



Central Depository Company
of Pakistan Limited

Head Office: CDC House, 99-B,
Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal,
Karachi-74400

Ref. No. CDC/LCR/N/03/2019

May 27, 2019

Notification No. 03 of 2019

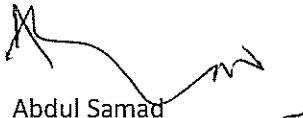
Sub: Proposed amendments in the CDC Regulations relating to Various Matters

To,
The General Public,

This is to bring to the notice of general public that the Board of Directors of CDC has approved the attached amendments in the CDC Regulations relating to various matters along with rationale for such changes, subject to approval of the Securities and Exchange Commission of Pakistan under Section 35(1) of the Central Depositories Act, 1997 (XIX of 1997) read with Section 52(3) of the Securities Act, 2015 (III of 2015).

As required under Section 51(2) of the Securities Act, 2015 (III of 2015), such amendments are placed for public comments which may be sent at comments@cdcpak.com within 7 days of this Notification i.e. by **Monday, June 03, 2019**.

Regards,


Abdul Samad
Chief Operating Officer

Copy to:

The Executive Director/ HOD (PRDD/AD-SMD)
Securities and Exchange Commission of Pakistan
Islamabad

The Chief Executive Officer
Pakistan Stock Exchange Limited
Karachi

The Chief Executive Officer
National Clearing Company of Pakistan Limited
Karachi

