



PAKISTAN
STOCK EXCHANGE



Listing Guide

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Disclaimer

The purpose of this document is:

- To promote clarity and transparency by clearly outlining the listing criteria and the regulatory framework for listing on the Pakistan Stock Exchange.
- To provide step-by-step explanation of the listing process, including the documentation, application procedures, and fees involved.
- To help companies understand the compliance obligations they need to fulfil before and during the listing process.

Please note that this document is not intended to serve as a legal document, rather it is a guide for companies interested in Listing. Pakistan Stock Exchange Limited (PSX) makes no guarantee and assumes no responsibility for errors or omissions in the information contained in this document. The information provided should not be used as grounds for any claim, demand, or legal action. For detailed information refer to the following documents:

- PSX Rule Book
- Public Offering Regulations, 2017 of the Securities and Exchange Commission of Pakistan

It is important to seek professional advice or consult relevant authorities before making any decisions based on the information presented in this document.

Additionally, PSX reserves the absolute right to revise, update, change, suspend, or terminate this document without prior notice.

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The background of the page is a dark blue gradient with a faint, semi-transparent financial chart. The chart features a grid with various data points, including candlestick patterns and line graphs in shades of orange and yellow. The word "Glossary" is prominently displayed in white, bold, sans-serif font on the left side of the chart.

Glossary

Glossary

BoD	Board of Directors
Book Building	Process of eliciting demand for shares as prescribed under Public Offering Regulations
CEO/CFO	Chief Executive Officer/ Chief Financial Officer
CCG	Code of Corporate Governance
CDS	Central Depository System – established and operated by the Central Depository Company (CDC)
Debt Securities	Any instrument creating or acknowledging indebtedness which is issued or proposed to be issued by an Issuer including TFCs, Sukuks, Commercial Papers, etc.
Equity Securities	Financial Assets/ Instruments that represent ownership of an entity
ETF	Exchange Traded Funds – open end fund structured as a Collective Investment Scheme that is listed and traded on the Exchange
GEM Board	Growth Enterprise Market Board for SMEs and growing companies to raise capital to fund growth

IPO	Initial Public Offering
Issuer	Public Limited Company or body corporate that has issued or intends to issue securities to the General Public under Part VIII of the Securities Act
Main Board	Main Board for listing of all companies with a min. post issue paid-up capital of PKR 200 million
PIPC	“Post Issue Paid-up Capital” refers to paid up share capital of the company after issuance of shares being discussed.
PSX	Pakistan Stock Exchange Limited
PES	PSX Electronic Initial Public Offering System
PRIDE	“Public offerings Revolutionized through an Integrated and Digitized Experience” – launched to automate the listing process
PUCARS	“Pakistan Unified Corporate Action Reporting System” – corporate announcement system used to disseminate market information to stakeholders
SECP	Securities and Exchange Commission of Pakistan – apex regulator of the Pakistani Capital Market

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Rule Making Procedure



Rule Making Procedure

In order to ensure quality, relevance and adequacy of Pakistan Stock Exchange Limited (PSX) Regulations, draft new regulations or amendments are generally subject to the following rigorous process:

Consideration of Regulatory Aims

- Frame regulations in line with the vision and mission of PSX
- Regularly review and update the regulatory framework
- Engage in public consultation to align regulations with changing regulatory landscape
- Ensure alignment with international standards

Internal Deliberation & Approval

- Present new regulations and amendments to internal approving authorities i.e. Regulatory Affairs Committee of PSX Board and PSX Board for thorough deliberation

Public Consultation

- Issue notice and publish amendments on the PSX website
- Obtain public comments for a minimum period of seven days, as required by the Securities Act, (except in cases of immediate implementation with SECP approval for waiver of public comments)
- Conduct regulatory awareness and feedback sessions with market participants for significant proposals

Evaluation & Incorporation of Feedback

- Evaluate public feedback received during consultation period
- Incorporate feedback into the regulatory proposals

Submission for Final Approval

- Submit regulatory proposals, incorporating feedback, to the Securities and Exchange Commission of Pakistan (SECP) for final approval as per the Act

Implementation

- Implement new regulations or amendments upon approval from SECP, effective from the notified date

Rule Book Update and Publication

- Update PSX Rule Book
- Disseminate the updated Rule Book on the PSX website in an accessible form
- Publish the updated Rule Book in the Official Gazette of Pakistan



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INTRODUCTION TO LISTING

- Page 12 ▪ **What is Listing?**
- Page 13 ▪ **Initial Public Offering**
- Page 14 ▪ **Benefits of Listing**
- Page 15 ▪ **Listing Products**
- Page 16 ▪ **Public Offer of Shares**
- Page 17 ▪ **Choosing the right platform for Listing**

What is Listing?

Listing is the procedure of offering securities of a company to the general public as equity/debt to raise capital through the Stock Exchange. The main characteristics of Listing include display of the Issuer's name and quotation of the market price of the security on the official list of the securities exchange. A company that is successfully listed has met all the relevant requirements of the Pakistan Stock Exchange, as well as the Securities and Exchange Commission of Pakistan (SECP) as laid out in the PSX Rule Book, Public Offering Regulations, 2017, and the Securities Act, 2015.

Two different boards exist within the Exchange to facilitate various types of listings, namely:

**Main
Board**

**GEM
Board**



Initial Public Offering

An Initial Public Offering (IPO) marks a significant milestone in the life of a company, signifying its transition from a privately held entity to a publicly traded one. It is an intricate process through which a company offers its shares to the public for the first time, allowing investors to become shareholders and participate in the company's growth and success. This momentous event not only opens doors to new opportunities but also brings forth a host of responsibilities and opportunities for the company and its stakeholders.

During an IPO, a company embarks on a journey of transformation, moving from a select group of shareholders to a broader base of investors who trade its shares on public stock exchanges. This newfound public status not only grants the company access to substantial capital but also imparts increased visibility and credibility in the business world. It becomes an entity subject to public scrutiny, regulatory obligations, and heightened expectations from investors, analysts, and the general public.

Common types of securities offered through IPO

Equity Securities

Ordinary Shares &
Preference Shares

Debt Securities

Term Finance Certificates,
Sukuks, Commercial Papers &
Convertible Bonds

Benefits of Listing

Listing has diverse benefits for Issuers, Investors and the Economy, including:

Business Continuity and Succession Planning

Listing makes transition from the first generation to the next, hassle-free

Raise Long Term Working Capital

To fund expansion, mergers, working capital requirements, etc.

