



## NOTICE

Subject: **AMENDMENTS IN THE REGULATIONS GOVERNING OVER THE COUNTER (OTC) MARKET OF KSE**

It is hereby notified that in exercise of the powers conferred under Sub-Section (1) of Section 34 of the Securities & Exchange Ordinance, 1969, the Karachi Stock Exchange (Guarantee) Limited, with the prior approval of Securities & Exchange Commission of Pakistan have made the following amendments in its **Regulations Governing Over the Counter (OTC) Market**.

These amendments have been sent for publication in the Official Gazette of Pakistan:

1. **Sub-Regulation (c) of Regulation 10 shall be substituted as under:**

*(c) Trading through KATS*

The securities listed under these regulations shall be traded through KATS under T+2 Settlement System or any other counter subject to the clearing and settlement procedure as may be decided by the Board with suffix "OTC" added to its symbol."

2. **In Schedule-II, captioned 'Code of Corporate Governance for Over the Counter (OTC) Market:**

(a) **Clause (x) under heading of 'Meeting of the Board' shall be substituted as under:**

*(x)* The Chairman of a listed company shall ensure that minutes of meetings of the Board of Directors are appropriately recorded. The minutes of meetings shall be circulated to directors and officers entitled to attend Board meetings within 14 days of the date of the meeting.

In the event that a director of a listed company is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting of the Board of Directors, he may refer the matter to the Company Secretary. The director may require the note to be appended to the minutes, failing which he may file an objection with the Securities and Exchange Commission of Pakistan in the form of a statement to that effect."

(b) **Clause (xviii) under heading of 'Frequency of Financial Reporting' shall be substituted as under:**

*(xviii)* All listed companies shall ensure that second quarterly financial statements are subjected to a limited scope review by the statutory auditors in such manner and according to such terms and conditions as may be determined by the Institute of Chartered Accountants of Pakistan and approved by the Securities and Exchange Commission of Pakistan."

(c) **Clause (xix) under heading of 'Frequency of Financial Reporting' shall be substituted as under:**

*(xix)* All listed companies shall in the form and manner specified by the Commission ensure that the annual audited financial statements are sent to every member of the company at least twenty-one (21) days before the Annual General Meeting is held to consider the same."

(d) **Clause (xxi) under heading of 'Responsibility of Financial Reporting and Corporate Compliance' shall be substituted as under:**

*(xxi)* No listed company shall circulate its financial statements unless the CEO present the financial statements, duly endorsed under his respective signatures, for consideration and approval of the Board of Directors and the Board, after consideration and approval, authorize the signing of financial statements for the issuance and circulation.

It shall be mandatory for the CEO to have the second quarter and annual accounts (both separate and consolidated where applicable) initialed by the external auditors before presenting it to the Board of Directors for approval."

It is further informed that the complete updated Regulations Governing Over the Counter (OTC) Market of the Exchange are available on our Web-site: [http://www.kse.com.pk/KSE\\_Regulations/Over the Counter](http://www.kse.com.pk/KSE_Regulations/Over_the_Counter).

  
MUHAMMAD GHUFRAN

Deputy General Manager- Companies Affairs

**Copy to:**

Notice Board

Managing Director-KSE

General Manager Operations-KSE

Law & Corporate Affairs Department -KSE

KSE Website

S.E.C.P. Islamabad

Central Depository Company of Pakistan Limited

National Clearing Company of Pakistan Limited

Lahore Stock Exchange (Guarantee) Limited

Islamabad Stock Exchange (Guarantee) Limited