All CDS Elements

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
1.	Payment Facility	means such collateral payment facility as may be prescribed by the CDC under Regulation 10.6.1;	means such collateral payment facility as may be prescribed by the CDC under Regulation 10.6.1;	<i>This definition has become redundant with the withdrawal of Delivery versus Payment facility back in 2005.</i>
2.	Section	means a section of: (a) the Act; (aa) the Securities Act, 2015 (III of 2015); (ab) the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (XV of 2012); (b) the Companies Ordinance, 1984 (XLVII of 1984); (c) the Securities and Exchange Ordinance, 1969 (XVII of 1969); or (d) Banking Companies Ordinance, 1962 (LVII of 1962), as may be specified in these Regulations;	means a section of: (a) the Act; (aa) the Securities Act, 2015 (III of 2015); (ab) the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (XV of 2012); (b) the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u> ; (c) the Securities and Exchange Ordinance, 1969 (XVII of 1969); or (d) Banking Companies Ordinance, 1962 (LVII of 1962), as may be specified in these Regulations;	<i>In view of promulgation of the Companies Act, 2017, all references to the Companies Ordinance, 1984 under the CDC Regulations are proposed to be substituted with the Companies Act, 2017.</i> <i>Referencing of relevant sections of law has also been corrected wherever required.</i>
3.	2.11.2	The capitalized words used but not defined in these Regulations shall have the same meaning as assigned to them in the Act, the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) or the Companies Ordinance, 1984 (XLVII of 1984) or any rules or regulations made thereunder.	The capitalized words used but not defined in these Regulations shall have the same meaning as assigned to them in the Act, the Securities Act, 2015 (III of 2015), the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) or the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u> or any rules or regulations made thereunder.	<i>Please refer rationale for amendment no. 2 above.</i>
4.	2A.1.1	The Board of CDC shall be consisting of individuals, having a mix of executive and	The Board of CDC shall be consisting of individuals, having a mix of executive and	<i>Please refer rationale for amendment no. 2 above.</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>non-executive directors, including the independent directors as prescribed under the Central Depositories (Licensing and Operations) Regulations, 2016.</p> <p>Provided that, no person shall be appointed as a director (including the Chairman of the Board) of CDC who is ineligible to be appointed as director or, as the case may be, the Chairman of the Board, on any one or more of the grounds enumerated in Section 187 of the Companies Ordinance, 1984 (XLVII of 1984), the Central Depositories (Licensing and Operations) Regulations, 2016, the Fit and Proper Criteria or any other law for the time being in force.</p>	<p>non-executive directors, including the independent directors as prescribed under the Central Depositories (Licensing and Operations) Regulations, 2016.</p> <p>Provided that, no person shall be appointed as a director (including the Chairman of the Board) of CDC who is ineligible to be appointed as director or, as the case may be, the Chairman of the Board, on any one or more of the grounds enumerated in Section 187-153 of the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u>, the Central Depositories (Licensing and Operations) Regulations, 2016, the Fit and Proper Criteria or any other law for the time being in force.</p>	
5.	2A.1.2	<p>Matters concerning conduct of directors of CDC including duties, powers, proceedings and functions of the Board shall be dealt with in the manner and subject to such conditions as are provided under the Companies Ordinance, 1984 (XLVII of 1984), the Central Depositories (Licensing and Operations) Regulations, 2016, the articles of association of CDC and, to the extent applicable, the code of corporate governance issued by the Commission and/or any other law for the time being in force.</p>	<p>Matters concerning conduct of directors of CDC including duties, powers, proceedings and functions of the Board shall be dealt with in the manner and subject to such conditions as are provided under the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u>, the Central Depositories (Licensing and Operations) Regulations, 2016, the articles of association of CDC and, to the extent applicable, the code of corporate governance issued by the Commission and/or any other law for the time being in force.</p>	<i>Please refer rationale for amendment no. 2 above.</i>