Improved Relations with Bankers & Suppliers

Banker's and supplier's trust on the company enhances due to disclosure of price sensitive information & public financial accounts

Benefits for the Economy

Channelize savings of the public in the local economy- promote economic development & attract foreign investors

Enhances Company's Public Profile

IPOs can be effective branding and marketing tools and listed companies are regarded as industry leaders in their respective sectors

Debt Limit Enhancement

Banks improve loan limits at competitive interest rates for listed companies with higher paid up capital or equity

Listing Products

Equity Market, usually known as Stock Market, is the marketplace where general public can invest, buy and sell shares of the companies listed. Currently, there are more than 500 companies listed on Pakistan Stock Exchange with a Market Capitalization of about PKR 9 Tn. These companies are distributed amongst more than 35 sectors or groups of industries.



Equity

Debt securities include Corporate Debt securities and Government bonds. These instruments are investment products that provide a return in the form of fixed periodic payments as profit and the eventual return of principal. Any investor can purchase these securities listed at the Stock Exchange through authorized TREC Holders.

Debt



These include Term Finance Certificates (TFCs), SUKUK Certificates, Corporate Bonds and all kinds of debt instruments issued by any Pakistani company or corporation registered in Pakistan.



Corporate Debt Instruments

Government Debt Instruments



These are debt instruments issued by the Government of Pakistan. These include PIBs, Treasury Bills, National Savings Bonds, and Islamic Ijarah Sukuks

Shares of companies with post-issue paid-up capital starting from PKR 25 Mn are traded. Target investors for this segment are accredited investors that include institutions and High Net Worth Individuals (HNWIs).



Growth Enterprise Market (GEM)

Open End Mutual Funds



Open End Mutual Fund is a pooled investment scheme with units that can be bought or sold. Unlike ETFs, open end mutual funds are not tradable on the Exchange

ETF is a pooled investment vehicle with units that can be bought or sold on the Stock Exchange at a market-determined price. Similar to mutual funds units, ETF owns the underlying assets (stocks or bonds) and offers investors a proportionate share in a pool of stocks, bonds, and other assets. The ETFs have Net Asset Values (NAVs) that are listed on PSX website.



Exchange Traded Funds (ETFs)

Public Offer of Shares

Fixed Price Method

The offer price is set by the Issuer in consultation with the Consultant to the Issue

Methods for public offer of shares

Book Building Method

Mechanism of price discovery of shares through bidders who make Bids at Floor Price or within the Price Band. The Strike Price is determined through the Dutch Auction Method

General Conditions for public offer of Securities

The Issuer has obtained approval from its Board of Directors relating to Public Offering

The securities shall be issued in book-entry form only

No Issuer shall make a public offer if the Issuer, its sponsors, promoters, substantial shareholders have overdue or defaults, appearing in e-CIB report

Not less than 51% of the shares of the issuer are held by same persons for at least 2 preceding financial years *

The Issuer has a profitable* track record for at least 2 preceding financial years from its core business activities

** For exemptions, please refer to the Public Offering Regulations, 2017*

Choosing the right platform for Listing

Explore our listing options and find the one that suits your business requirements and goals

For most companies that are about to go public, the decision of where to offer its shares and which platform to list upon is straightforward. If the company is large and well-established, it will list on the PSX's Main Board. It is Pakistan's premier listing Board, with more than 500 companies listed across more than 35 sectors. To list on this Board, a company needs a minimum post-issue paid-up capital of PKR 200 million.

In contrast, small and medium size companies may prefer to list on the Growth Enterprise Market (GEM) Board, which has been specifically developed for such companies. GEM is a listing platform aimed at facilitating growth-oriented businesses - whether small, medium, or greenfield businesses - in order to raise capital for their growth and expansion plans. A company is required to have a post-issue paid-up capital of only PKR 25 million to list on the GEM Board.

Moreover, Debt Securities can raise funds by issuing debt either by way of public issue or private placement. It involves paying specified returns in the form of periodic payments as profit and eventually returning the principal amount upon maturity of the debt instrument.



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EQUITY LISTING

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Main Board

The Main Board at PSX caters to the listing needs of large-cap companies. With over 500 listed companies, it represents a collective market capitalization of approximately PKR 9 trillion. This Board serves as the premier platform in Pakistan, attracting prestigious and top-notch companies seeking to meet their financing requirements.



IPO Process Flow

Sr.#	Role of Different Parties	Timelines (Working Days)	Cumulative Timelines (Working Days)
1	Appointment of Market Intermediaries by the Issuer where applicable, e.g. Consultant to the Issue, Book Runner, Bankers to the Issue, etc.	0	0
2	Submission of the CEO-signed Listing Application along with the Draft Prospectus by the CTI/Issuer, simultaneously to the PSX and the SECP through PRIDE	0	0
3	Placement of Prospectus by PSX on its website for seeking public comments	0	0
4	Parallel review by SECP and PSX to evaluate the IPO application and conveying observations, if any, to the CTI/Issuer	5	5
5	CTI/Issuer response on the public comments and the regulators' observations along with a due diligence certificate	5	10
6	PSX Approval to the Listing Application & the Prospectus	2	12
7	SECP Approval to the Listing Application & the Prospectus	2	14
8	Allocation of date(s) by PSX for publication of the Prospectus and Public Subscription	1	15
9	Publication in the newspaper(s) and placement of the Prospectus on websites of PSX, the Issuer, and the CTI	1	16
10	Public Offer is held either through book building or the fixed price method	7	23
11	Refund applications, credit of securities, etc.	5	28
12	Notice of Listing by PSX	1	29

