regulations, 2016;
 - (ii) Listed Companies (Code of Corporate Governance) Regulations, 2019; and
 - (iii) Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

- (f) Clause 5A.12.4 has been amended to enhance the scope of half-yearly Progress Report required to be disseminated publicly by GEM Issuers to include progress made against the commitments mentioned in the Information Memorandum showing the break-up of funds utilized for each commitment as per the funding plan mentioned in the Information Memorandum.
- (g) New sub-clauses have been inserted under Clauses 5A.13, 5B.12 and 5C.10 to require the GEM companies and the Issuers of debt securities, as the case may be, to submit a declaration to the Exchange, confirming the status of compliance mentioned under these clauses is true and fair and represents complete information by the Company or Issuer.
- (h) The range of disciplinary actions against GEM Companies under Clause 5A.15 has been broadened to include issuance of advice, warning, reprimand in writing and direction to take remedial actions against non-compliant GEM Companies in harmony with Clause 5.21 relating to range of disciplinary actions available against companies listed on Main Board.
- (i) Clause 5B.15 and 5C.14 have been amended to prescribe power of PSX to take additional disciplinary actions against the Issuer of Debt Securities, such as placement of the Issuer on the Non-Compliant Segment, freezing of shares of sponsors, directors and CEO etc. in CDC and issuance of public disclosure in this regard, subject to the condition that all available disciplinary powers have been exercised against the non-compliance Issuer under the regulations governing Debt Securities.

The proposed amendments to PSX Regulations in relation to the above are attached herewith as **Annexure A-1**.

(2) **REMOVAL OF CERTAIN AREAS FROM PSX REGULATIONS:**

PSX is proposing to remove certain areas as mentioned below for easing the reporting obligations of listed companies:

- (a) Furnishing of Minutes of Meeting of every AGM and EOGM [Clause 5.7.2(a)];
- (b) Intimation of placement of periodic financial statements on the website of company listed on GEM Board [Clause 5A.12.3]; and
- (c) Submission of list of debt security holders to the Exchange [Clause 5C.8 (xii)(a)].

Note: PSX is already empowered under its Regulations to enquire a Listed Company to submit any information or document to the Exchange including minutes of AGM and EOGM as and when needed.

The proposed amendments to PSX Regulations in relation to the above are attached herewith as **Annexure A-2**.

(3) **INTRODUCTION OF PENALTIES IN THE FOLLOWING AREAS:**

PSX is proposing to introduce specific penalties in Clause 5.21 relating to the following critical areas with an aim to enhance compliance standards:

Instances of non-compliance	Clause	Proposed Penalties
(a) Late or non-disclosure of interest by relevant persons holding company's shares	5.6.4	PKR 5,000 subject to maximum of PKR 100,000
(b) Transaction by Relevant Persons during the Closed Period	5.6.4A	Up to PKR 1,000,000
(c) Non-holding of Corporate Briefing Session	5.7.3	PKR 5,000

The proposed amendments to PSX Regulations in relation to this matter are attached herewith as **Annexure A-3**.

(4) ENHANCEMENT OF PENALTIES IN THE FOLLOWING AREAS:

PSX is proposing to enhance penalties in the following high priority areas:

- (a) In case of non-compliance with Clause 5.6.7 relating to disclosure of price sensitive information, the maximum penalty is proposed to be enhanced from PKR 1,000,000 to PKR 2,000,000; and
- (b) In case of non-compliance with Clauses 5B.15 and 5C.14 relating to failure of debt security Issuer to comply with any provision of Chapter 5B or 5C of PSX Regulations, the maximum penalty is proposed to be enhanced from PKR 100,000 to PKR 250,000.

The proposed amendments to PSX Regulations in relation to above are attached herewith as **Annexure A-4**.

(5) SPECIFICATION OF REPORTING TIMELINES AND CLARITY, WHERE NEEDED:

In order to discipline and standardize the reporting obligations, PSX is proposing to specify timelines in following areas:

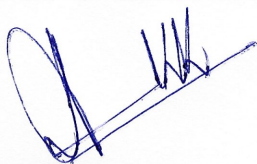
- (a) Submission of half-yearly progress report by a company listed on GEM **within 15 days** of close of each half year [Refer to Sr. No. 1(f) of Annexure A-1 attached herewith];
- (b) Submission of statement regarding payment of mark-up, profit, interest or rent on debt securities and redemption of the principal amount by Issuer of debt security **within 3 working days** on semi-annual basis [Amended Clause 5B.8.9(ii)(a)];
- (c) Flexibility has been added in submission of following certificates from the auditor regarding:
 - (i) maintenance of 100% security cover in respect of the secured debt security by requiring such submission at any time **within 120 days** of close of financial year, instead of submission with the annual report [Amended Clause 5B.8.9(ii)(d)];
 - (ii) maintenance of redemption reserve fund on annual basis **within 120 days** of close of financial year, where required [Amended Clause 5B.8.9(ii)(e)];
 - (iii) maintenance of 125% security cover in respect of the secured debt security **within 120 days** of close of financial year, where required, instead of submission with the annual accounts [Amended Clause 5C.8(xiii)(e)]; and
 - (iv) maintenance of redemption reserve fund on annual basis **within 120 days** of close of financial year, where required [Amended Clause 5C.8(xiii)(f)].

- (d) Besides the above, the reporting requirements relating to debt securities prescribed under Clauses 5B.8 and 5C.8 have been restructured to segregate the immediate reporting from the periodic reporting for enhanced clarity and better presentation. Additionally, editorial changes have been proposed in Clause 5.6.1(a), 5.6.6A and 5.19.3 to bring clarity.

The proposed amendments to PSX Regulations in relation to the above are attached herewith as **Annexure A-5**.

INVITATION OF PUBLIC COMMENTS:

In terms of Section 7(3) of the Securities Act, 2015, all concerned are invited to provide written comments on the proposed amendments to PSX Regulations in relation to the above matters. The comments can be submitted by **July 24, 2024** 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

1. The Executive Director/HOD (PRDD), SMD, SECP
2. The Chief Executive Officer, PSX
3. The Chief Executive Officer, CDC
4. The Chief Executive Officer, NCCPL
5. The Chief Executive Officer, PMEX
6. The Chief Executive Officer, E-Clear
7. The Chief Executive Officer, IFMP
8. The President and Chief Executive Officer, PICG
9. The Secretary General, PSBA

“ANNEXURE A-1”

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO ADDITION OF CERTAIN AREAS IN PSX REGULATIONS

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Chapter 5: LISTING OF COMPANIES AND SECURITIES REGULATIONS			
1(a)	<u>NEW INSERTION</u>	<p><u>(c) Clause 5.6.1 (a) shall not apply to a Listed Company where it may, under its own responsibility, delay the public disclosure of price sensitive information such as not to prejudice its legitimate interests, subject to following conditions as provided under Section 96(4) of the Securities Act, 2015:</u></p> <p><u>(i) such delay would not be likely to mislead public investors;</u></p> <p><u>(ii) any person receiving the information owes the Listed Company a duty of confidentiality, regardless of whether such duty is based on law, regulations, articles of association or contract; and</u></p> <p><u>(iii) the Listed Company is able to ensure the confidentiality of that information.</u></p>	In order to align with Section 96(4) of Securities Act, 2015, it is proposed to add this sub-clause.
1(b)	<p>5.6.4. DISCLOSURE OF INTEREST BY RELEVANT PERSONS HOLDING COMPANY’S SHARES:</p> <p>Where any director, CEO, substantial shareholder or executive of a Listed Company or their spouses sell, buy or take any beneficial position, whether directly or indirectly, in shares of the Listed Company of which he/she is a director, CEO, substantial shareholder or executive, as the case may be, he/she shall immediately notify in writing to the Company Secretary. Such director, CEO, substantial shareholder or executive, as the case may be, shall also deliver a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic into Central Depository System), and nature of transaction to the Company Secretary within seven days of effecting the transaction. The Company Secretary shall immediately forward the same to the Exchange for its dissemination to all concerned. The notice of the director, CEO, substantial shareholder or executive, as the</p>	<p>5.6.4. DISCLOSURE OF INTEREST BY RELEVANT PERSONS HOLDING COMPANY’S SHARES:</p> <p>Where any director, CEO, substantial shareholder or executive of a Listed Company or their spouses sell, buy or take any beneficial position, whether directly or indirectly, in shares of the Listed Company of which he/she is a director, CEO, substantial shareholder or executive, as the case may be, he/she shall immediately notify in writing to the Company Secretary. Such director, CEO, substantial shareholder or executive, as the case may be, shall also deliver a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic into Central Depository System), and nature of transaction to the Company Secretary within seven days of effecting the transaction. The Company Secretary shall immediately forward the same to the Exchange for its dissemination to all concerned. The notice of the director, CEO, substantial shareholder or executive, as the</p>	CEO is covered under the definition of ‘Executive’ appearing in Explanation under clause 5.6.4A.