6.	3.8.4	<p>The Fees and Deposits Schedule may include sums to be kept by different categories of CDS Elements by way of</p>	<p>The Fees and Deposits Schedule may include sums to be kept by different categories of CDS Elements by way of</p>	<i>It has been clarified that, apart from other amounts, CDC will also deduct the amounts, if any,</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		security deposit with the CDC at the time of their admission to the CDS in a particular category. Such sums may be utilised by the CDC for any purpose whatsoever and shall be refundable by the CDC at the time of termination of admission to the CDS in the category to which they apply after making such deductions on account of fees and charges payable by the terminating CDS Element under or pursuant to these Regulations or losses, damages, costs and expenses suffered or incurred by the CDC by reason of a failure of the terminating CDS Element to comply with these Regulations during the tenure of its admission to the CDS.	security deposit with the CDC at the time of their admission to the CDS in a particular category. Such sums may be utilised by the CDC for any purpose whatsoever and shall be refundable by the CDC at the time of termination of admission to the CDS in the category to which they apply after making such deductions on account of <u>fine(s), penalty/(ies)</u> , fees and charges payable by the terminating CDS Element under or pursuant to these Regulations or losses, damages, costs and expenses suffered or incurred by the CDC by reason of a failure of the terminating CDS Element to comply with these Regulations during the tenure of its admission to the CDS.	<i>on account of <u>fine or penalty</u> from the security deposit at the time of termination of a CDS Element.</i>
7.	4.2.1(h)	<p>The CDC shall admit as a Participant and as an Account Holder a person making an application pursuant to Regulations 4.1.1 and 4.9.1 if the CDC is satisfied that:</p> <p>where the applicant is an Issuer of Registered-Form Eligible Securities whose Securities are live in CDS, it has entrusted to an independent Transfer Agent its duties and functions under these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer under Regulations 8.3.1, 8.3A, 8.7.1 and 8.7.2.</p>	<p>The CDC shall admit as a Participant and as an Account Holder a person making an application pursuant to Regulations 4.1.1 and 4.9.1 if the CDC is satisfied that:</p> <p>where the applicant is an Issuer of Registered-Form Eligible Securities whose Securities are live in CDS, it has entrusted to an independent Transfer Agent its duties and functions under these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer <u>as applicable</u> under Regulations <u>5.2A, 5.9</u>, 8.3.1, 8.3A, 8.7.1 and 8.7.2. <u>Provided that the provisions of this</u></p>	<p><i>1. These changes reflect that an Issuer is also required to comply with the provisions of the CDC Regulations relating to reporting of following information to the CDS:</i></p> <p><i>(a) non-free float of securities; and</i></p> <p><i>(b) cash dividend for the purpose of Centralized Cash Dividend Register.</i></p> <p><i>2. Company's applying for the admission in the CDS as Participant or Account</i></p>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
			<p><u>clause relating to independent Transfer Agent shall not apply where the applicant is a private company or a single member company.</u></p>	<p><i>Holder, who are already admitted as an Issuer of CDS Eligible Securities are required to appoint independent Transfer Agent to perform duties and functions as specified under the CDC Regulations.</i></p> <p><i>Such condition is applicable on all such companies i.e. Listed Companies, Unlisted Companies, Private companies and Single Member Companies.</i></p> <p><i>The mere purpose for segregating Participant and Issuer function is to eliminate risk of invalid deposits in the CDS. However, occurrence of such event in Private Company and Single Member Company is unlikely where transfer of shares are subject to approvals of the Board under the Companies Act, 2017.</i></p> <p><i>In light of foregoing and to promote ease of doing business, requirement to</i></p>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
				<i>appoint independent Transfer agent where applicant is assuming role in dual capacity is waived.</i>
