

Listing on Pakistan Stock Exchange

Debt Securities



This presentation has been prepared by Pakistan Stock Exchange (PSX) solely for information purposes. This presentation does not constitute, in part or whole, an invitation, recommendation, offer, or solicitation to enter into any contract or take an investment decision in relation to any securities. Certain information contained in this presentation may be forward looking and may reflect PSX's beliefs and expectations of the future. PSX does not undertake any obligation to update any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation and it does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.

In addition, any past performance mentioned in this presentation is only for illustrative purpose and should not be taken as an indication or guarantee of future results. Certain information or data in this presentation may have been obtained from external sources that PSX believes to be reliable. PSX makes no representations as to the accuracy or completeness of that data, and such data involves risks and uncertainties and is subject to change based on various factors. Neither PSX nor any of its respective affiliates, officials or advisors shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

Contents of the Presentation:

Introduction

Benefits

Publicly Placed Debt Securities

Listing Requirements

Listing Procedure

Listing Fee

Privately Placed Debt Securities

Listing Requirements

Listing Procedure

Listing Fee

Contact Information



What is debt listing?

Debt security refers to a debt instrument, such as a government or corporate bond that can be bought or sold between two parties.

- 1. Publicly Placed Debt instruments** listed on Pakistan Stock Exchange (PSX) can be offered to the general public as well as institutional investors.
- 2. Privately Placed Debt instruments** listed on Pakistan Stock Exchange can only be offered to and transferred in the name of QIBs (Qualified Institutional Buyers).



PSX Debt Securities include Corporate Bonds, TFCs, Government Debt Securities(GDS) and Sukuks.

Why should you list on PSX?

Larger Investment
Base

Listing debt securities on a stock exchange is usually carried out to gain access to a wider group of audience, i.e. Corporate Investors.

Investment
Priority

The target investors for debt securities are Qualified Institutional Buyers (QIBs), many of whom have investment criteria stipulating that they will invest all or a proportion of their available funds in listed securities.

Relaxed Credit
Terms

Long term securities have to be rated a minimum of BBB (triple B).
Short term securities are not required to be rated as long as the issuer is not rated less than BBB (triple B).

Liquidity

Since investors can buy and sell debt securities on the secondary market, it makes it an attractive investment avenue due to liquidity.



Publicly Issued Debt Securities



What is the Eligibility Criteria?

Paid-up Capital

- Public company with a paid up capital of Rs. 200 Million or above.

Issue Size

- Total issue size of debt should be Rs. 200 Million or above.

No Defaults/Overdue Loans

- None of the directors, sponsors or promoters of the Company should be on the defaulters list of SECP.

Credit Rating

- Long term securities have to be rated a minimum of BBB+
- Short term securities are not required to be rated as long as the issuer is not rated less than A2 (short term).

What are the offering requirements?

Minimum allocation of capital to the General Public excluding the Pre-IPO investors shall be as under:

Issue Size	• The allocation of capital to the General Public
Up to Rs. 500 Million	• shall not be less than Rs. 100 Million or 25% of the issue size, whichever is higher
Above Rs. 500 Million and up to Rs. 2 Billion	• shall not be less than Rs. 125 Million or 15% of the issue size, whichever is higher
Above Rs. 2 Billion and up to Rs. 10 Billion	• shall not be less than Rs. 300 Million or 10% of the issue size, whichever is higher
Above Rs. 10 Billion	• shall not be less than Rs. 1,000 Million or 5% of the issue size, whichever is higher

Procedure to list debt security on the Exchange?

Prospectus creation

- The Company shall create an prospectus by hiring a consultant.

Offer to General Public and QIBs for Subscription

- The Company shall make the offer of the debt security to General Public and QIBs by publishing the prospectus.

Filling the application

- The Company submits the application of its debt security along with the documents as mentioned in Annexure-I of Chapter 5B of PSX rule-book.

Payment of listing fees

- The company shall pay an initial and annual listing fee of such amount as mentioned in the next slide.

Approval of application

- PSX provides approval of listing of the debt security subject to the approval of SECP.

Listing

- Debt security is formally listed. Trading starts the next day on BATS (Bonds Automated Trading System).

Procedure to list debt security on the Exchange?

Prospectus creation and eligibility

- The Company shall create an prospectus by hiring a consultant
- The Issuer, before publication of prospectus, shall obtain CDC's notice with respect to declaration of its Debt Security as CDS eligible Security.

Filling the application

- The Company submits the application of its debt security along with the documents as mentioned in Annexure-I of Chapter 5B of PSX rule-book.