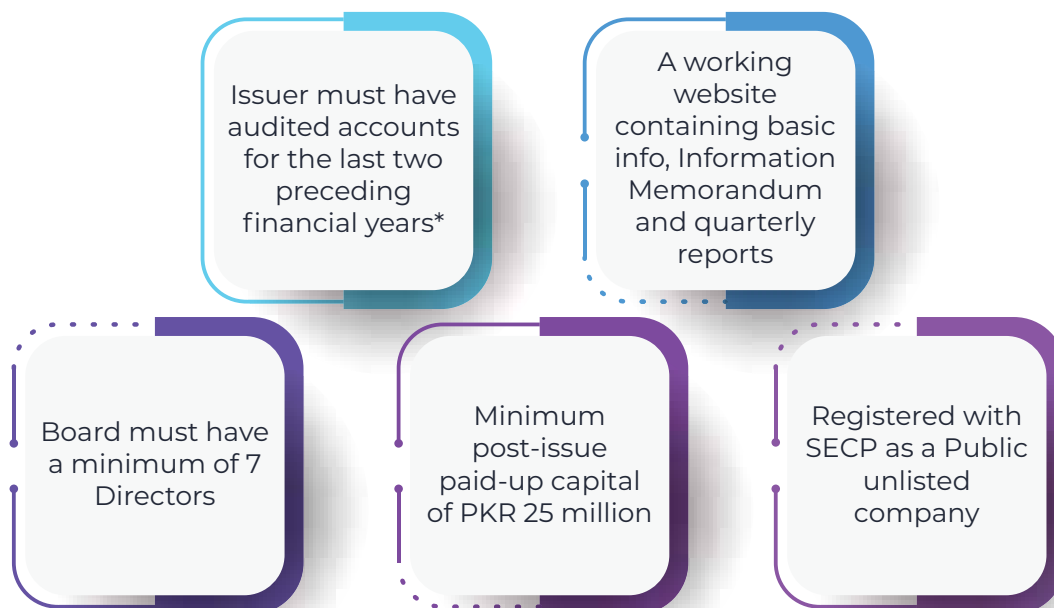
GEM Board

The Growth Enterprise Market Board (GEM) is a listing platform aimed at facilitating growth-oriented businesses - whether small, medium, or greenfield businesses - in order to raise capital for their growth and expansion plans. GEM Board offers companies flexible listing requirements in recognition of the company's growth phase.

Why choose GEM Board?

- Listing on GEM Board involves reduced costs to raise capital with a minimized PSX initial listing fee subject to a maximum of PKR 50,000.
- The Exchange has been facilitating foreign investors since 1991. With the availability of foreign investors, listing on GEM Board can help attract investment from foreign investors.
- Listing on GEM Board allows raising capital from a pool of accredited investors. No requirement for term sheet, exclusivity clause and signing Shareholders' Agreement (SHA), as in a typical private fund raise.
- The GEM Board has relaxed regulations compared to the Main Board.
- Companies have an option to choose from a wide range of Consultants which include licensed Consultant-to-the-Issue, Scheduled Banks, Brokerage houses, Accounting firms, and Audit firms.
- Only an Information Memorandum (IM) is required rather than a comprehensive Prospectus.

Business Eligibility



** This condition shall not apply in case of green field project*

Listing Procedure for GEM Board

Appoint Advisor

- Meetings with multiple Advisors to assess their experience and understanding of the company's business model
- Selection of the right Advisor to get the company listed
- When signing a mandate with the Advisor, negotiate fees to ensure a fair agreement
- Clarification and definition of the respective responsibilities of both parties

Prepare Application

- The Advisor completes an internal review and necessary due diligence of your company and prepares an Information Memorandum for your listing application
- The business plan is evaluated by the Advisor and its demand is gauged for the "Final Offer Structure"
- Apply to PSX for approval. The PSX Listing Committee allows approval of your listing application. Approval of SECP is not required to list on the GEM Board

Market to Investor

- The Advisor will actively market your company to potential Accredited investors, in addition to assisting your management team to prepare for a series of investor presentations as part of a formal roadshow

Initial Offering & Formal Listing

- An Initial Offering is held either by fixed price method or book building method
- Your company is formally listed on the Exchange
- Exposure on the market can be very different from previous practice for most companies. For instance, publishing an annual report and disclosing material information to the market are two key continuing obligations for listed companies

PSX Listing Fee

Main Board

- **Initial Listing Fees**
One-time fee payable at the time of submission of listing application
- **Annual Listing Fees**
Payable annually by a company - calculated on the basis of company's market capitalization
- **Additional Listing Fees**
Payable in the event a company chooses to increase its capital (0.2% of increase in paid up capital)

Initial Listing Fees

**0.1% of the post issue paid-up capital
(subject to a maximum of PKR 2.2 million)**

Type	Market Capitalization as on June 30	Rate of Fee per Annum
Annual Listing Fee	Up to PKR 100 Million	PKR 100,000
	Above PKR 100 Million & Up to PKR 250 Million	PKR 100,000 + 0.075% on excess over PKR 100 Million
	Above PKR 250 Million & Up to PKR 500 Million	PKR 212,500 + 0.06% on excess over PKR 250 Million
	Above PKR 500 Million & Up to PKR 1000 Million	PKR 362,500 + 0.025% on excess over PKR 500 Million
	Above PKR 1000 Million & Up to PKR 2000 Million	PKR 487,500 + 0.015% on excess over PKR 1000 Million
	Above PKR 2000 Million & Up to PKR 10,000 Million	PKR 637,500 + 0.013% on excess over PKR 2000 Million
	Above PKR 10,000 Million & Up to PKR 20,000 Million	PKR 1,677,500 + 0.005% on excess over PKR 10,000 Million
	Above PKR 20,000 Million & Up to PKR 50,000 Million	PKR 2,177,500 + 0.0015% on excess over PKR 20,000 Million
	Above PKR 50,000 Million	PKR 2,6207,500 + 0.001% on excess over PKR 50,000 Million
Annual Listing Fee Cap	PKR 5 Million	

PSX Listing Fee

GEM Board

- **Initial Listing Fees**
One-time fee payable at the time of submission of listing application
- **Annual Listing Fees**
Payable annually by a company - calculated on the basis of Post-Issue Paid-up Capital
- **Additional Listing Fees**
Payable in the event a company chooses to increase its capital

Initial Listing Fees

**0.05% of post-issue paid-up capital
(subject to a maximum of PKR 50,000)**

Additional Fee

**0.05% of increase in paid-up capital
(subject to a maximum of PKR 50,000)**

Issuer having Paid-up Capital	Amount of Fee
Up to PKR 50 million	PKR 50,000/-
Above PKR 50 million & up to PKR 100 million	PKR 100,000/-
Above PKR 100 million	PKR 200,000/-

Note: Every Issuer applying for listing shall pay annual listing fee for the entire financial year of the Exchange along with listing application irrespective of the date of its listing during the financial year.



Special Purpose Acquisition Company

Special Purpose Acquisition Company (SPAC) refers to a company formed and registered under the Companies Act, 2017, having sole principal line of business to raise money through public offering for entering into merger or acquisition transactions