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>case may be, shall also be presented by the Company Secretary at the meeting of the board of directors immediately subsequent to such transaction. In the event of default by a director, CEO or executive to give a written notice or deliver a written record, the Company Secretary shall place the matter before the board of directors in its immediate next meeting.</p> <p>Provided that each Listed Company, excluding open-end mutual funds, shall determine a closed period prior to the announcement of interim/final results and any business decision, which may materially affect the market price of its shares. No director, CEO or executive shall, directly or indirectly, deal in the shares of the listed company in any manner during closed period. The closed period shall start from the day when any document/statement, which forms the basis of price sensitive information, is sent to the board of directors and terminate after the information is made public. Every listed company shall advise its directors about the closed period at the time of circulating agenda and working papers for the board meetings, along with sending intimation of the same to the Exchange.</p>	<p>case may be, shall also be presented by the Company Secretary at the meeting of the board of directors immediately subsequent to such transaction. In the event of default by a director, CEO or executive to give a written notice or deliver a written record, the Company Secretary shall place the matter before the board of directors in its immediate next meeting.</p> <p>Provided that each Listed Company, excluding open-end mutual funds, shall determine a closed period prior to the announcement of interim/final results and any price-sensitive business decision, which may materially affect the market price of its shares. No director, CEO or executive shall, directly or indirectly, deal in the shares of the listed company in any manner during closed period. The closed period shall start from the day when any document/statement, which forms the basis of price sensitive information, is sent to the board of directors and terminate after the information is made public. Every Listed Company shall advise its directors about the closed period at the time of circulating agenda and working papers for the board meetings, along with sending intimation of the same to the Exchange.</p>	<p>For the sake of clarity and better presentation, it is proposed to delete this part from here and shift under new clause 5.6.4A below.</p> <p>Moreover, penalty for late or non-disclosure as per this clause is proposed to be introduced in clause 5.21.1.</p>
1(b)	<p>Explanation: For the purpose of clause 5.6.1 and 5.6.4, the expression "executive" means the CEO, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary by whatever name called, and other employees of the company for whom the board of directors will set the threshold to be reviewed on an annual basis and disclosed in the annual report.</p>	<p>Explanation: For the purpose of clause 5.6.1 and 5.6.4, the expression "executive" means the CEO, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary by whatever name called, and other employees of the company for whom the board of directors will set the threshold to be reviewed on an annual basis and disclosed in the annual report.</p>	<p>This explanation is proposed to be removed from here and placed under clause 5.6.4A with some amendments.</p>
1(b)	<p>NEW INSERTION</p>	<p><u>5.6.4A. PROHIBITION TO DEAL IN THE SHARES OF LISTED COMPANY WHEN IN POSSESSION OF PRICE-SENSITIVE INFORMATION:</u></p> <p><u>No director or executive and any other official in possession of price-sensitive information shall, directly or indirectly, deal in the shares of the Listed Company in any manner during the closed period or any time when in</u></p>	<p>The requirement of prohibition of execution of trades by the relevant persons has been introduced separately as a new sub-clause to emphasize the regulatory requirement with broadened scope</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
		<p><u>possession of price-sensitive information relating to such Listed Company until such information is made public.</u></p> <p><u>Explanation: For the purpose of clause 5.6.1, 5.6.4 and 5.6.4A, the expression “executive” means:</u></p> <p><u>(i) CEO;</u> <u>(ii) Chief Operating Officer;</u> <u>(iii) Chief Financial Officer;</u> <u>(iv) Head of Internal Audit;</u> <u>(v) Company Secretary by whatever name called;</u> <u>(vi) other employees of the company for whom the board of directors has set the threshold to be reviewed on an annual basis and disclosed in the annual report; and</u> <u>(vii) any other person employed who have access to inside information as required under the Access to Inside Information Regulations, 2016 as may be amended from time to time.</u></p>	<p>by inclusion of those employees who have access to inside information or material non-public information.</p> <p>Moreover, penalty for conducting trades during closed period is proposed to be introduced in clause 5.21.1.</p>
1(c)	NEW INSERTION	<p><u>5.6.5A. MAINTENANCE OF REQUISITE INFORMATION IN FUNCTIONALITY PROVIDED UN PUCARS:</u></p> <p><u>The Listed Company shall be responsible to provide the information relating to the relevant persons in the UIN Management System provided in PUCARS and keep the same updated, as notified by the Exchange from time to time.</u></p>	<p>A new clause is proposed to be inserted to regularize the compliance requirement by listed companies to update relevant information in UIN Management System for effective monitoring compliance with the requirement of change of beneficial ownership under clause 5.6.4.</p>
1(d)	<p>5.7.1. HOLDING OF MEETING:</p> <p>(b) Every Listed Company including Modaraba shall hold its annual general meetings or annual review meetings, as the case may be, and lay before the said meetings its financial statements within one hundred and twenty (120) days following the close of financial year.</p> <p>Provided that it shall be mandatory for a Company to</p>	<p>5.7.1. HOLDING OF MEETING:</p> <p>(b) Every Listed Company including Modaraba shall hold its annual general meetings or annual review meetings, as the case may be, and lay before the said meetings its financial statements within one hundred and twenty (120) days following the close of financial year.</p> <p>Provided that it shall be mandatory for a Listed Company</p>	

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	notify the Exchange of any extension in time of holding the Annual General Meeting by furnishing to the Exchange a copy of the letter of approval from the Commission allowing such extension, within 48 hours of receipt of the same.	<u>including Modaraba</u> to publicly disseminate the extension in time <u>granted or rejected of for</u> holding the <u>aAnnual gGeneral mMeeting/annual review meeting</u> along with a copy of the letter <u>of approval received</u> from the Commission <u>allowing—such extension in this regard;</u> within <u>2 working days</u> of receipt thereof.	For clarity purpose, amendments have been proposed here.
1(e)	NEW INSERTION	<u>5.25 REFERRAL OF CASES TO THE COMMISSION:</u> <u>Where the Exchange becomes aware of a possible breach of the following Regulations by a Listed Company/ Issuer, it will refer these cases to the Commission for action under the relevant provisions of the law:</u> (a) <u>Access to Inside Information Regulation, 2016;</u> (b) <u>Listed Companies (Code of Corporate Governance) Regulations, 2019; and</u> (c) <u>Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.</u>	It is proposed to introduce a referral clause to forward the cases of any breach under these Regulations to SECP for initiating regulatory action as provided under the applicable law.
Chapter 5A: REGULATIONS GOVERNING LISTING AND TRADING OF EQUITY SECURITIES ON GROWTH ENTERPRISE MARKET			
1(f) 5(a)	5A.12.4. The Issuer shall submit half yearly progress report providing status of the commitment mentioned in the Information Memorandum, to the exchange for public dissemination. NEW INSERTION NEW INSERTION	5A.12.4. The Issuer shall submit half-yearly progress report <u>on half-yearly basis</u> providing status of itemized progress made against the commitments mentioned in the Information Memorandum, to the Exchange for public dissemination <u>within 15 days from the end of each half-year starting from the date of listing. The Progress Report shall include the relevant information including but not limited to the following:</u> (a) <u>break-up of funds utilized in each activity of the funding plan along with relevant details;</u> (b) <u>initiation and conclusion dates of each funding activity; and</u> (c) <u>reasons for any delay or deviation from the commitments made in the Information Memorandum with regard to the utilization of the funds.</u>	For enhanced compliance and added clarity for listed companies, it is proposed to specify the information required in Progress Report under clause 5A.12.4. Further, the timeline for submission of such Progress Report is proposed to be specified to be required within 15 days from the end of each half year starting from the date of listing.
1(g)	5A.13. REPORTING AND DISCLOSURE BY ISSUER:	5A.13. REPORTING AND DISCLOSURE BY ISSUER:	