8.	4.4.1(h)	<p>The CDC shall admit as an Account Holder a person making an application pursuant to Regulations 4.3.1 and 4.9.1 if the CDC is satisfied that:</p> <p>where the applicant is an Issuer of Registered-Form Eligible Securities whose Securities are live in CDS, it has entrusted to an independent Transfer Agent its duties and functions under these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer under Regulations 8.3.1, 8.3A, 8.7.1 and 8.7.2.</p>	<p>The CDC shall admit as an Account Holder a person making an application pursuant to Regulations 4.3.1 and 4.9.1 if the CDC is satisfied that:</p> <p>where the applicant is an Issuer of Registered-Form Eligible Securities whose Securities are live in CDS, it has entrusted to an independent Transfer Agent its duties and functions under these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer <u>as applicable</u> under Regulations <u>5.2A, 5.9</u>, 8.3.1, 8.3A, 8.7.1 and 8.7.2.</p> <p><u>Provided that provisions of this clause relating to independent Transfer Agent shall not apply where the applicant is a private company or a single member company.</u></p>	<i>Please refer rationale for amendment no. 7 above.</i>
9.	5.1.1(d)	<p>If, in respect of any Securities of an Issuer, the CDC is satisfied that:</p> <p>the Issuer of the Securities:</p> <p>(i) employs or retains; or</p> <p>(ii) in the opinion of the CDC, has the</p>	<p>If, in respect of any Securities of an Issuer, the CDC is satisfied that:</p> <p>the Issuer of the Securities:</p> <p>(i) employs or retains; or</p> <p>(ii) in the opinion of the CDC, has the</p>	<i>Please refer rationale for amendment no. 7 above.</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>capability to employ or retain,</p> <p>such personnel familiar with these Regulations and the Procedures made thereunder as are necessary to allow the Issuer to carry out its obligations in accordance with these Regulations and generate, receive and process Transactions and Obtain Reports in accordance with the Procedures, provided that where the Issuer is also an Account Holder or a Participant or, as the case may be, the Securities of the Issuer are listed on the Securities Exchange for the purpose of trading, it has, in accordance with the Procedures, entrusted to an independent Transfer Agent, the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer under Regulations 8.3.1, 8.3A, 8.7.1 and 8.7.2;</p>	<p>capability to employ or retain,</p> <p>such personnel familiar with these Regulations and the Procedures made thereunder as are necessary to allow the Issuer to carry out its obligations in accordance with these Regulations and generate, receive and process Transactions and Obtain Reports in accordance with the Procedures, provided that where the Issuer is also an Account Holder or a Participant or, as the case may be, the Securities of the Issuer are listed on the Securities Exchange for the purpose of trading, it has, in accordance with the Procedures, entrusted to an independent Transfer Agent, the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer <u>as applicable</u> under Regulations <u>5.2A, 5.9, 8.3.1, 8.3A, 8.7.1 and 8.7.2;</u></p> <p><u>Provided that the provisions of this clause relating to independent Transfer Agent shall not apply where the Issuer is a private company or a single member company.</u></p>	
10.	5.5A.1(b)	<p>Notwithstanding anything contained in these Regulations:</p> <p>Where:</p>	<p>Notwithstanding anything contained in these Regulations:</p> <p>Where:</p>	<p><i>To cater cases where redeemable securities are replaced with other securities held by the Issuer (as investor) or where redeemable securities</i></p>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		any Securities of a redeemable nature including but not limited to the redeemable preference shares or any other redeemable equity instrument of an Issuer are to be, or, as the case may be, have been redeemed in full;	any Securities of a redeemable nature including but not limited to the <u>redeemable capital instruments</u> , redeemable preference shares or any other redeemable equity instrument of an Issuer are to be, or, as the case may be, have been redeemed, <u>substituted, or as the case may be, converted</u> in full;	<i>are converted into shares or other securities of the Issuer.</i>
