



# **Joint Procedures for Reporting of Non-Free Float of Listed Shares / Certificates / Modaraba/ Mutual Funds**

**Last Updated in March, 2017**

## Procedures for Reporting of Non-Free Float of Listed Shares / Certificates / Modaraba/ Mutual Funds

These procedures have been jointly prepared by PSX and CDC for the purpose of reporting of Non-Free Float information and related matters.

CDC has developed a Non-Free Float functionality in the Central Depository System (CDS) in light of requirements prescribed under Regulations 2.4(xl) and 5.7.2(c) of PSX Rule Book read with Regulation 5.2A of the CDC Regulations. The said functionality will be available to the relevant Issuers/Registrar/Transfer Agent (R/TA) on their CDS terminals, enabling them to enter the non-free float details in the CDS in a manner prescribed by Pakistan Stock Exchange (“PSX”).

### Non-Free Float Reporting Process:

1. Issuers to provide Non-Free Float information on the following parameters:

CAT. #	Categories Description	No. of Shares
	Issued Share / Certificate Capital of the Company / Modaraba / Mutual Funds	XXX
<b>Less:</b>		
CAT01	Government holdings;	(XXX)
CAT02	Directors, Sponsors* and Senior Management Officers** and their Associates;	(XXX)
CAT03	Treasury Shares;	(XXX)
CAT04	Associate companies*** / Group Companies (cross holdings);	(XXX)
CAT05	Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course;	(XXX)
OTHER	any other category that are barred from selling at the review date;	(XXX)
<b>Free Float Shares</b>		<b>XXX</b>

\*, \*\* and \*\*\* are specifically defined in the enclosed annexure.

2. For entering Non-Free Float details against any of the above category(ies) in CDS, following information will be required to be entered in Non-Free Float Functionality:

S. No.	CDS Non-Free Float Functionality
(i)	Security Symbol;
(ii)	CDS Participant ID
(iii)	CDS Account Number
(iv)	Non Free Float Category
(v)	Remarks (Optional)

3. R/TA shall mark the relevant CDS account such as sub-account or an Investor Account etc. where non-free float securities are held.
4. RTA after necessary verification will be required to submit the consolidated details for the particular security in CDS. Based on this action, non-free float information will be transmitted to PSX along with submission date.



5. Once submission action in CDS is performed by an R/TA for the particular security, no subsequent modification will be allowed after the due date. However, for revising the already submitted non-free float details in CDS, issuer shall submit a written request to PSX. Consequently, CDC will allow such revision/re-submission of non-free float details in CDS upon receiving confirmation from PSX.
6. The reporting of non-free float details shall be made on quarterly basis i.e., as of March 31, June 30, September 30 and December 31 within 15 days of close of each quarter. Late reporting may be allowed till the next quarter. However, in light of Regulation 5.20 of the PSX Rule Book, PSX may impose penalty on Issuer for late or resubmission of non-free float information in CDS.
7. In compliance with Regulation 5.2A.3 of the CDC Regulations read with Regulation 5.7.2 (c) (i) of PSX Rule Book, a report shall be made available by CDC after the end of 15th day from the close of each quarter to PSX and NCCPL on their respective CDS terminals for further action in accordance with their respective jurisdiction.
8. CDC shall also transmit cases of non-reporting of non-free float information to PSX directly through the system in the form of a report after the end of 15th day from the close of each quarter for necessary action at their respective end in accordance with their respective jurisdiction.

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**DEFINITIONS**

\*As defined in Companies (Issue of Capital) Rules, 1996  
Sponsor means:

- (a) A person who has contributed initial capital in the issuing company and has the right to appoint majority of the directors on the board of the issuing company directly or indirectly by virtue of shareholding held in its own name and in the names of his relatives, associated companies and associated undertakings;
- (b) A person who replaces the person referred to in clause (a); and
- (c) a person or group of persons having management control of the issuing company whether directly or indirectly .

\*\*As defined in the Securities Act 2015

Senior Management Officer includes Chief Executive Officer / Managing Director, Deputy Managing Director / Chief Operating Officer and Chief Regulatory Officer or holder of such position by whatever name called.

\*\*\*As defined in the Securities Act 2015

Associate in relation to:

(a) an individual, means:

- I. that individual's spouse, son, adopted son, step-son, daughter, step-daughter, father, stepfather mother, stepmother, brother, stepbrother, sister or stepsister,
- II. any company of which that individual is a director;
- III. any company in which that individual or any of the persons mentioned in sub-clause (i), has control of twenty five percent or more of the voting power in the company, whether such control is exercised individually or jointly; or
- IV. any employee of that individual; or

(b) a company, means another company in which the first mentioned company has control of not less than twenty percent of the voting power in that company,

and a reference in this Act to an associated person or associated company shall be construed accordingly;