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>(c) REPORTING OF REGULATORY COMPLIANCE:</p> <p>The Chief Executive Officer/ Managing Director of the Issuer shall:</p> <p>(i) be responsible for ensuring compliance by the Issuer with all the requirements of these Regulations and all other applicable rules, regulations, notices, guidelines, orders and the directives issued by the Commission or the Exchange from time to time;</p> <p>(ii) report status of the compliance mentioned in sub-clause (i) above to the Board of Directors of the Issuer and the Exchange within 15 days from the end of each half year; and</p> <p>(iii) act with due skills, diligence and care at all times.</p> <p style="text-align: center;"><u>NEW INSERTION</u></p>	<p>(c) REPORTING OF REGULATORY COMPLIANCE:</p> <p style="text-align: center;">No Change</p> <p style="text-align: center;">No Change</p> <p style="text-align: center;">No Change</p> <p style="text-align: center;">No Change</p> <p><u>(iv) The Chief Executive Officer/ Managing Director shall submit a written undertaking to the Exchange confirming that the status of compliance mentioned in sub-clause (ii) above is true and fair and represents complete information by the Issuer.</u></p>	<p>This part is proposed to be added to ensure that the status of compliance submitted under this Chapter is true and fair.</p>
1(h)	<p>5A.15. DISCIPLINARY ACTIONS:</p> <p>If the Exchange considers that the Issuer has contravened any of the provisions of this chapter, it may take one or more of the following measures:</p> <p style="text-align: center;"><u>NEW INSERTION</u></p> <p>(a) Censure the Issuer;</p> <p>(b) Impose a fine on the Issuer or the promoters, sponsors, directors and/ or CEO of the Issuer;</p> <p>(c) Publicly disclose the fact that the Issuer has been fined or censured;</p> <p>(d) Disclose the names of the directors and CEO of the Issuer through its website;</p> <p>(e) Place the Issuer in the Defaulters' Segment; or</p>	<p>5A.15. DISCIPLINARY ACTIONS:</p> <p>If the Exchange considers that the Issuer has contravened any of the provisions of this chapter, it may take one or more of the following measures:</p> <p><u>(a) Issue an Advice;</u></p> <p><u>(b) Issue a warning in writing to act more carefully and vigilantly.</u></p> <p><u>(c) Reprimand in writing that the conduct warrants censure;</u></p> <p><u>(d) Direct to take remedial actions to rectify its non-compliance(s);</u></p> <p>(ae) Censure the Issuer;</p> <p>(bf) Impose a fine on the Issuer or the promoters, sponsors, directors and/ or CEO of the Issuer;</p> <p>(cg) Publicly disclose the fact that the Issuer has been fined or censured;</p> <p>(dh) Disclose the names of the directors and CEO of the Issuer through its website;</p> <p>(ei) Place the Issuer in the Non-Compliant Segment; or</p>	<p>In order to align this clause with the range of disciplinary actions available against companies on the Main Board as per clause 5.21.1, additional enforcement actions are proposed to be added in (a)-(d) and (k).</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	(f) Suspend trading in the shares of the Issuer.	(f) Suspend trading in the shares of the Issuer; <u>or</u> (k) <u>Impose any one or more conditions or restrictions.</u>	
Chapter 5B: LISTING OF DEBT SECURITIES REGULATIONS			
1(g)	<p>5B.12. FUNCTIONS OF THE COMPLIANCE OFFICER:</p> <p style="text-align: center;">NEW INSERTION</p> <p>5B.12.1. The compliance officer shall be responsible for ensuring compliance by the Issuer with all the requirements of this chapter and the directives issued, if any, by the Exchange.</p> <p>5B.12.2. The compliance officer shall report status of the compliance mentioned in regulation 5B.12.1 above at every meeting of the Board of Directors of the Issuer till complete redemption of the issue; and</p> <p>5B.12.3. The compliance officer shall also report status of the compliance, mentioned in regulation 5B.12.1. above, directly to the Exchange and the Debt Securities Trustee.</p> <p style="text-align: center;">NEW INSERTION</p>	<p>5B.12. FUNCTIONS OF THE COMPLIANCE OFFICER:</p> <p><u>The compliance officer shall:</u></p> <p>(i) 5B.12.1. The compliance officer shall be responsible for ensuring compliance by the Issuer with all the requirements of this chapter and the directives issued, if any, by the Exchange.</p> <p>(ii) 5B.12.2. The compliance officer shall report status of the compliance mentioned in regulation 5B.12.1 above at every meeting of the Board of Directors of the Issuer till complete redemption of the issue; and</p> <p>(iii) 5B.12.3. The compliance officer shall also report status of the compliance, mentioned in regulation 5B.12.1 above, directly to the Exchange and the Debt Securities Trustee <u>within 15 days from the end of each half year.</u></p> <p><u>(iv) submit a written undertaking to the Exchange confirming that the status of compliance mentioned in sub-clause 5B.12 (ii) and 5B.12 (iii) above is true and fair and represents complete information by the Issuer.</u></p>	<p>Editorial changes have been proposed.</p> <p>To ensure consistency with clause 5C.10 (iii), these changes are proposed here.</p> <p>To ensure that status of compliance submitted by the Issuer is true and fair, it is proposed to add this requirement.</p>
1(i)	<p>5B.15. DISCIPLINARY ACTIONS:</p> <p style="text-align: center;">NEW INSERTION</p>	<p>5B.15. DISCIPLINARY ACTIONS:</p> <p><u>5B.15.5. Where the Exchange believes in the interest of the investors and market at large and taking into account the factors including but not limited to the nature and seriousness, duration and/ or market impact of non-compliance, the Exchange may take further disciplinary action(s) against the Issuer under clause 5.11.1 relating to placement of Issuer in the Non-Compliant Segment, Risk Warning Alert and/ or suspension of trading in the shares of the Issuer.</u></p>	<p>In order to protect the rights of security holders and to make the issuer accountable for non-compliances, it is proposed to place the issuer of the debt security into the Non-Compliant Segment.</p>
Chapter 5C: PRIVATELY PLACED DEBT SECURITIES' LISTING REGULATIONS			
1(g)	<p>5C.10. ROLES AND RESPONSIBILITIES OF THE COMPLIANCE OFFICER:</p>	<p>5C.10. ROLES AND RESPONSIBILITIES OF THE COMPLIANCE OFFICER:</p>	