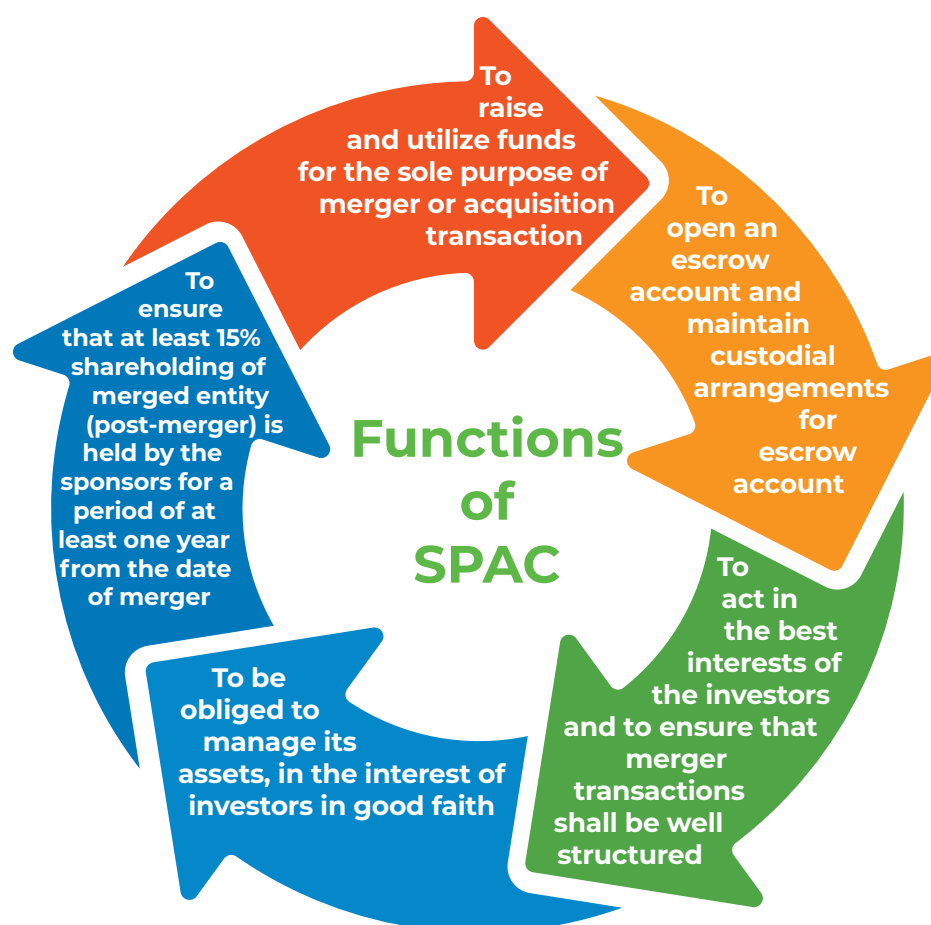
Eligibility to Commence business as SPAC

Having a paid-up capital of not less than PKR 10 million

Registered as a public limited company having principal line of business of SPAC

Shall not carry out any commercial business other than the business of SPAC

Its promoters, sponsors, directors and chief executive officer fulfil the Fit and Proper criteria as specified in the **Ninth Schedule**



Public Offering Regulations for SPACs

Minimum Fund Raised

A SPAC shall raise at least PKR 200 million to undertake a merger or acquisition transaction

Time frame for completion of qualifying acquisition

Must complete the M&A transaction within the permitted timeframe of thirty-six (36) months from the date of listing of SPAC on the exchange

Shareholders' Approval

- A. Each merger or acquisition transaction shall be approved by the shareholders by way of special resolution
- B. Ensure mandatory implementation of e-voting
- C. The notice of general meeting by SPAC shall not be less than 21 days

Management of Escrow Account

1. SPAC must place at least ninety percent (90%) of the funds raised in an escrow account immediately upon receipt of all proceeds and 10% may be utilized to defray expenses related to IPO, operating costs, fund the search for a target business and complete the qualifying acquisition
2. The funds in the escrow account shall only be utilized for the purpose of merger or acquisition transaction
3. The proceeds in the escrow account can be invested in permitted investments and any income generated by the funds held in the escrow account
4. Members of the management team shall not be eligible for any other payments from escrow account other than in relation to securities purchased by them during and after the public offering
5. The funds in the escrow account can be released by the custodian for such purposes as permitted under these regulations and upon termination of the escrow account
6. The escrow account can be terminated:
 - A. Following the completion of all merger or acquisition within the permitted time frame
 - B. Upon failure to complete merger or acquisition transaction by SPAC

Fair market value of Acquisition

The fair market value of the target company must equal at least 80% of the aggregate amount in the escrow account, net of any taxes payable and the losses incurred on the investments made out of the escrow account. The fair market value should be supported by a valuer's report recognized under the Companies Act, 2017

Majority ownership and management control

The merger or acquisition by SPAC should result in majority ownership or management control by the SPAC of the merged/target entity

Change in Board of Directors and management team

Any change in the board, if so required, shall only be made in a manner provided in the Companies Act, 2017, provided that the directors of SPAC shall at all times comply with fit and proper criteria given under the **Ninth Schedule**

Failure to complete merger or acquisition transaction

1. In case SPAC fails to complete merger or acquisition transaction within the permitted timeframe or within such extended time as approved by the Commission it shall notify the Commission and the concerned securities exchange within seven days.
2. In case where SPAC fails to complete the merger or acquisition transaction prior to expiry of the permitted timeframe due to any unforeseen circumstances/reasons, it shall immediately notify the same to the Commission and the concerned securities exchange.

Power of the Commission to issue directives

The Commission may issue such directives to the SPAC, including but not limited to filing of reports and furnishing such documents and information to the Commission or to the investors, as it may deem fit, and SPAC shall comply with such requirements.