11.	5.5A.1(c)	any Securities consisting of the shares of an Issuer which is a listed company are to be, or, as the case may be, have been purchased by such Issuer in terms of Section 95A of the Companies Ordinance, 1984 (XLVII of 1984) and such Issuer has desired that the CDS Eligibility of such Securities shall be revoked by CDC;	any Securities consisting of the shares of an Issuer which is a listed company are to be, or, as the case may be, have been purchased by such Issuer in terms of Section <u>95A:88</u> of the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u> -and such Issuer has desired that the CDS Eligibility of such Securities shall be revoked by CDC;	<i>Please refer rationale for amendment no. 2 above.</i>
12.	5.7.1(g)	the Issuer redeems or pays off in full or purchases in terms of Section 95A of the Companies Ordinance, 1984 (XLVII of 1984) all or any Book-entry Securities representing the Redeemable Securities of such Issuer.	the Issuer redeems or pays off in full or purchases in terms of Section <u>95A-88</u> of the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u> all or any Book-entry Securities representing the Redeemable Securities of such Issuer.	<i>Please refer rationale for amendment no. 2 above.</i>
13.	8.11.1	Where the Issuer is also an Account Holder or a Participant, the Issuer shall entrust to an independent Transfer Agent the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer under Regulations 8.3.1, 8.3A, 8.7.1	Where the Issuer is also an Account Holder or a Participant, the Issuer shall entrust to an independent Transfer Agent the duties and functions of the Issuer as set out in these Regulations in connection with the registration of transfer of Securities and the issue and offer of Securities and in particular, without limiting the generality of the foregoing, duties and functions of the Issuer <u>as applicable</u> under Regulations <u>5.2A, 5.9, 8.3.1,</u>	<i>Please refer rationale for amendment no. 7 above.</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		and 8.7.2. Every Issuer who is also an Account Holder or a Participant on the date of coming into force of this Regulation 8.11 shall (unless it has already appointed a Transfer Agent) appoint a Transfer Agent, and entrust to such Transfer Agent its duties and functions as aforesaid within ninety (90) days after the said date.	8.3A, 8.7.1 and 8.7.2. Every Issuer who is also an Account Holder or a Participant on the date of coming into force of this Regulation 8.11 shall (unless it has already appointed a Transfer Agent) appoint a Transfer Agent, and entrust to such Transfer Agent its duties and functions as aforesaid within ninety (90) days after the said date. <u>Provided that the provisions of this Regulation 8.11.1 shall not apply where the Issuer is a private company or a single member company.</u>	
14.	8AA.1.1	Where an Issuer: (i) which is a company or other body corporate; and (ii) whose Securities (hereinafter in this Chapter referred to as the "Existing Securities") are Eligible Securities and the Book-entry Securities representing some or all of the Existing Securities of the Issuer are entered in certain Holdings, offers new Securities by way of rights issue to the Holders of the Existing Securities shall, not later than 15 Business Days before the Books Closure Date in respect of such rights issue, give notice to the CDC in accordance with the Procedures specifying therein, <i>inter alia</i> :	Where an Issuer: (i) which is a company or other body corporate; and (ii) whose Securities (hereinafter in this Chapter referred to as the "Existing Securities") are Eligible Securities and the Book-entry Securities representing some or all of the Existing Securities of the Issuer are entered in certain Holdings, offers new Securities by way of rights issue to the Holders of the Existing Securities shall; not later than 15 Business Days before the Books Closure Date in respect of such rights issue, give notice to the CDC, <u>before the Book Closure Date fixed by the Issuer in respect of such rights issue,</u> in accordance	<i>Currently, for issuance of rights shares in the CDS, various steps are required to be followed by all CDS Eligible Securities (both Listed and Unlisted).</i> <i>The steps entail submission of various documents which include Book Closure Notice, Board Resolution, details of right issue through admission form etc. Further, the shareholders of the Issuer have to subscribe to the unpaid right shares through the CDS before making payment in the bank.</i> <i>Private and public unlisted companies are finding it</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>(a) the date of credit of Rights Entitlements in the CDS; and</p> <p>(b) the ratio in which the Rights Entitlements shall be offered to the Holders of Existing Securities of the Issuer.