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p style="text-align: center;">NEW INSERTION</p> <p>(i) The Compliance Officer shall be responsible for ensuring compliance by the company with all the requirements of the agreements executed with the initial subscribers; the Information Memorandum; section 66 of the Companies Act; this Chapter and the directives issued, if any, by the Exchange from time to time and other regulatory requirements applicable on the debt security.</p> <p>(ii) The Compliance Officer shall report status of the compliance mentioned in sub-clause (i) above at every meeting of the Board of Directors of the company till complete redemption of the issue.</p> <p>(iii) The Compliance Officer shall also report status of the compliance, mentioned in sub-clause (i) above, directly to the Debt Securities Trustee, within 15 days from the end of each half year.</p> <p style="text-align: center;">NEW INSERTION</p>	<p><u>The compliance officer shall:</u></p> <p>(i) The Compliance Officer shall be responsible for ensuring compliance by the company with all the requirements of the agreements executed with the initial subscribers; the Information Memorandum; section 66 of the Companies Act; this Chapter and the directives issued, if any, by the Exchange from time to time and other regulatory requirements applicable on the Debt Security.</p> <p>(ii) The Compliance Officer shall report status of the compliance mentioned in sub-clause (i) above at every meeting of the Board of Directors of the company till complete redemption of the issue.</p> <p>(iii) The Compliance Officer shall also report status of the compliance, mentioned in sub-clause (i) above, directly to the Debt Securities Trustee, within 15 days from the end of each half year.</p> <p><u>(iv) submit a written undertaking to the Exchange confirming that the status of compliance mentioned in sub-clause 5C.10 (ii) and 5C.10 (iii) above is true and fair and represents complete information by the Issuer.</u></p>	<p>Editorial changes have been proposed.</p> <p>To ensure that status of compliance submitted by the Issuer is true and fair, it is proposed to add this requirement.</p>
1(i)	<p>5C.14. DISCIPLINARY ACTION</p> <p style="text-align: center;">NEW INSERTION</p>	<p>5C.14. DISCIPLINARY ACTION</p> <p>(v) Where the Exchange believes in the interest of the investors and market at large and taking into account the factors including but not limited to the nature and seriousness, duration and/ or market impact of non-compliance, the Exchange may take further disciplinary action(s) against the Issuer under clause 5.11.1 relating to placement of Issuer in the Non-Compliant Segment, Risk Warning Alert and/ or suspension of trading in the shares of the Issuer.</p>	<p>In order to protect the rights of security holders and to make the issuer accountable for non-compliances it is recommended to place the issuer of the debt security into Non-Compliant Segment.</p>

“ANNEXURE A-2”

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO REMOVAL OF CERTAIN AREAS FROM PSX REGULATIONS

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Chapter 5: LISTING OF COMPANIES AND SECURITIES REGULATIONS			
2(a)	<p>5.7.2. FURNISHING OF MINUTES OF MEETING AND FREE FLOAT RELATED INFORMATION:</p> <p>(a) The Listed Company shall furnish certified true copies of minutes of its Annual General Meeting and of every extraordinary general meeting to the Exchange within sixty (60) days of such meeting.</p>	<p>5.7.2. FURNISHING OF MINUTES OF MEETING AND FREE FLOAT RELATED INFORMATION:</p> <p>(a) The Listed Company shall furnish certified true copies of minutes of its Annual General Meeting and of every extraordinary general meeting to the Exchange within sixty (60) days of such meeting.</p>	<p>Listed companies under Section 151 of the Companies Act, 2017 are required to properly record the minutes of the general meetings. Further, the resolutions adopted in the general meetings are also disseminated through PUCARS as and when these are adopted and become effective. Moreover, PSX is also empowered to require any document from the listed companies under PSX Regulation 5.24. as and when required. In view thereof, the requirement is proposed to be removed.</p>
Chapter 5A: REGULATIONS GOVERNING LISTING AND TRADING OF EQUITY SECURITIES ON GROWTH ENTERPRISE MARKET			
2(b)	<p>5A.12.3. The Issuer shall also immediately notify the Exchange about the placement of such information on its website.</p>	<p>5A.12.3. The Issuer shall also immediately notify the Exchange about the placement of such information on its website.</p>	<p>Since the monitoring of this requirement is ensured in periodic compliance review, specifying the companies to notify the placement of financial statements on its website is considered redundant, therefore, this requirement is proposed to be removed.</p>
Chapter 5C: PRIVATELY PLACED DEBT SECURITIES' LISTING REGULATIONS			
2(c)	<p>5C.8. POST LISTING REQUIREMENTS:</p> <p>(xii) Reporting: The company shall report and submit to the Exchange and the Debt Securities Trustee the following information and documents:</p> <p>(a) copy, in soft form, of the list of its debt security holders within 30 days of the end of each half year;</p>	<p>5C.8. POST LISTING REQUIREMENTS:</p> <p align="center">No Change</p> <p>(a) copy, in soft form, of the list of its debt security holders within 30 days of the end of each half year;</p>	<p>Sub-clause (a) is proposed to be deleted as there is no requirement for submission of list of debt or equity shareholders in other chapters of listing regulations relating to equity market and publicly offered debt securities.</p>

“ANNEXURE A-4”

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO ENHANCEMENT OF PENALTIES

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Chapter 5: LISTING OF COMPANIES AND SECURITIES REGULATIONS			
4(a)	<p>5.6.7. NON COMPLIANCE WITH DISCLOSURE OF PRICE SENSITIVE INFORMATION TO THE EXCHANGE:</p> <p>(a) In case a Listed Company or Issuer of a Listed Security fails to communicate the complete financial results timely, or any other price sensitive information immediately, such company or issuer will be liable to pay penalty at a minimum of PKR 100,000/- (Rupees one hundred thousand only) and maximum up to PKR 1,000,000/- (Rupees One million only) to be determined by the Exchange.</p> <p>(b) In case a Listed Company or Issuer of a Listed Security fails to communicate accurate and complete financial results, or any other price sensitive information in a timely manner, the Chief Executive Officer (CEO) as well as Chief Financial Officer (CFO) of such Listed Company or Issuer will be liable to pay a penalty of a minimum PKR 100,000/- (Rupees one hundred thousand only) and a maximum penalty of up to PKR 1,000,000/- (Rupees one million only) to be determined by the Exchange.</p> <p>Provided that in case of continuing contravention with respect to communication of complete and/ or accurate financial results or non-compliance with the directions issued by the Exchange, an additional amount of penalty amounting to PKR 10,000/- for every day after the first day during which such contravention or default continues, may be imposed by the Exchange.</p>	<p>5.6.7. NON COMPLIANCE WITH DISCLOSURE OF PRICE SENSITIVE INFORMATION TO THE EXCHANGE:</p> <p>(a) In case a Listed Company or Issuer of a Listed Security fails to communicate the complete financial results timely, or any other price sensitive information immediately, such company or Issuer will be liable to pay penalty at a minimum of PKR 100,000/- (Rupees one hundred thousand only) and maximum up to PKR 1,000,000/- (Rupees One million only) PKR 2,000,000 to be determined by the Exchange.</p> <p>(b) In case a Listed Company or Issuer of a Listed Security fails to communicate accurate and complete financial results, or any other price sensitive information in a timely manner, the Chief Executive Officer (CEO) as well as Chief Financial Officer (CFO) of such Listed Company or Issuer will be liable to pay a penalty of a minimum PKR 100,000/- (Rupees one hundred thousand only) and a maximum penalty of up to PKR 1,000,000/- (Rupees One million only) PKR 2,000,000 to be determined by the Exchange.</p> <p align="center">No Change</p>	<p>Due to severity of non-compliance and its potential impact on market integrity and investors' interest, it is proposed to enhance the penalty from PKR 1,000,000 to PKR 2,000,000.</p>
Chapter 5B: LISTING OF DEBT SECURITIES REGULATIONS			
4(b)	<p>5B.15. DISCIPLINARY ACTIONS:</p> <p>5B.15.1. It may impose a fine on the Issuer not exceeding Rs. 100,000 for each default or contravention, and, in case of continuing default, failure, refusal or contravention, to a further fine not exceeding Rs. 10,000/- (Rupees ten thousand only) for every day after the first</p>	<p>5B.15. DISCIPLINARY ACTIONS:</p> <p>5B.15.1. It may impose a fine on the Issuer not exceeding Rs. 100,000 PKR 250,000 for each default or contravention, and, in case of continuing default, failure, refusal or contravention, to a further fine not exceeding Rs. 10,000/- PKR 10,000/- (Rupees ten thousand only) for</p>	<p>Due to severity of non-compliance and its potential impact on market integrity and</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>day during which such contravention continues.</p> <p>Provided that no such fine shall be imposed unless an opportunity of hearing has been granted;</p> <p>5B.15.2. Issue a warning or censure;</p> <p>5B.15.3. Publish the fact that the Issuer has been fined, or warned or censured; and/or</p> <p>5B.15.4. It may place the Debt Security on the Defaulters' Segment and may suspend its trading if payment of profit, rent, mark-up, interest or redemption of principal amount is delayed.</p>	<p>every day after the first day during which such contravention continues.</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>No Change</p>	<p>investors' interest, it is proposed to enhance the penalty from PKR 100,000 to PKR 250,000.</p>
Chapter 5C: PRIVATELY PLACED DEBT SECURITIES' LISTING REGULATIONS			
4(b)	<p>5C.14. DISCIPLINARY ACTION</p> <p>If the Exchange considers that the company has defaulted or contravened any provision of this Chapter, it may take any one or more of the following measures:</p> <p>(i) it may impose a fine on the company not exceeding Rs.100,000/- for each default or contravention, and, in case of continuing default, failure, refusal or contravention, a further fine not exceeding Rs.10,000/- for every day after the first day during which such contravention continues:</p> <p>Provided that no such penalty shall be imposed unless an opportunity of hearing is granted;</p> <p>(ii) censure or warn it;</p> <p>(iii) publish the fact that the company has been fined, censured or warned; and</p> <p>(iv) it may place the Debt Security on the defaulters' segment if payment of profit or repayment of principal amount is delayed.</p>	<p>5C.14. DISCIPLINARY ACTION</p> <p>No Change</p> <p>(i) it may impose a fine on the company not exceeding Rs.100,000/- PKR 250,000 for each default or contravention, and, in case of continuing default, failure, refusal or contravention, a further fine not exceeding Rs. PKR 10,000/- for every day after the first day during which such contravention continues:</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>No Change</p>	<p>-Same as above-</p>