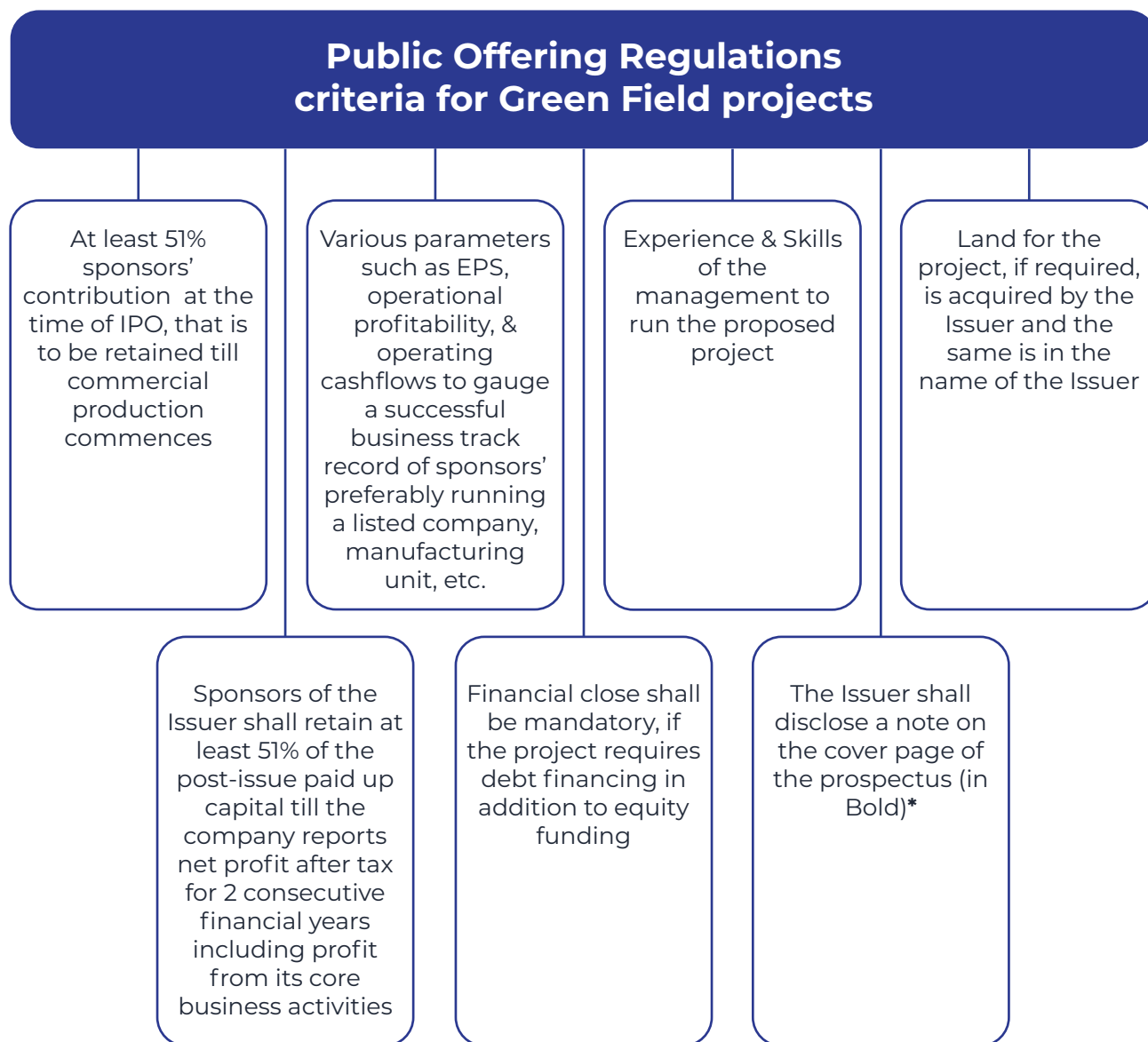
Further Details

SECP Regulations

Listing of Green Field Projects

“Green Field Projects” are projects that are newly built by the Issuer and have not commenced commercial production/operation. Green Field projects have the unique opportunity to list at the Pakistan Stock Exchange to fulfill their funding requirements.

Regulatory requirements for arranging equity funding for Green Field projects may be considerably more relaxed than regular equity funding.



***Note: Complete and elaborate criteria for Green Field projects are provided in the Public Offering Regulations, 2017**

Non-Profitable Companies

Entities that have reported a loss in the preceding financial year(s) for any reason(s) whatsoever may also apply for Listing.

The application made by such loss-making entity shall entail the same IPO process flow as regular entities with the addition of certain requirements as ordained in the Public Offering Regulations, 2017 and the PSX Rule Book. The additional requirements are as follows:

Public Offering Criteria for Loss-making entities



Retention of PIPC

Sponsors shall retain at least 51% of PIPC till company reports net profit after tax for two consecutive financial years



Submission of Business Plan

Issuer shall submit a business plan to turn business into a profitable venture



Loss Disclosure

Entity shall disclose a paragraph as mentioned in the Public Offering Regulations, 2017 on the cover page of its Prospectus/Information Memorandum



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ALTERNATE EQUITY LISTING METHOD(S)

Page **32** ▪ Reverse Merger

Reverse Merger

Reverse Merger is an alternate to traditional Public Offering that offer entities a simpler, shorter, and generally less expensive way to go public through acquisition of a majority stake of a Listed Shell Company. A Listed Shell Company is any listed company that is classified by the Exchange on the basis of erosion of its equity, no or nominal business operations, or no or nominal assets. Any transaction pursuant to which an **Operating Unlisted Company** becomes a Listed Company by merging with and into a Listed Shell Company is considered a Reverse Merger.

In order to determine its status as a Listed Shell Company, listed companies have to intimate the Exchange after receiving approval from their BoD to consider proposal for merger from the Operating Unlisted Company. After the Exchange confirms that the relevant transaction is to be considered a Reverse Merger, the Listed Shell Company has to submit relevant information/documents as mentioned in **Chapter 5 of the PSX Rule Book**. The proposed surviving company shall be liable to follow all the conditions described in the Reverse Merger Regulations of Chapter 5 of the PSX Rule Book, including:

Minimum Free Float

Sr. No.	Share Capital of Surviving Entity	% of Free Float
1.	Up to PKR 2.5 billion	At least 10% of the issued share capital (Provided that the company shall be required to subsequently enhance the Free Float to 25% within the next 3 years)
2.	Above PKR 2.5 billion & up to PKR 5 billion	At least 10% of the issued share capital (Provided that the company shall be required to subsequently enhance the Free Float to 15% within the next 3 years)
3.	Above PKR 5 billion & up to PKR 10 billion	At least 10% of the issued share capital
4.	Above PKR 10 billion	At least 5% of the issued share capital

Minimum Paid-up Capital

Minimum Paid-up Capital for a Reverse Merger shall not be less than PKR 200 million



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DEBT LISTING

Page **34** ▪ **Debt Securities**

Page **36** ▪ **Listing Procedure
(Publicly Issued Debt Securities)**

Page **37** ▪ **Public Offering Requirements**

Page **38** ▪ **Listing Procedure
(Privately Placed Debt Securities)**

Page **39** ▪ **PSX Listing Fees**

Debt Securities

Why issue your Debt securities on PSX?

Our Debt Market can help issuers to finance their long-term growth. We help public listed or un-listed SMEs or large cap firms to raise funds through issuance of debt securities.

Debt Listing can be a very flexible way of raising capital. It can offer a way of stabilizing your company's finances by having substantial debts on a fixed-rate of profit. This offers some protection against variable interest rates or economic volatility. Other advantages of Debt Listing can be:

- **Access to large pools of capital** by numerous investors who invest on PSX.
- **Effective and affordable way** of raising capital to fund growth and expansion.
- **Liquidity created** by listing debt securities enables companies to raise funds when they require cash flow.
- The company's equity is **not diluted** by raising capital through listing of debt securities

Types of Debt Listing

Publicly Issued Debt

Instruments listed on Pakistan Stock Exchange (PSX) offered to the general public as well as institutional investors.

Privately Placed Debt

Instruments listed on Pakistan Stock Exchange (PSX) can only be offered to and transferred in the name of QIBs (Qualified Institutional Buyers).