</p>	<p>with the Procedures specifying therein, <i>inter alia</i>:</p> <p>(a) the date of credit of Rights Entitlements in the CDS; and</p> <p>(b) the ratio in which the Rights Entitlements shall be offered to the Holders of Existing Securities of the Issuer.</p> <p><u>Provided that the provisions of this Chapter shall not apply to the Eligible Securities that are not listed at the Securities Exchange and the Issuer of such Eligible Securities shall comply with the requirements prescribed by CDC in the Procedures for all matters concerning issuance of right shares in the CDS.</u></p>	<p><i>difficult to meet such requirements as they have limited number of shareholders. Such companies operate with minimum resources and often approach CDC after completing the process of right issue outside CDS.</i></p> <p><i>Considering that no public interest is involved in the case of private and public unlisted companies and in order to provide ease of doing business, it is proposed that current regulatory provisions shall not apply to such companies.</i></p> <p><i>Further Time period for submission of documents shall be left to be prescribed in the Procedures</i></p>
15.	8AA.2.2	CDC shall give a notice of declaration of CDS Eligibility of the Rights Entitlements to the Issuer, the Commission and, if the Existing Securities in respect of which such Rights Entitlements are issued are listed on the Securities Exchange, also to the Securities Exchange.	CDC shall give a notice of declaration of CDS Eligibility of the Rights Entitlements to the Issuer, the Commission, and, if the Existing Securities in respect of which such Rights Entitlements are issued are listed on the Securities Exchange, also to the Securities Exchange and the Clearing House.	<i>Incidental due to amendments proposed in item 14 above.</i>
16.	8AA.6.1	Within 14 Business Days of the last date for payment of the subscription price of the Rights Entitlements, the Issuer shall, after	Within 14 Business Days of the last date for payment of the subscription price of the Rights Entitlements, the Issuer shall, after	<i>Time period shall be left to be prescribed in the Procedures.</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>reconciliation of the subscription data in accordance with the Procedures, allot in the name of the CDC, as of the date of actual allotment, such number of Securities as is equal to the total of the subscribed Rights Entitlements and the Issuer shall Transmit, forthwith upon the Start of Day on immediately succeeding Business Day after the date of allotment, a report of allotment to CDC, prepared in accordance with the Procedures, setting out the names of the Subscribers, the Account or, as the case may be, the Sub-Account numbers with CDC of such Subscribers and the number of Book-entry Securities corresponding to such Securities to be entered in the said Accounts or Sub-Accounts with CDC and CDC shall forthwith, upon receiving such report, but not later than the End of Day of the Business Day on which such report is received, enter in the corresponding Accounts or Sub-Accounts, the Book-entry Securities relating to the Securities allocated to the Subscribers in the said report.</p> <p>Provided that no Securities shall be entered in the Account or Sub-Account of any Subscriber in breach of the Acquisition Limit.</p>	<p>reconciliation of the subscription data in accordance with the Procedures, allot in the name of the CDC, as of the date of actual allotment, such number of Securities as is equal to the total of the subscribed Rights Entitlements and the Issuer shall Transmit, forthwith upon the Start of Day on immediately succeeding Business Day after the date of allotment, a report of allotment to CDC, prepared in accordance with the Procedures, setting out the names of the Subscribers, the Account or, as the case may be, the Sub-Account numbers with CDC of such Subscribers and the number of Book-entry Securities corresponding to such Securities to be entered in the said Accounts or Sub-Accounts with CDC and CDC shall forthwith, upon receiving such report, but not later than the End of Day of the Business Day on which such report is received, enter in the corresponding Accounts or Sub-Accounts, the Book-entry Securities relating to the Securities allocated to the Subscribers in the said report.</p> <p>Provided that no Securities shall be entered in the Account or Sub-Account of any Subscriber in breach of the Acquisition Limit.</p>	

