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**eIPO**

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**(Electronic Initial Public Offering)**

CDC HOUSE |

| CDC HOUSE, 99-B, BLOCK B, S.M.C.H.S, MAIN SHARAH-E-FAISAL, KARACHI |

## **Introduction**

Central Depository Company of Pakistan Ltd (CDCPL) has developed a Centralized eIPO System (CES) on eServices portal through which Pakistani individual investors can submit online applications for subscription of securities offered through Initial Public Offering (IPO) and Offer for Sale. The eServices portal will also facilitate payment against subscription applications through various banking channels (such as internet banking, Automated Teller Machines and mobile banking). The eServices portal can be accessed by the general public through the web link (<https://eservices.cdcaccess.com.pk/public/index.xhtml>).

The eServices portal is intended to achieve the following objectives:

- Increase the outreach of IPOs.
- Promote the culture of keeping custody of securities in book entry form.
- Make the IPO process more efficient.
- Ensure transparency by keeping the investors informed throughout the IPO process.

The main participants involved in eServices portal are:

- Individual Investors (Resident Pakistani and Non-Resident Pakistani)
- Issuers
- RTAs
- Balloters
- CDC
- 1-Link's Member Banks

The objective of this document is to broadly outline the procedures that will be followed by the above mentioned participants involved in the IPO process through eServices portal.

## **Detailed Procedure**

### **IPO Setup on eServices portal**

Every IPO will be defined in the eIPO system through Admin Module. For utilizing eServices portal the following procedure will be applicable:

- Issuer will communicate to CDC that it intends to allow subscription application submission by investors through eServices portal.
- In this respect Issuer will be required to sign a standardized Issuer Agreement specifically for the purpose of eServices portal which will be provided by CDC on stamp paper of Rs.1,000/- (two copies).
- The following documents will be required to be submitted by the Issuer in addition to the above mentioned Agreement:
  - eIPO Setup form
  - Certified true copy of SECP approval of Prospectus/Offering Document.
  - Clearance of Pakistan Stock Exchange.
  - Approved prospectus of the Security.

The following documents will also be required by the Issuer in soft form enabling CDC to be made available on eServices portal to facilitate Investors accessing information regarding IPO:

- Financial Documents
- Preliminary Prospectus
- Final Prospectus
- eIPO Terms and Conditions
- Physical IPO Form
- Application Instruction for Investors
- The Issuer will provide information to CDC separately for setting up the details of each eServices portal Element.
- On the basis of the provided information, CDC will create User IDs for the relevant Elements enabling them access to eServices portal, User IDs and password will be communicated via email to respective Elements.
- After the completion of eIPO setup on eServices portal, following information will be reflected for general public on eServices portal:
  - Complete details and schedule of the IPO.
  - Financial documents, Final prospectus, Physical IPO form and other relevant documents.

### **Balloter Element**

- Balloter will access the eServices portal to download the details of those investors who have submitted IPO application through eServices portal.
- Balloter will be able to download the detail on 2<sup>nd</sup> business day after the close of subscription period.
- Balloting process will be carried out outside eServices portal.
- Upon completion of balloting process the Balloter will upload details of successful, unsuccessful and withheld applications in eServices portal pertaining to investors subscribing through eServices portal.
- Investors will also be informed through SMS and email alerts through eServices portal about their balloting status.

### **Refund against Unsuccessful Applications.**

- A letter will be required from the Issuer along with a list of unsuccessful applicants.
- After receiving request letter duly signed by authorized signatory(ies) of the Issuer enclosing list of unsuccessful/unaccepted applicants alongwith refund list duly stamped by the company as per **Annexure “A”**. CDC will initiate instruction to 1-Link to refund the subscription amount to unsuccessful/unaccepted applicants who had subscribed through eServices portal.
- Based on CDC’s instruction 1-Link will instruct the relevant banks to refund the amount to their customers and respective banks would immediately refund the amount to unsuccessful investors accordingly.

### **Share Registrar Element (R/TA)**

- Share Registrar will upload the list on eServices portal of successful applicants of IPO subscribing through eServices portal who will be issued with securities in CDS and their status would be updated accordingly.
- Share Registrar will issue securities in book entry form directly into the respective CDS accounts of the successful applicants as per current CDC Procedures.
- Investors will also be informed through SMS and email alerts through eServices portal about allotment of shares.

**Release of Fund to Issuer after completion of eIPO process**

- For the purpose of NoC from PSX, CDC to issue a letter (**as per Annexure “B”**) to Company/Issuer for confirming the collection of subscription amount and category wise application details alongwith the pro-rata details (where applicable).
- Upon receiving of confirmation letter from Issuer along with NoC from PSX, CDC will provide details pertaining to successful Investors to 1-Link for onward transfer of the successful subscription amount net of applicable commissions to the Issuer’s designated bank account.