Business Eligibility

	Publicly Issued Debt Securities	Privately Placed Debt Securities
Business Operation Status	Issuer has commenced commercial operations	Issuer has commenced commercial operations
Approval	PSX & SECP approve the Prospectus of debt security	PSX provides approval of listing of the debt security
Paid Up Capital	PKR 200 million or above	PKR 25 million or above
Total Issue Size	PKR 200 million or above	PKR 25 million or above
Instrument Rating	For long term debt security (Issued for more than a year), the instrument rating is not less than BBB+	For long term debt security (Issued for more than a year), the instrument rating is not less than BBB+
Number of Subscribers	No Limitation	Number of initial subscribers shall not be less than 5

Listing Procedure

Publicly Issued Debt Security*

Preparation of Prospectus	The Issuer/Consultant to the Issue shall prepare a draft prospectus
Application Procedures	The Issuer submits the application of its debt security along with the documents as mentioned in Annexure-I of Chapter 5B of PSX Rule Book
Seeking Public Comments	Placement of Prospectus by PSX on its website for seeking public comments
Approval of prospectus by PSX	The Listing Committee shall approve the listing application and the prospectus of the Issuer
Approval of SECP	SECP grants its approval for Issuance, circulation, and publication of the Prospectus
Publication of Prospectus	Publication of prospectus in newspaper(s)
Public Subscription	The debt security is offered to the general public during the public subscription period
Formal Listing	Formal listing of debt security on the Exchange

***The IPO Timelines set out on Page # 21 of this Guide are also applicable for Publicly Issued Debt Securities**

Public Offering Requirements

Minimum allocation of a Debt security to the General Public (excluding the Pre-IPO investors)

Up to PKR 500 Million, the allocation of debt security to General Public shall not be less than PKR 100 Million or 25% of the issue (whichever is higher)

Above PKR 500 Million and up to PKR 2 Billion, the allocation of debt security to General Public shall not be less than PKR 125 Million or 15% of the issue (whichever is higher)

Above PKR 2 Billion and up to PKR 10 Billion, the allocation of debt security to General Public shall not be less than PKR 300 Million or 10% of the issue (whichever is higher)

Above PKR 10 Billion, the allocation of debt security to General Public shall not be less than PKR 1000 Million or 5% of the issue (whichever is higher)



Listing Procedure

Privately Placed Debt Security

Information Memorandum	The Issuer/ Consultant to the Issue shall create an Information Memorandum
Offer to QIBs for Subscription	The Issuer shall make the offer of the debt security only to QIBs through an Information Memorandum
Application Procedures	The Issuer 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 Issuer shall pay an initial and annual listing fee of the Exchange
Approval for listing of debt security	The Exchange grants approval for the listing of privately placed debt instrument
Formal Listing	Debt security is formally listed on the Exchange and can only be traded amongst QIBs

PSX Listing Fee

Debt Securities (Publicly Issued & Privately Placed)

Type	Publicly Issued Debt Securities	Privately Placed Debt Securities
Initial Listing Fee	0.075% of Total Issue Size of Debt Security (subject to a maximum of PKR 3 million)	0.075% of Total Issue Size of Debt Security (subject to a maximum of PKR 1.5 million)
Annual Listing Fee	0.075% of Total Issue Size of Debt Security; with a floor of PKR 100,000; and a maximum of PKR 1 million	0.075% of Total Issue Size of Debt Security; with a floor of PKR 50,000; and a maximum of PKR 750,000



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EXCHANGE TRADED FUNDS

Page 42 • What is an ETF?

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What is an ETF?

If you want to invest in equity/fixed income securities and find it difficult to select sectors, identify securities, conduct research, track dividends/coupons and capital gains, then the ETF does it all for you.

It aims to track a specified benchmark index, while providing real time price of the fund (iNAV) throughout the day.

ETFs are pooled investment securities that operate like mutual funds and are managed by an Asset Management Company (AMC). The main differentiating factor being that ETFs are traded on a stock exchange and track a particular index.

Main Features of an ETF

Basket of Securities

ETFs hold a basket of securities (e.g. stocks) that track an underlying index

Diversification or Specialization

ETFs can have multiple stocks across sectors or focus on one industry

Trade-like Stocks

ETFs are tradable securities that can be bought and sold on an exchange



Listing Procedure

Exchange Traded Funds

Appointment of Intermediaries

Appointment of Authorized Participant, Market Maker, & Trustee through the execution of relevant agreements

Registration of the Fund & Approval of Offering Document

SECP approves registration of the fund and grants approval of the Offering Document under the Non-Banking Finance Companies & Notified Entities Regulations, 2008

Listing Application Submission

AMC shall submit an application for the listing of the ETF to the Exchange along with the requirements as specified in Chapter 16 of the PSX Rule Book

Formal Listing

The Exchange grants approval for listing of the ETF and subsequently units of the fund shall be traded on the Exchange

PSX Listing Fee

Exchange Traded Funds

- **Initial Listing Fees**
One-time fee payable at the time of submission of listing application
- **Annual Listing Fees**
Payable annually by a company - calculated on the basis of size of the Fund
- **Service Charges**
AMC applying for enlistment of a Fund as an ETF, shall pay non-refundable service charges

Initial Listing Fees

1/20th of 1% of Total size of ETF
(subject to a maximum of PKR 500,000)

Service Charges

PKR 25,000

Size of Fund	Amount of Fee
Up to PKR 50 million	PKR 30,000/-
Above PKR 50 million & up to PKR 500 million	PKR 40,000/-
Above PKR 500 million	PKR 50,000/-

Note: The Board may revise the above fees or any of the slabs or add new slabs with approval of the Commission.





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OPEN END MUTUAL FUNDS

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What is an Open End Mutual Fund?

An Open End Mutual Fund is a collective investment scheme, which specializes in investing a pool of money collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.

A fund's portfolio is structured and maintained to match the investment objectives stated in its offering document. The income earned through these investments and the capital appreciation realized are shared by its unit holders in proportion to the number of units owned by them.

Main Features of Open End Funds

Basket of Securities

Open End Fund units give small investors the access to professionally managed, diversified portfolios of equities, bonds and other securities.

Net Asset Value (NAV)

Open End Fund units are issued and can typically be purchased or redeemed on a continuous basis at the prevalent Net Asset Value.

Buying & Selling of Units

These units can be purchased and redeemed through Asset Management Company which announces offer and redemption prices on daily basis.