“ANNEXURE A-5”

PROPOSED AMENDMENTS TO PSX REGULATIONS RELATING TO SPECIFICATION OF REPORTING TIMELINES AND CLARITY, WHERE NEEDED

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Chapter 5: LISTING OF COMPANIES AND SECURITIES REGULATIONS			
5(d)	<p>5.6.1. DISCLOSURE OF PRICE-SENSITIVE INFORMATION:</p> <p>(a) Every Listed Company shall immediately disseminate to the Commission and the Exchange all price-sensitive information relating to the business and other affairs of the listed company that may affect the market price of its shares in the manner prescribed by the Exchange from time to time. The said information shall be communicated to the Exchange prior to its release to any other person or print / electronic media.</p>	<p>5.6.1. DISCLOSURE OF PRICE-SENSITIVE INFORMATION:</p> <p>(a) Every Listed Company shall immediately disseminate to the Commission and the Exchange all price-sensitive information relating to the business and other affairs of the Listed Company that may affect the market price <u>or volume</u> of its shares in the manner prescribed by the Exchange from time to time. The said information shall be communicated to the Exchange prior to its release to any other person or print / electronic media.</p>	<p>For the sake of clarity and in line with the international practice, the word ‘volume’ is proposed to be inserted in the existing clause.</p>
5(d)	<p><u>NEW INSERTION</u></p>	<p><u>(b) The Listed Companies must ensure that the information disseminated under clause 5.6.1 (a) is fair, timely and clear.</u></p>	<p>It is proposed to insert Clause 5.6.1 (b) under material information for the sake of clarity focusing on accurate and clear dissemination of price-sensitive information.</p>
5(d)	<p>5.6.6A. DISCLOSURE OF INFORMATION RELATING TO STAY OBTAINED FROM THE COURT AGAINST THE INSPECTION OR INVESTIGATION PROCEEDINGS OF THE COMMISSION:</p> <p>The Listed Company shall immediately disclose to the Exchange the information relating to an order of the Court staying any inspection or investigation proceedings initiated by the Commission against such Listed Company.</p>	<p>5.6.6A. DISCLOSURE OF INFORMATION RELATING TO STAY OBTAINED FROM THE COURT AGAINST THE INSPECTION OR INVESTIGATION PROCEEDINGS OF THE COMMISSION:</p> <p>The Listed Company shall immediately disclose to the Exchange the information relating to an order of the Court staying any inspection or investigation proceedings initiated by the Commission against such Listed Company <u>in the manner notified¹ by the Exchange.</u></p> <p><u>In the footer following note shall be added:</u></p> <p><u>¹Please refer to PSX Notice No. PSX/N-451 dated April 01, 2021.</u></p>	<p>Proposed addition for clarity purpose.</p>
5(d)	<p>5.19.3. DISCIPLINARY ACTIONS AGAINST NON-PAYMENT OF PENALTIES:</p> <p>(a) No listed company shall appoint a person as an external auditor or a person involved in the audit of a listed company who is a close relative, i.e., spouse, parents, dependents and non-dependent children, of the CEO, the</p>	<p>5.19.3. DISCIPLINARY ACTIONS AGAINST NON-PAYMENT OF PENALTIES:</p> <p>(a) No listed company shall appoint a person as an external auditor or a person involved in the audit of a listed company who is a close relative, i.e., spouse, parents, dependents and non-dependent children, of the CEO, the</p>	<p>The requirements pertaining to the auditors are duly covered under the Companies Act, 2017, the said clauses are proposed to be deleted.</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>CFO, an internal auditor or a director of the listed company.</p> <p>(b) Every listed company shall require external auditors to furnish a Management Letter to its board of directors within 45 days of the date of audit report. Provided that any matter deemed significant by the external auditor shall be communicated in writing to the Board of Directors prior to the approval of the audited accounts by the Board.</p>	<p>CFO, an internal auditor or a director of the listed company.</p> <p>(b) Every listed company shall require external auditors to furnish a Management Letter to its board of directors within 45 days of the date of audit report. Provided that any matter deemed significant by the external auditor shall be communicated in writing to the Board of Directors prior to the approval of the audited accounts by the Board.</p>	
Chapter 5B: LISTING OF DEBT SECURITIES REGULATIONS			
5(d)	<p>5B.8. POST LISTING REQUIREMENTS:</p> <p>5B.8.2. The instrument rating shall be reviewed annually based on the latest audited accounts by the credit rating agency registered with the Commission and revision in the rating shall be intimated promptly by the Issuer to the Exchange and the Debt Securities Trustee.</p>	<p>5B.8. POST LISTING REQUIREMENTS:</p> <p>5B.8.2. The instrument rating shall be reviewed annually based on the latest audited accounts by the credit rating agency registered with the Commission and revision in the rating shall be intimated promptly by the Issuer to the Exchange and the Debt Securities Trustee.</p>	<p>This clause is proposed to be removed from here and moved under new Clause 5B.8.8 titled “Immediate Reporting Requirements” for enhanced clarity and better presentation.</p>
5(d)	<p>5B.8.3. The Issuer shall provide access to the Debt Securities Trustee to the books of accounts and record relating to the Debt Security.</p>	<p>5B.8.32. The Issuer shall provide access to the Debt Securities Trustee to the books of accounts and record relating to the Debt Security.</p>	<p>Clause has been renumbered due to consequential changes.</p>
5(d)	<p>5B.8.4. The Issuer shall submit to the Exchange and the Debt Securities Trustee minutes of the meeting of Debt Security holders within fourteen days of the date of such meeting.</p>	<p>5B.8.4. The Issuer shall submit to the Exchange and the Debt Securities Trustee minutes of the meeting of Debt Security holders within fourteen days of the date of such meeting.</p>	<p>This clause is proposed to be deleted from here and moved under new Clause 5B.8.9 titled “Periodic Reporting Requirements” for enhanced clarity and better presentation.</p>
5(d)	<p>5B.8.5. The Issuer shall maintain a register of Debt Security holders and inform the Exchange and the Debt Securities Trustee of the address where the register is kept.</p>	<p>5B.8.53. The Issuer shall maintain a register of Debt Security holders and inform the Exchange and the Debt Securities Trustee of the address where the register is kept.</p>	<p>The requirement to inform the address of register may not serve any purpose to Exchange. Hence, this requirement for submission to the Exchange is proposed to be deleted.</p>
5(d)	<p>5B.8.6. The Issuer shall provide to the Exchange and Debt Securities Trustee the following documents and information:</p> <p>(i) A statement regarding the payment of markup, profit, interest or rent, as the case may be, on Debt Securities and redemption of the principal amount, on semi-</p>	<p>5B.8.6. The Issuer shall provide to the Exchange and Debt Securities Trustee the following documents and information:</p> <p>(i) A statement regarding the payment of markup, profit, interest or rent, as the case may be, on Debt Securities and redemption of the principal amount, on semi-</p>	<p>This clause is proposed to be removed from here and moved under new Clause 5B.8.9 titled “Periodic Reporting Requirements” for enhanced clarity and better presentation.</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>annual basis till complete redemption of such Debt Security;</p> <p>(ii) Copy of its latest audited annual, half-yearly and quarterly accounts as and when finalized along with key financial ratios. The key financial ratios must include at least the debt/equity ratio, current ratio, return on equity, return on assets, earning per share, debt service coverage ratio;</p> <p>(iii) Copy of any notice, circular, resolution, letter etc. including notice for meeting of the Debt Security holders, letter/circular issued to the Debt Security holders in connection with the Debt Security and resolution relating to new issue of Debt Securities by the Issuer;</p> <p>(iv) Certificate from its auditors regarding maintenance of 100% security cover in respect of the Debt Security, if it is secured. The certificate should be submitted on annual basis along with submission of the annual accounts;</p> <p>(v) Certificate from its auditors regarding maintenance of redemption reserve, where required on annual basis.</p>	<p>annual basis till complete redemption of such Debt Security;</p> <p>(ii) Copy of its latest audited annual, half-yearly and quarterly accounts as and when finalized along with key financial ratios. The key financial ratios must include at least the debt/equity ratio, current ratio, return on equity, return on assets, earning per share, debt service coverage ratio;</p> <p>(iii) Copy of any notice, circular, resolution, letter etc. including notice for meeting of the Debt Security holders, letter/circular issued to the Debt Security holders in connection with the Debt Security and resolution relating to new issue of Debt Securities by the Issuer;</p> <p>(iv) Certificate from its auditors regarding maintenance of 100% security cover in respect of the Debt Security, if it is secured. The certificate should be submitted on annual basis along with submission of the annual accounts;</p> <p>(v) Certificate from its auditors regarding maintenance of redemption reserve, where required on annual basis.</p>	