Payment of listing fees

- The company shall pay an initial and annual listing fee of such amount as mentioned in the next slide.

Approval of application

- The Exchange will approve process the listing of a Debt Security within 15 working days from the date of complete submission of all required documentation
- PSX provides approval of listing of the debt security subject to the approval of SECP.

Offer to General Public and QIBs for Subscription

- The prospectus and application form shall be placed on the website of the Issuer and the Consultant to the Issue.
- Issue of Debt Securities to the General Public and QIBs by the Issuer shall be made through a prospectus

Listing

- Debt security is formally listed. Trading starts the next day on BATS (Bonds Automated Trading System).



What is the Listing Fees?

Initial Listing Fees

- 0.075% of the total issue size of the Debt Security
- Capped at PKR 3 Million

Annual Listing Fees

Payable in respect of each financial year of the Exchange (July-June)

- 0.075% of the total issue size of the Debt Security
- Floored at PKR 100,000
- Capped at PKR 1 Million

Privately Placed Debt Securities



What is the Eligibility Criteria?

Paid-up Capital

- Entity which has commenced operations and has a paid-up capital of Rs. 25 Million or above.

Issue Size

- The total issue size including pre-IPO placement if any, is Rs. 25 million or above.

No Defaults/Overdue Loans

- None of its other securities should be on the defaulters segment of the Exchange.
- Its sponsors/directors have no overdue loans.

Credit Rating

- Entity rating and instrument rating have to be a minimum of BBB+
- Short term securities are not required to be rated as long as the issuer is not rated less than BBB.



Procedure to list debt security on the Exchange?

Complete pre-requisite

- The company shall obtain a letter from Central Depository Company of Pakistan declaring the debt security eligible for induction into Central Depository System.

Information Memorandum creation

- The Company shall create an Information Memorandum by hiring a Consultant.

Offer to QIBs for Subscription

- The Company shall make the offer of the debt security to QIBs only through an Information Memorandum.

Filling the application

- The Company submits the application of its debt security along with the documents mentioned in Annexure-I of Chapter 5C of PSX rule-book.

Payment of listing fees

- The company shall pay an initial and annual listing fee of such amount as mentioned in the next slide.

Approval of application

- PSX provides approval of listing of the debt security.

Listing

- Debt security is formally listed. Trading starts the next day on BATS (Bonds Automated Trading System). It can only be transferred in the name of QIBs.

Procedure to list debt security on the Exchange?

Complete pre-requisite

- The company shall obtain a letter from Central Depository Company of Pakistan declaring the debt security eligible for induction into Central Depository System.

Information Memorandum creation

- The Company shall create an Information Memorandum by hiring a Consultant.

Offer to QIBs for Subscription

- The Company shall make the offer of the debt security to QIBs only, through an Information Memorandum.

Filling the application

- The Company should finalize the list of subscribers
- The Company submits the application of its debt security along with the documents mentioned in Annexure-I of Chapter 5C of PSX rule-book.

Payment of listing fees

- The company shall pay an initial and annual listing fee of such amount as mentioned in the next slide.

Approval of application

- PSX provides approval of listing of the debt security within 5 working days from the date of complete submission of all required documentation.

Listing

- Debt security is formally listed. Trading starts the next day on BATS (Bonds Automated Trading System). It can only be transferred in the name of QIBs.



What is the Listing Fees?

Initial Listing Fees

- 0.075% of the total issue size of the debt security
- Capped at PKR 1.5 Million

Annual Listing Fees

Payable in respect of each financial year of the Exchange (July-June)

- 0.075% of the total issue size of the Debt Security
- Floored at PKR 50,000
- Capped at PKR 750,000

Contact Information

Raeda Latif
General Manager
Marketing and Business Development
Email: raeda.latif@psx.com.pk
Telephone: +92-2135274580 Ext: 4580

Karachi
Muhammad Farooq Siddiqui
Email: farooq.siddiqui@psx.com.pk
Telephone: +92-2135274583 Ext. 4583

Lahore
Sarmad Hussain
Email: sarmad.Hussain@psx.com.pk
Telephone: 111-001-122 Ext. 4653 | Direct: 021-35274653

Islamabad & Peshawar
Saqib Ali
Email: saqib.ali@psx.com.pk
Telephone: 111-001-122 Ext. 4673 | Direct: 021-35274673



To view the entire Debt Securities Regulations refer to Chapter **5B** for Publicly Placed Debt Securities and **5C** for Privately Placed Debt Securities.

Serving Investors & Industry

Stock Exchange Building, Stock Exchange Road,
Karachi-74000, Pakistan.

Tel: (+92)111-001-122, Website: www.psx.com.pk