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
17.	8H.1(a)(ii)	<p>WHERE:</p> <p>any existing Securities of an Issuer are to be cancelled consequent to:</p> <p>reduction in share capital of the Issuer in accordance with the relevant provisions of the Companies Ordinance, 1984 (XLVII of 1984), or any other applicable law or official authorisation having a binding effect; or</p>	<p>WHERE:</p> <p>any existing Securities of an Issuer are to be cancelled consequent to:</p> <p>reduction in share capital of the Issuer in accordance with the relevant provisions of the Companies Ordinance, 1984 (XLVII of 1984) <u>Act, 2017 (XIX OF 2017)</u>, or any other applicable law or official authorisation having a binding effect; or</p>	<i>Please refer rationale for amendment no. 2 above.</i>
18.	8H.1(a) (iii)	<p>WHERE:</p> <p>any existing Securities of an Issuer are to be cancelled consequent to:</p> <p>purchase of such Securities by the Issuer in terms of Section 95A of the Companies Ordinance, 1984 (XLVII of 1984); or any other applicable law; or</p>	<p>WHERE:</p> <p>any existing Securities of an Issuer are to be cancelled consequent to:</p> <p>purchase of such Securities by the Issuer in terms of Section 95A-88 of the Companies Ordinance, 1984 (XLVII of 1984); <u>Act, 2017 (XIX OF 2017)</u>, or any other applicable law; or</p>	<i>Please refer rationale for amendment no. 2 above.</i>
19.	9.1.1(n)	<p>pertains to any of the other Securities transactions prescribed by the CDC under paragraphs (d), (h), (i), (l), (m), (n), (o) and (p) of Regulation 3.17.1, provided that all the conditions attached to such transaction have been satisfied by the Account Holder in the manner as notified by the CDC from time to time; or</p>	<p>pertains to any of the other Securities transactions prescribed by the CDC under paragraphs (d), (h), (i), (l), (m), (n), (o), <u>(oa), (ob), (oc), (od)</u> and (p) of Regulation 3.17.1, provided that all the conditions attached to such transaction have been satisfied by the Account Holder in the manner as notified by the CDC from time to time; or</p>	<i>These are incidental changes in respect of transfer of securities on other grounds as Free Delivery Transactions already approved by the CDC Board previously in Regulation 3.17.1.</i>
20.	9.2.1(n)	<p>pertains to any of the other Securities transactions prescribed by the CDC under paragraphs (d), (h), (i), (l), (m), (n), (o) and (p) of Regulation 3.17.1, provided that all</p>	<p>pertains to any of the other Securities transactions prescribed by the CDC under paragraphs (d), (h), (i), (l), (m), (n), (o), <u>(oa), (ob), (oc), (od)</u> and (p) of Regulation 3.17.1,</p>	<i>Same rationale as mentioned in item 19 above.</i>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		the conditions attached to such transaction have been satisfied by the Account Holder in the manner as notified by the CDC from time to time; or	provided that all the conditions attached to such transaction have been satisfied by the Account Holder in the manner as notified by the CDC from time to time; or	
21.	9C.5.1	<p>If:</p> <p>(a) an Issuer of any Margin Financed Securities has given a notice to CDC of any Book Closure Period under Regulation 12.1.1; and</p> <p>(b) such Book Closure Period has been notified by the said Issuer for the purpose of determining the entitlement of the holders of the Securities of such Issuer to any bonus shares, dividend in specie or Rights Entitlements declared or to be declared by such Issuer,</p> <p>then, notwithstanding anything to the contrary contained in these Regulations or the Procedures:</p> <p>(c) the Margin Financed Securities representing the Book-entry Securities of such Issuer entered in any MF House Account of or an MF Sub-Account under the control of the MF Account Holder shall, subject to the Procedures and the data provided by the Clearing House and notwithstanding the fact that such Securities are in Pledged Position in</p>	<p>If:</p> <p>(a) an Issuer of any Margin Financed Securities has given a notice to CDC of any Book Closure Period under Regulation 12.1.1; and</p> <p>(b) such Book Closure Period has been notified by the said Issuer for the purpose of determining the entitlement of the holders of the Securities of such Issuer to <u>attend any general meeting of the Issuer or to any dividend,</u> any bonus shares, dividend in specie or Rights Entitlements declared or to be declared by such Issuer,</p> <p>then, notwithstanding anything to the contrary contained in these Regulations or the Procedures:</p> <p>(c) the Margin Financed Securities representing the Book-entry Securities of such Issuer entered in any MF House Account of or an MF Sub-Account under the control of the MF Account Holder shall, subject to the Procedures and the data provided by the Clearing House and notwithstanding the fact that such</p>	<p><i>The proposed changes are meant to include entitlement pertaining to attendance of general meeting and cash dividend accrued on margin-financed securities.</i></p>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>such MF Sub-Account, be moved by CDC after the Designated Time on the day preceding the corresponding Book Closure Date to an MF Designated Account, provided that where an MF Designated Account has been blocked or closed or where the access to an MF Designated Account has been restricted for whatsoever reason, the said Margin Financed Securities shall, subject to the Procedures, be moved to the Main Account of the Account Holder or the Participant, as the case may be, who had controlled or is controlling such MF Designated Account; and</p> <p>(d) the Margin Financed Securities moved by CDC to the MF Designated Account or to a Main Account, as the case may be, under paragraph (c) above shall be moved by CDC back to the respective MF House Account and the MF Sub-Account [from which such Securities were moved to the MF Designated Account under paragraph (c) above] at the beginning of the Book Closure Date in relation to the said Book Closure Period notified by the Issuer as referred to in paragraph (a) above.</p>	<p>Securities are in Pledged Position in such MF Sub-Account, be moved by CDC after the Designated Time on the day preceding the corresponding Book Closure Date to an MF Designated Account, provided that where an MF Designated Account has been blocked or closed or where the access to an MF Designated Account has been restricted for whatsoever reason, the said Margin Financed Securities shall, subject to the Procedures, be moved to the Main Account of the Account Holder or the Participant, as the case may be, who had controlled or is controlling such MF Designated Account; and</p> <p>(d) the Margin Financed Securities moved by CDC to the MF Designated Account or to a Main Account, as the case may be, under paragraph (c) above shall be moved by CDC back to the respective MF House Account and the MF Sub-Account [from which such Securities were moved to the MF Designated Account under paragraph (c) above] at the beginning of the Book Closure Date in relation to the said Book Closure Period notified by the Issuer as referred to in paragraph (a) above.</p> <p>Provided that where any Margin Financed Securities that are moved under this</p>	