5(d)	<p>5B.8.7. The Issuer shall in addition to the documents/information mentioned above, submit to the Exchange the following information, documents and reports:</p> <p>(a) Decision of the Board of Directors of the Issuer regarding prepayment of any debt obligation, if any;</p> <p>(b) any delay or default in payment of profit or mark up or interest, or rent and principal amount on any other debt obligation and reasons thereof;</p> <p>(c) the date, at least five working days in advance, of the meetings of its Board of Directors at which recommendation or declaration of issue of any Debt Security or any other matter affecting the rights or interests of holders of the Debt Security is proposed to be taken up;</p> <p>(d) change, if any, of the Debt Security Trustee on same day;</p> <p>(e) change, if any, subject to the provisions of the prospectus and the Trust Deed, in the nature and features of the Debt Security or in the rights or privileges of its holders as and when occurred;</p> <p>(f) change, if any, in its accounting policies;</p>	<p>5B.8.7. The Issuer shall in addition to the documents/information mentioned above, submit to the Exchange the following information, documents and reports:</p> <p>(a) Decision of the Board of Directors of the Issuer regarding prepayment of any debt obligation, if any;</p> <p>(b) any delay or default in payment of profit or mark up or interest, or rent and principal amount on any other debt obligation and reasons thereof;</p> <p>(c) the date, at least five working days in advance, of the meetings of its Board of Directors at which recommendation or declaration of issue of any Debt Security or any other matter affecting the rights or interests of holders of the Debt Security is proposed to be taken up;</p> <p>(d) change, if any, of the Debt Security Trustee on same day;</p> <p>(e) change, if any, subject to the provisions of the prospectus and the Trust Deed, in the nature and features of the Debt Security or in the rights or privileges of its holders as and when occurred;</p> <p>(f) change, if any, in its accounting policies;</p>	<p>This clause is proposed to be removed from here and moved under new Clause 5B.8.8 titled “Immediate Reporting Requirements” for enhanced clarity and better presentation.</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>(g) change, if any, in the credit rating of the Issuer;</p> <p>(h) change, if any, in its management and address of its registered office;</p> <p>(i) change, if any, that may have effect on the rights and privileges of the Debt Security holders;</p> <p>(j) change, if any, in the nature of business of the Issuer due to any reason;</p> <p>(k) prohibitory order, if any, restraining the Issuer from transferring the Debt Security from the name of any Debt Security holder;</p> <p>(l) any transaction whether related party or otherwise that adversely affects the interest of the Debt Security holders;</p> <p>(m) any action against or by the Issuer which will result in the redemption, conversion, cancellation, retirement in whole or in part of the Debt Security;</p> <p>(n) any action against or by the Issuer that would adversely affect payment of principal amount and profit/mark up/interest/rent on the Debt Security;</p> <p>(o) any other information that is not in the public domain but necessary to be known to the holders of Debt Security to enable them to avoid creation of a false market in the Debt Security; and</p> <p>(p) any other information/documents as required by the Exchange.</p>	<p>(g) change, if any, in the credit rating of the Issuer;</p> <p>(h) change, if any, in its management and address of its registered office;</p> <p>(i) change, if any, that may have effect on the rights and privileges of the Debt Security holders;</p> <p>(j) change, if any, in the nature of business of the Issuer due to any reason;</p> <p>(k) prohibitory order, if any, restraining the Issuer from transferring the Debt Security from the name of any Debt Security holder;</p> <p>(l) any transaction whether related party or otherwise that adversely affects the interest of the Debt Security holders;</p> <p>(m) any action against or by the Issuer which will result in the redemption, conversion, cancellation, retirement in whole or in part of the Debt Security;</p> <p>(n) any action against or by the Issuer that would adversely affect payment of principal amount and profit/mark up/interest/rent on the Debt Security;</p> <p>(o) any other information that is not in the public domain but necessary to be known to the holders of Debt Security to enable them to avoid creation of a false market in the Debt Security; and</p> <p>(p) any other information/documents as required by the Exchange.</p>	
5(d)	<p>5B.8.8. The Issuer, till complete redemption of the Debt Security, shall ensure that:</p> <p>(a) The unclaimed profit, mark-up, interest or rent, if any, is not forfeited and is kept under a separate head of account namely, "Unclaimed Profit, Mark-up, Interest or rent";</p> <p>(b) Proper book closure is announced for the purpose of payment of profit, mark-up, interest or rent, redemption of the principal amount, meeting of the Debt Security holders or for such other purposes as the Exchange may deem fit; and</p> <p>(c) No modification has been made in the features of the Debt Security like in its term, coupon rate, conversion; redemption, security etc. by any manner otherwise than</p>	<p>5B.8.84. The Issuer, till complete redemption of the Debt Security, shall ensure that:</p> <p>(a) The unclaimed profit, mark-up, interest or rent, if any, is not forfeited and is kept under a separate head of account namely, "Unclaimed Profit, Mark-up, Interest or rent";</p> <p>(b) Proper book closure is announced for the purpose of payment of profit, mark-up, interest or rent, redemption of the principal amount, meeting of the Debt Security holders or for such other purposes as the Exchange may deem fit; and</p> <p>(c) No modification has been made in the features of the Debt Security like in its term, coupon rate, conversion; redemption, security etc. by any manner otherwise than</p>	<p>Clause has been renumbered due to consequential changes.</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	that as disclosed in the prospectus and the Trust Deed.	that as disclosed in the prospectus and the Trust Deed.	
5(d)	5B.8.9. Upon request, copies of its annual audited accounts and quarterly accounts are provided to the Debt Security holders.	5B.8.9 5 . Upon request, copies of its annual audited accounts and quarterly accounts are provided to the Debt Security holders.	Clause has been renumbered due to consequential changes.
5(d)	5B.8.10. The Issuer shall provide a minimum of 7 days' notice to the Exchange prior to closure of Security Transfer Register, for any purpose, not exceeding 30 days in a year in the whole.	5B.8.10. The Issuer shall provide a minimum of 7 days' notice to the Exchange prior to closure of Security Transfer Register, for any purpose, not exceeding 30 days in a year in the whole.	This clause is proposed to be removed from here and moved under new Clause 5B.8.9 titled "Periodic Reporting Requirements" for enhanced clarity and better presentation.
5(d)	5B.8.11. No Issuer shall exercise any lien whatsoever on listed Debt Securities and nor shall there be any restriction on their transfer.	5B.8.11 6 . No Issuer shall exercise any lien whatsoever on listed Debt Securities and nor shall there be any restriction on their transfer.	Clause has been renumbered due to consequential changes.
5(d)	5B.8.12. In case the Issuer fails to pay its repayment obligations including interest, mark-up, profit or rent, as the case may, on the due date, it shall promptly inform the Exchange of such a default and call a meeting of the Debt Securities holders within 15 days of the due date to explain the reasons for default. Senior level representation from the Issuer, including Chief Executive, shall attend this meeting. The Exchange may notify the fact of such default and the name of the defaulting company by notice and also by publication of the same in the Daily Quotations of the Exchange.	5B.8.12. In case the Issuer fails to pay its repayment obligations including interest, mark-up, profit or rent, as the case may, on the due date, it shall promptly inform the Exchange of such a default and call a meeting of the Debt Securities holders within 15 days of the due date to explain the reasons for default. Senior level representation from the Issuer, including Chief Executive, shall attend this meeting. The Exchange may notify the fact of such default and the name of the defaulting company by notice and also by publication of the same in the Daily Quotations of the Exchange.	This clause is proposed to be removed from here and moved under new Clause 5B.8.8 titled "Immediate Reporting Requirements" for enhanced clarity and better presentation.
5(d)	5B.8.13. Save as provided in the Trust Deed, the Issuer shall not make any change in the charged assets i.e. the assets backing the Debt Security.	5B.8.13 7 . Save as provided in the Trust Deed, the Issuer shall not make any change in the charged assets i.e. the assets backing the Debt Security.	Clause has been renumbered due to consequential changes.
5(d)	NEW INSERTION	<u>5B.8.8. IMMEDIATE REPORTING REQUIREMENTS:</u> <u>The following information/document(s) shall be immediately submitted to the Exchange:</u> <u>(i) The instrument rating shall be reviewed annually based on the latest audited accounts by the credit rating agency registered with the Commission and revision in the rating shall be intimated promptly by the Issuer to the Exchange and the Debt Securities Trustee.</u> <u>(ii) Decision of the Board of Directors of the Issuer regarding prepayment of any debt obligation, if any;</u> <u>(iii) Any delay or default in payment of profit or mark up</u>	Post listing reporting requirements are proposed to be restructured into new clauses 'immediate reporting requirements' and 'periodic reporting requirements' for enhanced clarity and better presentation. Accordingly, clauses 5B.8.2, 5B.8.7 and 5B.8.12 are moved here under new sub-clause 5B.8.8 titled "Immediate Reporting Requirements", with minor editorial changes.