Listing Procedure

Open End Funds

Registration of the Fund & Approval of Offering Document

The Listing Department shall ensure that the Offering Document of the Open End Fund has been approved by SECP and that the units of the Fund have been offered for public subscription

Listing Application Submission

Filing of listing application by the Asset Management Company of the Fund along with the necessary documents prescribed in the Document Checklist for Open End Funds

Approval & Notice of Listing

Upon completion of all required documentation, the Exchange grants approval of listing and subsequently the units of the fund shall be quoted on the Exchange

PSX Listing Fee

Open End Funds

- **Initial Listing Fees**

One-time fee payable at the time of submission of listing application

- **Annual Listing Fees**

Payable annually by a company - calculated on the basis of size of the Fund

- **Service Charges**

AMC applying for enlistment of a Fund shall pay non-refundable service charges

Initial Listing Fees

**0.05% of Total size of Fund
(subject to a maximum of PKR 500,000)**

Annual Listing Fees

**0.025% of the amount of total fund size
(subject to a maximum of PKR 50,000)**

Note: The Board may revise the above fees or any of the slabs or add new slabs with approval of the Commission.



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CODE OF CORPORATE GOVERNANCE

Code of Corporate Governance for Listed Companies

Effective corporate governance is a fundamental management and control system applicable to all types of companies, particularly those listed on financial markets. Its significance lies in the establishment of sound business practices and the delineation of roles and responsibilities for the Board of Directors, senior executives, and employees. By adhering to the principles of corporate governance, organizations foster fairness, equality, productive oversight, and risk management. Transparency and disclosure are promoted, stakeholder rights are regulated, and the development and progress of society are encouraged.

Comprehensive corporate governance practices contribute to overall company performance, placing the interests of the public, the company itself, and its stakeholders as top priorities above any other considerations. By upholding these principles, companies strive to enhance their operations, ensure accountability, and achieve sustainable growth. Additionally, robust corporate governance fosters trust among stakeholders and cultivates a favorable environment for attracting investments and fostering long-term relationships with shareholders.

By embracing the principles of corporate governance, companies in Pakistan can cultivate a culture of integrity, accountability, and ethical conduct. This not only enhances their reputation but also bolsters their ability to adapt to evolving market dynamics and regulatory requirements. Ultimately, effective corporate governance serves as a driving force for economic development, instilling confidence in the business community and fostering a conducive environment for sustainable growth and prosperity.

The Code of Corporate Governance in Pakistan outlines the principles and standards that companies are expected to adhere to in order to ensure effective governance practices. It covers various aspects such as:

- Composition of Board and number of Directorship
- Responsibilities of Board of Directors and Meeting guidelines
- Issues to be placed for the decision of the board of directors
- Responsibilities for financial reporting and corporate compliance.
- Internal and External Audit
- Reporting and Disclosures
- Risk Management, and Ethical Conduct

To learn more about the SECP governance requirements, please refer to the complete requirements outlined in the Governance Code for Listed Companies and Legal Entities, which can be accessed online at:

[Listed Companies \(Code of Corporate Governance\) Regulations, 2019](#)



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POST-LISTING DISCLOSURE REQUIREMENTS

Disclosures

Disclosure requirements play a crucial role in ensuring transparency and accountability within the realm of listed companies. As public entities, listed companies are obligated to provide timely and accurate information to their shareholders and the wider investing public.

Disclosure of price-sensitive information

Every Listed Company shall immediately disseminate to the Commission and the Exchange all price-sensitive information relating to the business and other affairs that may affect market price of its shares in the manner prescribed by the Exchange from time to time

Disclosure of unusual movements in price and/or volume of a security

The stock exchange can request a prompt explanation from a listed company in case of unusual price or volume movements, which the company must provide to clarify its position

Disclosure of information relating to acquisition of more than 10% voting shares of a company

Where Exchange receives any information from an acquirer under section 110 of the Securities Act 2015, the Exchange, upon receipt of such information, shall immediately disseminate the same to all concerned

Disclosure in response to a rumor or a report containing sensitive information

Whenever a Listed Company becomes aware or is made aware of any rumor or report containing sensitive information, likely to affect market price of its listed Securities or trading volume in any form

Disclosure of interest by relevant persons holding company's shares

Directors, CEOs, substantial shareholders, and executives of a listed company must immediately notify the Company Secretary in writing when they sell, buy, or take any beneficial position in shares of the company, and provide a written record of the transaction within seven days; failure to comply will be reported to the board of directors

Disclosure of significant related party transactions

Every Listed Company shall disseminate to the Exchange information about Related Party Transaction(s) which is of a value equal to or more than 10% of total assets or annual total turnover as per last year's audited financial statements of the Listed Company

Note: Complete and elaborate list of disclosures including differences between boards are provided in the PSX Rule Book

In case of Non-Compliance

Non Compliance with disclosure of price sensitive information to the exchange

In case a Listed Company fails to communicate the complete financial results timely, or any other price sensitive information immediately, such company will be liable to pay penalty at a minimum of PKR 100,000/

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PSX DIGITAL PLATFORMS

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PRIDE

The Listing process used to be completely manual and involved significant amounts of allied documentation in the form of hard copies. The Pakistan Stock Exchange Limited (PSX), in order to facilitate its stakeholders, developed the **PRIDE (Public offerings Revolutionized through an Integrated and Digitized Experience) Portal**.

Through PRIDE, market stakeholders such as Consultants, Advisors, and Lead managers can electronically submit listing applications and all relevant accompanying documentation to the Exchange. The portal facilitates the Exchange and SECP through the listing application process without requiring the applicant to submit hard copy of the document.