**Annexure "A"**

Date: \_\_\_\_\_

<b><u>Pro-Rata Register (Rounding off nearest the Shares) on the Basis of Over Subscription of CDC eIPO</u></b>									
<b>Serial</b>	<b>Application</b>	<b>Name of Allotees</b>	<b>Applied</b>		<b>Allotted</b>		<b>Refund</b>		<b>Subscription ID</b>
<b>No</b>	<b>Category</b>		<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	

**IN CASE WHERE NO PRO RATA APPLICABLE**

**Annexure “B”**

Date \_\_\_\_\_

**Issuer Address**

**Subject: Confirmation for Subscription Collection - General Public Portion of the New Issue of Shares/Certificates of ABC Company Limited**

Dear Sir,

We would like to confirm that a sum of **PKR** \_\_\_\_\_ have been collected in the General Public portion of the New Issue of Shares/Certificates of **ABC Company Limited** held on **Dates** in the Central Depository Company Limited’s Centralized e-IPO System.

The category wise applications detail are mentioned below.

<b>Application Category</b>	<b>No of Applications</b>	<b>No. of Shares/Certificates</b>	<b>Amount (PKR)</b>
500 shares/Certificates			
1,000 shares/Certificates			
1,500 shares/Certificates			
2,000 share/Certificates			
Above 2,000 shares / Certificates			
<b>Sub Total</b>			

Yours sincerely,

**IN CASE WHERE PRO RATA APPLICABLE**

**Annexure “B”**

Date \_\_\_\_\_

**Issuer Address**

**Subject: Confirmation for Subscription Collection - General Public Portion of the New Issue of Shares of ABC Company Limited**

Dear Sir,

We would like to confirm that a sum of **PKR** \_\_\_\_\_ have been collected in the General Public portion of the New Issue of Shares of **ABC Company Limited** held on **Dates** in the Central Depository Company Limited’s Centralized e-IPO System.

However, based on the instruction from the Issuer/ Balloter **Rs.** \_\_\_\_\_ have been refunded to unsuccessful applicants due to pro-rata distribution.

The category wise applications detail are mentioned below.

<b>Application Category</b>	<b>No of Applications</b>	<b>No. of Shares/Certificates</b>	<b>Amount (PKR)</b>
500 shares/Certificates			
1,000 shares/Certificates			
1,500 shares/Certificates			
2,000 share/Certificates			
Above 2,000 shares/Certificates			
<b>Sub Total</b>			
Refund upon pro rata above _____ Shares/Certificates			
<b>Total</b>			

Yours sincerely,



## **Guidelines for Registration on eServices portal and eIPO Subscription**

### **Introduction:**

Central Depository Company of Pakistan Limited (CDC) has developed a Centralized eIPO System (CES) on eServices portal through which individual investors can submit online applications for subscription of securities offered through Initial Public Offering (IPO) and Offer for Sale. Centralized eIPO System (CES) will also facilitate payment against subscription applications through various banking channels (such as internet banking, Automated Teller Machines (ATM) and mobile banking).

**Note:** Currently, only Resident and Non-Resident Pakistanis individual are allowed to subscribe for IPO via eServices portal.

### **Process for Registration on eServices Portal:**

- To register for eServices Portal, please visit on the following link for accessing:  
[www.eservices.cdcaccess.com.pk/public/index.xhtml](http://www.eservices.cdcaccess.com.pk/public/index.xhtml)
- If you are currently not availing this facility, please first register yourself by clicking New Here? Register Now tab.  
  
(Anyone can register provided they have CNIC / NICOP / POC /Passport in case of individual clients AND Registration number OR NTN for corporate body)
- After clicking the Register Now option you are requested to fill up the form displayed on the screen. (All the mandatory fields having asterisk (\*) must be filled).
- After filling the requisite form, kindly save all the information by clicking the SAVE button.
- After successfully saving the form you will get a link on registered email address. Upon clicking this link another screen will open up for resetting of your password.
- The password can be of 8 to 16 characters out of which 6 characters should be alphabets (at least 1 upper case and 1 lower case letter) and at least 2 numeric digits.
- After setting up your password, return to the home page of eServices portal.
- Your User ID would be your CNIC or NICOP or POC or Passport in case of individuals and Registration number or NTN for corporate body. The password would be the same that you had setup earlier.

### **Subscription for eIPO:**

- Currently, only Resident and Non-Resident Pakistanis individual are allowed to subscribe for IPO via eServices portal.
- An application can be made in individual capacity and not in joint status. However, a CDS joint account can be used for subscription by the account holders separately for their respective applications.
- After successful login into your account, kindly click “**Public Offering**” tab appearing under eIPO option by reading and accepting Disclaimer. Afterwards “**List of Public Offering(s)**” will be displayed for subscription.
- Before filling out the applicant details, investor has to read and agree the statement about submission of false and fictitious applications by marking check on the box given in start of the form.
- For CDS Account Holder, give participant ID and CDS Account Number and press search button, after this CDS account information of an investor will auto populated on the applicant’s details.
- Fill out the **Subscription Details** and mark checks by reading statements (Agreement and Declaration) before saving of the form.
- After pressing save button, a pop up window will appear i.e. “**Applicant Instructions for Investors**” investor hereby agree the statement by marking check on the box (Terms and Conditions, Declaration) and press submit.
- After submitting the application a Subscription ID will be generated by eServices portal and sent to the investor via e-mail and SMS. This Subscription ID will be used by the applicant for making payment.
- Payment can be made against Subscription ID through available banking channels of 1-Link member banks (such as Internet Banking, Mobile App, ATM).