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
		<p><u>or interest, or rent and principal amount on any other debt obligation and reasons thereof;</u></p> <p>(iv) <u>Change of the Debt Security Trustee;</u></p> <p>(v) <u>Change subject to the provisions of the prospectus and the Trust Deed, in the nature and features of the Debt Security or in the rights or privileges of its holders as and when occurred;</u></p> <p>(vi) <u>Change in its accounting policies;</u></p> <p>(vii) <u>Change in the credit rating of the Issuer;</u></p> <p>(viii) <u>Change in its management and address of its registered office;</u></p> <p>(ix) <u>Change that may have effect on the rights and privileges of the Debt Security holders;</u></p> <p>(x) <u>Change in the nature of business of the Issuer due to any reason;</u></p> <p>(xi) <u>Prohibitory order, if any, restraining the Issuer from transferring the Debt Security from the name of any Debt Security holder;</u></p> <p>(xii) <u>Any transaction whether related party or otherwise that adversely affects the interest of the Debt Security holders;</u></p> <p>(xiii) <u>Any action against or by the Issuer which will result in the redemption, conversion, cancellation, retirement in whole or in part of the Debt Security;</u></p> <p>(xiv) <u>Any action against or by the Issuer that would adversely affect payment of principal amount and profit/mark up/interest/rent on the Debt Security;</u></p> <p>(xv) <u>Any other material information that is necessary to be known to the holders of the Debt Security to avoid creation of a false market in such Debt Security;</u></p> <p>(xvi) <u>Any default in case the Issuer fails to pay its repayment obligations including interest, mark-up, profit or rent, as the case may, on the due date, it shall promptly inform the Exchange and call a meeting of the Debt Securities holders within 15 days of the due</u></p>	

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
		<p><u>date to explain the reasons for default. Senior level representation from the Issuer, including Chief Executive, shall attend this meeting. The Exchange may notify the fact of such default and the name of the defaulting company by notice and also by publication of the same in the Daily Quotations of the Exchange; and</u></p> <p><u>(xvii) Any other information/documents as required by the Exchange.</u></p>	
5(d)	<u>NEW INSERTION</u>	<p><u>5B.8.9. PERIODIC REPORTING REQUIREMENTS:</u></p> <p><u>The following information/document(s) shall be submitted to the Exchange within the specified time as mentioned under this Regulation:</u></p> <p><u>(i) The Issuer shall submit to the Exchange and the Debt Securities Trustee minutes of the meeting of Debt Security holders within fourteen days of the date of such meeting;</u></p> <p><u>(ii) The Issuer shall provide to the Exchange and Debt Securities Trustee the following documents and information:</u></p> <p><u>(a) A statement regarding the payment of markup, profit, interest or rent, as the case may be, on Debt Securities and redemption of the principal amount, on semi-annual basis within 3 working days for public dissemination till complete redemption of such Debt Security;</u></p> <p><u>(b) Copy of its latest audited annual, half-yearly and quarterly accounts as and when finalized along with key financial ratios. The key financial ratios must include at least the debt/equity ratio, current ratio, return on equity, return on assets, earning per share, debt service coverage ratio;</u></p> <p><u>(c) Copy of any notice, circular, resolution, letter etc. including notice for meeting of the Debt Security holders, letter/circular issued to the</u></p>	<p>Post listing reporting requirements are proposed to be restructured into 'immediate reporting requirements' and 'periodic reporting requirements' for enhanced clarity and better presentation.</p> <p>Accordingly, clauses 5B.8.4, 5B.8.6, and 5B.8.10 are moved here under new clause 5B.8.9 titled "Periodic Reporting Requirements".</p> <p>Timeline has been prescribed for submission of this statement to ensure effective compliance with PSX Regulations and standardized reporting.</p>
5(b)			