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>Provided that where any Margin Financed Securities that are moved under this Regulation 9C.5.1 from an MF Sub-Account are in Pledged Position, then notwithstanding the movement of such Securities from the MF Sub-Account to the MF Designated Account and return thereof under this Regulation 9C.5.1, such Securities shall remain in Pledged Position in favour of the same Eligible Pledgee in terms of Section 12 of the Act read with the relevant provisions of Chapter 11.</p>	<p>Regulation 9C.5.1 from an MF Sub-Account are in Pledged Position, then notwithstanding the movement of such Securities from the MF Sub-Account to the MF Designated Account and return thereof under this Regulation 9C.5.1, such Securities shall remain in Pledged Position in favour of the same Eligible Pledgee in terms of Section 12 of the Act read with the relevant provisions of Chapter 11.</p>	
22.	14.3.1(e)	<p>If:</p> <p>(a) the CDS Element fails to comply with the notices given under Regulations 13.1.1, 13.1.3, 13.1.6, 13.3A or 13.4 in part or in full; or</p> <p>(b) in the reasonable opinion of the Chief Compliance Officer or his delegate:</p> <p>(i) the information provided by the CDS Element pursuant to notice given under Regulation 13.1.1 or the inspection of any Records of a CDS Element carried out pursuant to notice given under Regulations 13.1.3, 13.1.6 or 13.3A discloses any contraventions of any provisions of these Regulations by such CDS Element; or</p>	<p>If:</p> <p>(a) the CDS Element fails to comply with the notices given under Regulations 13.1.1, 13.1.3, 13.1.6, 13.3A or 13.4 in part or in full; or</p> <p>(b) in the reasonable opinion of the Chief Compliance Officer or his delegate:</p> <p>(i) the information provided by the CDS Element pursuant to notice given under Regulation 13.1.1 or the inspection of any Records of a CDS Element carried out pursuant to notice given under Regulations 13.1.3, 13.1.6 or 13.3A discloses any contraventions of any provisions of these Regulations by such CDS Element; or</p>	<p><i>Provisions added to enable the Chief Compliance Officer and his delegate to waive the fine for a reasonable cause.</i></p>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>(ii) the report provided by the Issuer of Eligible Securities pursuant to notice given under Regulation 13.4.1 discloses that provisions of these Regulations as applicable to the Issuer have not been complied with in part or in full by that Issuer,</p> <p>THEN the Chief Compliance Officer or, as the case may be, his delegate may, subject to Regulation 13.3A.3, by notice to be issued and published in accordance with the Procedures:</p> <p>impose a fine not exceeding Rs.10,000 on the CDS Element in respect of each contravention;</p>	<p>(ii) the report provided by the Issuer of Eligible Securities pursuant to notice given under Regulation 13.4.1 discloses that provisions of these Regulations as applicable to the Issuer have not been complied with in part or in full by that Issuer,</p> <p>THEN the Chief Compliance Officer or, as the case may be, his delegate may, subject to Regulation 13.3A.3, by notice to be issued and published in accordance with the Procedures:</p> <p>impose a fine not exceeding Rs.10,000 on the CDS Element in respect of each contravention. <u>Provided that the Chief Compliance Officer or his delegate may, for any reasonable cause, grant remission to any CDS Element in full or in part, in respect of any fine imposed under this Regulation;</u></p>	
23.	15.7.5	<p>Access of the Account Holder [whose admission to the CDS is terminated by CDC pursuant to Regulation 15.3.1(c)] to any Book-entry Securities held in the Available Balance of its House Account and, where applicable, the Sub-Account or the Investor Account of the Account Holder, may be allowed by CDC subject to the following conditions:</p> <p>(a) where the Account Holder is a TRE certificate holder, the Account Holder</p>	<p>Access of the Account Holder [whose admission to the CDS is terminated by CDC pursuant to Regulation 15.23.1(c)] to any Book-entry Securities held in the Available Balance of its House Account and, where applicable, the Sub-Account or the Investor Account of the Account Holder, may be allowed by CDC subject to the following conditions:</p> <p>(a) where the Account Holder is a TRE certificate holder, the Account Holder</p>	<p><i>Correction made in the reference number of the Regulation whereunder termination is made by CDC.</i></p>

Comparative Statement - Amendments in the CDC Regulations Relating to Various Matters

S. #	Regulation #	Existing Regulations	Regulations Proposed by CDC	<i>Rationale for change</i>
		<p>submits a certificate issued by the Securities Exchange confirming that the Securities Exchange has no objection if CDC allows the Account Holder to access such Book-entry Securities,</p> <p>Provided that where the Account Holder is also a Clearing Member, such certificate shall also be obtained from the Clearing House and submitted with CDC;</p> <p>(b) that there is no pending claim or unresolved complaint against the Account Holder; and</p> <p>(c) that there is no dues outstanding against the Account Holder.</p>	<p>submits a certificate issued by the Securities Exchange confirming that the Securities Exchange has no objection if CDC allows the Account Holder to access such Book-entry Securities,</p> <p>Provided that where the Account Holder is also a Clearing Member, such certificate shall also be obtained from the Clearing House and submitted with CDC;</p> <p>(b) that there is no pending claim or unresolved complaint against the Account Holder; and</p> <p>(c) that there is no dues outstanding against the Account Holder.</p>	