



Regulation for Trade and Settlement of Deemed Listed Securities

LAHORE STOCK EXCHANGE (GUARANTEE)
LIMITED

In exercise of the power conferred by sub-section (1) of section 34 of the securities and exchange Ordinance, 1969(XVII of 1969), and with previous approval of the Securities and Exchange Commission of Pakistan, Following Regulations are made and published as per requirement of sub-section (4) of section 34 of the said Ordinance.

1. **Short title and commencement-** These Regulation may be called the “Regulation for Trade and Settlement of Deemed Listed Securities”.
2. These shall come into force at **once**.
3. **Definition**—In these regulations unless there is any thing repugnant in the subject or conduct: -
 - (a) “Commission” means a Securities and Exchange Commission of Pakistan.
 - (b) “Deemed listed” means a securities which has been listed under these regulation.
 - (c) “Exchange” means the Lahore Stock Exchange (Guarantee) Limited.
 - (d) “Issuer” means and person who has issued any security.
 - (e) “Security” means a security as defined in the Securities and Exchange Ordinance, 1969(XVII of 1969).

4.Criteria for eligibility of an issuer: -

- (1) if in the security of an issuer listed on another stock exchange there is substantial investment interest at the Exchange, the Exchange may, with the prior approval of the Commission, accept the security of such an issuer for trade and settlement provided the following criteria is fulfilled:-
 - (a) There has been for a continued period of two calendar months, traded volume of Such a security more than 10% of the total volume traded on the Stock Exchange where the security is listed; and
 - (b) The paid up capital of the issuer of such a security is not less than Two hundred million rupees.
- (2) Subject to the criteria provided in sub-regulation (1), the security of the issuer may be declared as “ deemed listed security” and eligible for trading and settlement after completion of the procedure as prescribed in these regulation.

5.Procedure for grant of permission to trade:-

- (1) The Exchange shall make an application to the Commission for permission to allow trade and settlement in the deemed listed security of the issuer.
- (2) The Commission on being satisfied that:
 - (a) eligibility has been met; and

- (b) it would be in the interest of the trade and also in the public interest to allow the trade in such a security;

The Commission shall serve a notice on the issuer of the deemed listed security and the Stock Exchange where the security is listed of its intention to allow the trade in the security under these regulations.

- (3) On grant of the permission to trade in such a security by the Commission the Exchange shall serve a notice on the issuer as to the date from when its security would be deemed to be listed and traded on the Exchange under these regulations.

6. Fees and charges by the Exchange: - The Exchange shall not charge initial listing fee, annual listing fee or any other fee from the issuer whose security has been deemed listed under these regulations.

7. Documents to be submitted by the issuer: -

- (1) The issuer whose security has been deemed listed and allowed to be traded under these regulations, shall not be required to file any document with the Exchange except:

- (a) three copies of the Memorandum and Articles of Association;
- (b) one copy of the prospectus; and
- (c) three copies of the annual report and accounts for the last two years.

- (2) During the period the security of an issuer has been declared as a deemed listed security and is traded and settled under these regulations, the issuer shall furnish to the Exchange:

- (a) copies of all the notices;
- (b) ten copies of the annual report and accounts and half yearly accounts; and
- (c) copies of all documents and information which are required to be submitted under the listing regulations of a Stock Exchange where the security is listed.

8. Discontinuation of the trade in the deemed listed Security: - When the security of the issuer is no more actively traded and the trading volume falls below the criteria prescribed in regulation 4, the Commission on its own motion or on the application of the Exchange or the issuer may direct the trading in the deemed listed security of an issuer be discontinued and be delisted at the Exchange.