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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 23rd December, 2020

S. R. O. 1383(I)/2020.—In exercise of the powers conferred under section 169 of the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan is pleased to make the following amendments in the Public Offering Regulations, 2017 the same having been previously published in the official Gazette *vide* notification S.R.O 1228 (I)/2020 dated November 18, 2020, as required under sub-section (4) of section 169 of the Securities Act, 2015 for eliciting public opinion, namely:—

In the aforesaid Regulations,—

(1) in regulation 2, in sub-regulation (1),—

(i) in clause (xix), for the words “of debt security” the words “through execution of trust deed” shall be substituted; and

(2889)

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(ii) for clause (xxvii), the following shall be substituted, namely:—

“(xxvii) “Investment agent means an entity that holds a valid license to act as Consultant to the Issue under the Act and is appointed by the issuer through execution of issuance agreement;”

(2) in regulation 13,—

(i) for sub-regulation (2), the following shall be substituted, namely:—

“(2) For issuance of debt security, other than the commercial paper, the Issuer shall appoint, as applicable,—

(i) Debt Securities Trustee;

(ii) Investment Agent;

(iii) Shariah Advisor.”;

(3) in the FIRST SCHEDULE,—

(i) in Section 1, in paragraph 18, after Part-VIID, the following new Part-VIIE shall be inserted, namely:—

“Part-VIIE: Investment agent and Security (in case of debt securities):

(i) Details of security and assets backing the instrument including nature of assets, book value of the assets as per the latest audited accounts; nature of charge established in favor of the investment agent, number and nature of charges on the said assets; names of the creditors having charge on these assets; and aggregate amount and type of such borrowing;

(ii) Name of the investment agent, amount or rate of fee payable to the investment agent;

(iii) Event of defaults as mentioned in the issuance agreement;

(iv) Circumstance under which security becomes enforceable;

- (v) Mechanism for enforcement of security including authority by way of special resolution by the security holders; quorum of the meeting; authority for approval of resolution etc.”;
- (ii) in section 2, for paragraph 7, the following shall be substituted, namely:—
 - “7. In case of debt security following need to be incorporated, as applicable,—
 - (a) summary of the credit rating report by the credit rating agency;
 - (b) report by the company’s auditors on security backing the issue;
 - (c) report by the Debt Securities Trustee that the security arranged and the mechanism for its enforcement, if needed, is appropriate for safeguarding interest of the security holders;
 - (d) report by the Investment agent that the security arranged and the mechanism for its enforcement, if needed, is appropriate for safeguarding interest of the security holders”;
- (4) in the SECOND SCHEDULE,—
 - (i) in clause 6, for paragraph (vi), the following shall be substituted, namely:—
 - “vi. in case of debt security additional information like, as applicable,
 - (a) tenor;
 - (b) rate of return/profit;
 - (c) redemption schedule;
 - (d) Option details;
 - (e) redemption reserve;
 - (f) name and contact details of the debt securities trustee;
 - (g) Name and contact details of the investment agent;
 - (h) Name and contact details of the credit rating company;”;

(ii) for clause 9, the following shall be substituted, namely:—

“9. Address and other contact detail of the following, as applicable:

- (a) Consultant to the issue;
- (b) the book runner;
- (c) bid collection centres;
- (d) all bankers to an issue;
- (e) the balloters;
- (f) the transfer agents;
- (g) the auditors of the Issuer;
- (h) legal advisor to the issue;
- (i) the debt securities trustee;
- (j) the investment agent;
- (k) the credit rating agency;
- (l) Shariah advisors;” and

(5) In The THIRD SCHEDULE, in clause 3, for paragraph (v), the following shall be substituted, namely:—

“(v) In case of debt security, the following additional information, as applicable, shall be disclosed:

- (a) Entity and instrument rating;
- (b) rate of return of the instrument;
- (c) tenor of the instrument;
- (d) Name of the rating agency;
- (e) Name of the debt security trustee;
- (f) Name of the Investment Agent;
- (g) Name of the Shariah advisors.”.

[No. SMD/CIW/Misc./09/2015.]

BILAL RASUL,
Secretary to the Commission.