



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000
UAN: 111 00 11 22

PSX/N-3801

NOTICE TO INITIAL SHAREHOLDERS/TREC HOLDERS OF PSX

JUNE 14, 2017

**LISTING OF PAKISTAN STOCK EXCHANGE LIMITED (PSX) – BLOCKING OF SHAREHOLDING
OF SPONSORS, INITIAL SHAREHOLDERS AND OFFERORS**

It is hereby informed that the Securities and Exchange Commission of Pakistan vide an email dated June 12, 2017 followed by letter No. SMD/CIW/SA-88/09/2017 dated June 13, 2017 has clarified that the requirements of sub-regulation (1), (2) and (3) of Regulation 5 of Public Offering Regulations, 2017 are applicable on the Sponsors of PSX including the initial shareholders (copy of the above referred correspondence is attached, which is self-explanatory).

The initial shareholders, being the Sponsors of PSX, are accordingly informed that pursuant to self-listing of PSX, the freely held shares of the Company kept in house / investor accounts of initial shareholders, will remain blocked in terms of the above mentioned Regulations.

It is further informed that the Commission vide another letter No. SMD/SE/2(57)/2002 dated June 13, 2017 has advised the Exchange to ensure that its initial shareholders which have pledged their 40% transferable shares against the BMC requirements replace these shares with acceptable collateral prior to listing of PSX (copy attached).

All initial shareholders / TREC Holders of PSX are accordingly advised to ensure compliance of the above in timely manner.

Muhammad Ghufuran

Deputy General Manager - Operations

Copy to:

- 1) The Commissioner (SM), smd.notices@secp.gov.pk
- 2) The Managing Director, Pakistan Stock Exchange Limited
- 3) The Deputy Managing Director, Pakistan Stock Exchange Limited
- 4) The Chief Executive, Central Depository Company of Pakistan Limited
- 5) The Chief Executive, National Clearing Company of Pakistan Limited
- 6) The Chief Executive, Pakistan Mercantile Exchange (PMEX)
- 7) The Acting Chief Regulatory Officer – PSX
- 8) All TRE Certificate Holders – PSX
- 9) All Departmental Heads – PSX
- 10) Notice Board & Website – PSX



Securities and Exchange Commission of Pakistan
Securities Market Division
Public Offering and Regulated Persons Department

No. SMD/CIW/SA-88/09/2017

June 13, 2017

Mr. Rafique Bhundi,
Senior Vice President, Investment Banking
Arif Habib Limited,
2nd Floor, 23,
M.T. Khan Road,
Karachi.

Subject: LISTING OF PAKISTAN STOCK EXCHANGE LIMITED (PSX) – BLOCKING OF SHAREHOLDING OF SPONSORS, INITIAL SUBSCRIBERS AND OFFERORS.

Dear Sir,

Please refer to this office email dated June 12, 2017 (copy attached) on the subject noted above wherein it was clarified to Arif Habib Limited (AHL), the Lead Consultant to the Issue, that sub-regulations (1), (2) and (3) of regulation 5 the Public Offering Regulations, 2017 (the PO Regulations) are applicable on the sponsors of PSX including the initial shareholders.

2. In view of the above, AHL is hereby advised to ensure compliance by the Sponsors, Initial Subscribers and the Offerors with the aforesaid regulation 5 of the PO Regulations under intimation to this office latest by COB tomorrow.

Yours truly,

(Faisal Nawaz)
Joint Director (CI)

Copy to:-

- (i) The Chief Executive Officer, Pakistan Stock Exchange Limited, Karachi for similar action.
- (ii) The Chief Executive Officer, Central Depository Company of Pakistan Limited, Karachi.
- (iii) The Executive Director (Corporate Supervision Department), SECP, Islamabad.
- (iv) The Company Registration Office, SECP, Karachi.

From: Amir Muhammad Khan Afridi
Sent: Monday, June 12, 2017 3:01 PM
To: Rafique Bhundi; Muhammad Asif Jalal Bhatti
Cc: Akif Saeed; Faisal Nawaz; Shahid Ali Habib; Kashif Shah; Omair Talib Marghoob
Subject: RE: PSX LISTING

Dear Rafiq Sb;

Please refer to your below email on the subject. In this regard your attention is drawn towards regulation 5 of the Public Offering Regulations, 2017 (the PO Regulations) and clarify that sub-regulations (1), (2) and (3) of the PO Regulations are applicable on the sponsors of PSX including the Initial Subscribers. The said sub-regulations are reproduced as under:

- “ (1) The sponsors of the Issuer shall retain their entire shareholding in the company for a period of not less than twelve months from the last date for public subscription or in case of green field projects from the date of commencement of commercial operations or production by the company, whichever is later;
- (2) The sponsors of the Issuer shall retain not less than twenty five percent of the paid up capital of the company for not less than three financial years from the last date for the public subscription or, in case of green field projects, from the date of commencement of commercial operations or production by the company, whichever is later;
- (3) The shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;”

Best Regards;
Amir M. Khan Afridi



Securities and Exchange Commission of Pakistan

Securities Market Division

Policy, Regulation and Development Department

No. SMD/SE/2(57)/2002

June 13, 2017

Mr. Nadeem Naqvi
Chief Executive Officer
Pakistan Stock Exchange Limited
Karachi.

Subject: Shares of Pakistan Stock Exchange against Base Minimum Capital Requirements

Dear Sir,

The Rule Book of Pakistan Stock Exchange Limited (PSX) makes it mandatory for every securities broker to maintain Base Minimum Capital (BMC) with the Exchange. Further, Schedule I of Chapter 19 of the Rule Book prescribes the acceptable form of collateral against the BMC requirements, which also includes the transferable 40% shares of PSX allocated to the initial shareholders of the Exchange.

Accordingly further to the Securities and Exchange Commission of Pakistan's (SECP) letter No. SMD/CIW/SA-88/09/2017 dated June 13, 2017, PSX is advised to ensure that its initial shareholders which have pledged their 40% transferable shares against the BMC requirements replace these shares with acceptable collateral prior to listing of PSX. Moreover, PSX is advised to submit requisite amendments in its Rule Book for SECP's approval at the earliest to ensure consistency with the Public Offering Regulations, 2017.

Yours truly,


(Musarat Jabeen)
Executive Director