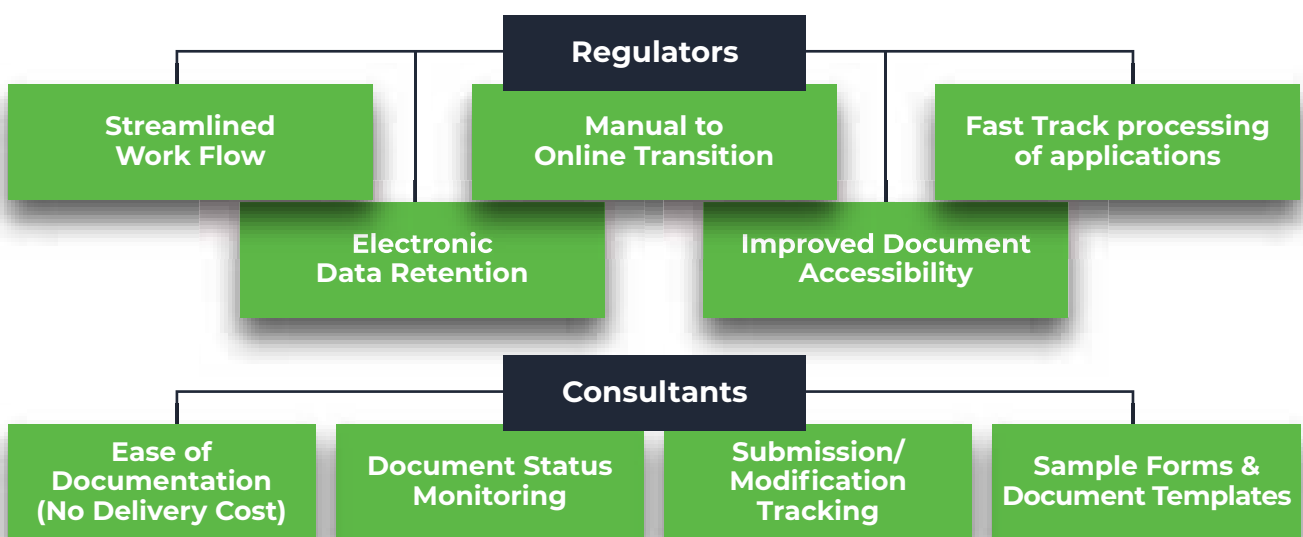
MAIN PROCESSES AUTOMATED THROUGH PRIDE

1. Filing of Listing Application & documents
2. Review and due diligence
3. SECP and PSX Approval
4. Approval of dates for publication of prospectus and public offering

PUBLIC PRIDE

After successful implementation of the PRIDE portal, PSX launched **Public PRIDE** to keep investors updated with information on upcoming public offerings and investment avenues in the primary market. Public PRIDE can be accessed through <https://www.psx.com.pk/psx/pride>.

Impact of PRIDE



PSX e-IPO System (PES)

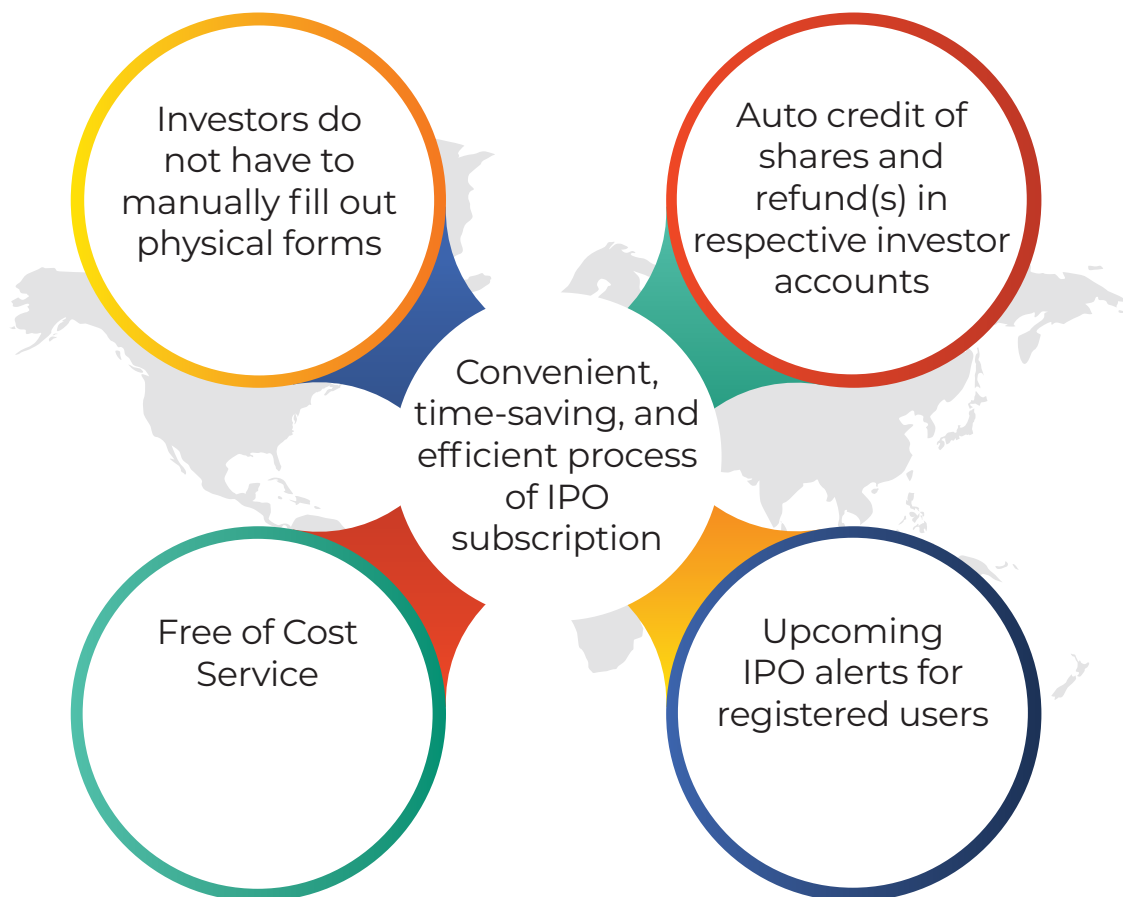
To facilitate investors, the Exchange has developed an **Electronic Initial Public Offering System (PSX E-IPO or PES)** through which application for subscription of securities offered to the general public in an Initial Public Offering (IPO), Secondary Public Offering (SPO), and Offer for Sale can be submitted electronically and any associated payment(s) can be made through e-banking channels.

All retail investors holding a valid CNIC, email address, and mobile number can participate in a public offering through PES. The IPO portal can be accessed through <https://eipo.psx.com.pk/EIPO/home/index> and a comprehensive manual for navigation through the interface is available at **PSX e-IPO User Manual**.

Main Features of PSX e-IPO System

1. Online Registration
2. Online Payment
3. E-filing of Applications for shares

PES Benefits



PUCARS

Accessibility to relevant and reliable information for market players and investors alike is crucial to make informed investment decisions. Availability and timeliness of accurate key economic data is the hallmark of transparent economies and it promotes credibility and minimizes uncertainty and speculation in the financial markets. Disclosure of information has the potential to increase market discipline and reduce fraudulent activities and irregularities in trading and market operations.

To meet all such challenges and the ever increasing sophistication of customer demand, the Pakistan Stock Exchange Limited created a state-of-the-art centralized corporate announcement system; the **Pakistan Unified Corporate Action Reporting System 'PUCARS'** for the Pakistan Stock Market. The prime objective of the PUCARS portal is to provide the equal opportunity for all the market participants by disseminating financial information to the relevant stakeholders securely and on a real time basis.

Additional Information on PUCARS



Mandatory Announcement(s)

It is mandatory for all listed companies and Issuers of listed securities to post relevant announcement(s) through the PUCARS portal



Correspondence Manual

General forms through which correspondence is to take place on the PUCARS portal have been provided in the Exchange's **Correspondence Manual**



Operations Manual

All operational procedures and the usage of the PUCARS portal have been detailed in the **Operational Manual**



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