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>5(c) (i)</p> <p>5(c) (ii)</p>		<p><u>Debt Security holders in connection with the Debt Security and resolution relating to new issue of Debt Securities by the Issuer;</u></p> <p><u>(d) Certificate from its auditors regarding maintenance of 100% security cover in respect of the Debt Security, if it is secured. The certificate should be submitted on annual basis within 120 days of close of financial year; and</u></p> <p><u>(e) Certificate from its auditors regarding maintenance of redemption reserve, where required on annual basis within 120 days of close of financial year.</u></p> <p><u>(iii) The date, at least seven days in advance, of the meetings of its Board of Directors at which recommendation or declaration of issue of any Debt Security or any other matter affecting the rights or interests of holders of the Debt Security is proposed to be taken up; and</u></p> <p><u>(iv) The Issuer shall provide a minimum of 7 days' notice to the Exchange prior to closure of Security Transfer Register, for any purpose, not exceeding 30 days in a year in the whole.</u></p>	<p>Presently, the Issuers of debt securities are required to submit these certificates mentioned under 5B.8.9 (d) and (e) along with submission of annual accounts. In order to provide flexibility in filing, it is proposed to require such submissions at any time within 120 days of close of the year.</p>
Chapter 5C: PRIVATELY PLACED DEBT SECURITIES' LISTING REGULATIONS			
<p>5(d)</p>	<p>5C.8. POST LISTING REQUIREMENTS:</p> <p>(xii) Reporting:</p> <p>The company shall report and submit to the Exchange and the Debt Securities Trustee the following information and documents:</p> <p>(a) copy, in soft form, of the list of its debt security holders within 30 days of the end of each half year;</p> <p>(b) statement regarding the payment of profit on the debt securities and repayment of the principal amount, on semiannual basis till complete redemption of such debt security;</p> <p>(c) copy of its latest audited annual and half-yearly accounts and quarterly accounts, if any;</p>	<p>5C.8. POST LISTING REQUIREMENTS:</p> <p>(xii) Immediate Reporting:</p> <p>The company shall immediately report and submit to the Exchange and the Debt Securities Trustee the following information and documents:</p> <p style="text-align: center;">No Change</p> <p>(b) statement regarding the payment of profit on the debt securities and repayment of the principal amount, on semiannual basis till complete redemption of such debt security;</p> <p>(c) copy of its latest audited annual and half-yearly accounts and quarterly accounts, if any;</p>	<p>Post listing reporting requirements are proposed to be restructured into 'immediate reporting' and 'periodic reporting' for enhanced clarity and better presentation.</p> <p>Accordingly, sub-clauses (b), (c), (e), (f), (g) and (h) are proposed to be moved under new sub-clause 5C.8 (xiii) below titled "Periodic Reporting".</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>(d) copy of the reviewed rating reports highlighting change, if any, in the credit rating and the reason causing the change;</p> <p>(e) copy of any notice, letter, circular, resolution, etc. including notice for meeting of the debt security holders issued or published in print media or letter, circular issued to the debt security holders in connection with the debt security or resolution passed or propose to be passed relating to new issue of a debt security by the company;</p> <p>(f) the date, at least five working days in advance or any shorter period as may be allowed by the Exchange in exceptional circumstances, of the meetings of its Board of Directors at which issuance of any debt security or any other matter affecting the rights or interests of holders of the debt security is proposed to be approved;</p> <p>(g) certificate from its auditors regarding maintenance of one hundred and twenty five percent (125%) security cover in respect of the secured debt security. The certificate should be submitted on annual basis along with submission of the annual accounts;</p> <p>(h) certificate from its auditors, on annual basis, regarding maintenance of redemption reserve fund, where required;</p> <p>(i) decision of the Board of Directors of the company regarding prepayment of any debt obligation, if any;</p> <p>(j) delay or default, if any, in payment of profit and repayment of principal amount on the debt security listed under this Chapter or any other debt obligation and reasons thereof. The Exchange may notify the fact of such default and the name of the defaulting company by notice and also by publication of the same in the daily quotations of the Exchange;</p> <p>(k) change, if any, in terms of the provisions of the Information Memorandum and the Trust Deed, in the nature and features of the debt security or in the rights and privileges of its holders as and when occurred;</p> <p>(l) any other material information that is necessary to be known to the holders of the debt security to</p>	<p>(d) (a) copy of the reviewed rating reports highlighting change, if any, in the credit rating and the reason causing the change;</p> <p>(e) copy of any notice, letter, circular, resolution, etc. including notice for meeting of the debt security holders issued or published in print media or letter, circular issued to the debt security holders in connection with the debt security or resolution passed or propose to be passed relating to new issue of a debt security by the company;</p> <p>(f) the date, at least five working days in advance or any shorter period as may be allowed by the Exchange in exceptional circumstances, of the meetings of its Board of Directors at which issuance of any debt security or any other matter affecting the rights or interests of holders of the debt security is proposed to be approved;</p> <p>(g) certificate from its auditors regarding maintenance of one hundred and twenty five percent (125%) security cover in respect of the secured debt security. The certificate should be submitted on annual basis along with submission of the annual accounts;</p> <p>(h) certificate from its auditors, on annual basis, regarding maintenance of redemption reserve fund, where required;</p> <p>(i) (b) decision of the Board of Directors of the company regarding prepayment of any debt obligation, if any;</p> <p>(j) (c) delay or default, if any, in payment of profit and repayment of principal amount on the debt security listed under this Chapter or any other debt obligation and reasons thereof. The Exchange may notify the fact of such default and the name of the defaulting company by notice and also by publication of the same in the daily quotations of the Exchange;</p> <p>(k) (d) change, if any, in terms of the provisions of the Information Memorandum and the Trust Deed, in the nature and features of the debt security or in the rights and privileges of its holders as and when occurred;</p> <p>(l) (e) any other material information that is necessary to be known to the holders of the debt security to</p>	

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p>avoid creation of a false market in such debt security;</p> <p>(m) change, if any, in the nature of business of the company due to any reason;</p> <p>(n) any significant event which may have adverse impact on the company's capacity of redeeming the debt security as per the redemption schedule disclosed in the Information Memorandum;</p> <p>(o) change, if any, of the Debt Securities Trustee on the same day;</p> <p>(p) change, if any, in its management and address of its registered office, as and when occurred;</p> <p>(q) change, if any, that may have effect on the rights and privileges of the debt security holders;</p> <p>(r) prohibitory order, if any, restraining the company from transferring the debt security from the name of any debt security holder;</p> <p>(s) any transaction whether related party or otherwise that adversely affect interest of the debt security holders;</p> <p>(t) any action against or by the company which may result in the redemption, conversion, cancellation, retirement in whole or in part of the debt security;</p> <p>(u) any action against or by the company that would adversely affect payment of profit and repayment of the principal amount; and</p> <p>(v) any other information or document as may be required by the Exchange.</p>	<p>avoid creation of a false market in such Debt Security;</p> <p>(m) (f) change, if any, in the nature of business of the company due to any reason;</p> <p>(n) (g) any significant event which may have adverse impact on the company's capacity of redeeming the Debt Security as per the redemption schedule disclosed in the Information Memorandum;</p> <p>(o) (h) change, if any, of the Debt Securities Trustee on the same day;</p> <p>(p) (i) change, if any, in its management and address of its registered office, as and when occurred;</p> <p>(q) (j) change, if any, that may have effect on the rights and privileges of the Debt Security holders;</p> <p>(r) (k) prohibitory order, if any, restraining the company from transferring the Debt Security from the name of any Debt Security holder;</p> <p>(s) (l) any transaction whether related party or otherwise that adversely affect interest of the Debt Security holders;</p> <p>(t) (m) any action against or by the company which may result in the redemption, conversion, cancellation, retirement in whole or in part of the Debt Security;</p> <p>(u) (n) any action against or by the company that would adversely affect payment of profit and repayment of the principal amount; and</p> <p>(v) (o) any other information or document as may be required by the Exchange.</p>	
5(d)	<p style="text-align: center;">NEW INSERTION</p>	<p><u>(xiii) Periodic Reporting:</u></p> <p><u>The company shall report and submit to the Exchange and the Debt Securities Trustee the following information and documents:</u></p> <p><u>(a) statement regarding the payment of profit on the debt securities and repayment of the principal amount, on semiannual basis within three working days till complete redemption of such Debt Security;</u></p> <p><u>(b) copy of its latest audited annual and half-yearly accounts and quarterly accounts, if any;</u></p> <p><u>(c) copy of any notice, letter, circular, resolution, etc. including notice for meeting of</u></p>	<p>As mentioned above, sub-clauses 5C.8 (xii) (b), (c), (e), (f), (g) and (h) are proposed to be moved here under a new sub-clause".</p>

SR. #	EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
5(c) (iii)		<p><u>the Debt Security holders issued or published in print media or letter, circular issued to the Debt Security holders in connection with the Debt Security or resolution passed or propose to be passed relating to new issue of a Debt Security by the company;</u></p> <p><u>(d) the date, at least seven days in advance or any shorter period as may be allowed by the Exchange in exceptional circumstances, of the meetings of its Board of Directors at which issuance of any Debt Security or any other matter affecting the rights or interests of holders of the Debt Security is proposed to be approved;</u></p> <p><u>(e) certificate from its auditors regarding maintenance of one hundred and twenty five percent (125%) security cover in respect of the secured Debt Security. The certificate should be submitted on annual basis within 120 days of close of financial year; and</u></p>	Presently, the Issuers of debt securities are required to submit these certificates mentioned under 5C.8 (xiii)(e) and (f) along with submission of annual accounts. In order to provide flexibility in filing, it is proposed to require such submissions at any time within 120 days of close of the year.
5 (c) (iv)		<p><u>(f) certificate from its auditors regarding maintenance of redemption reserve fund on annual basis within 120 days of close of financial year, where required.</u></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 FILED 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.