



PROCEDURES FOR IPO FACILITATION ACCOUNT

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1. INTRODUCTION

- 1.1 IPO Facilitation Account (IFA) is to facilitate and increase the base of the CDS Account Holders and Investors who do not possess CDS Account, i.e. either Investor or Sub Account at the time of subscription of IPO.
- 1.2 Since, Section 72 of the recently promulgated the Companies Act, 2017 (the Act) and Section 3(v) of Public Offering Regulation 2017 requires the companies to issue shares only in the Book-Entry-Form, therefore, now it is imperative to provide an enabling environment to the investors by enhancing outreach of CDS and to facilitate opening of CDS accounts.

2. APPLICABILITY

Selection of IFA subscription is offered through IPO subscription form and also through eServices Portal <https://eservices.cdcaccess.com.pk/> in IPO for all listed securities being offered to General Public. This facility is available to Individual Account Holders being Resident & Non Resident Pakistani only. Corporate and Foreigners Account Holders are not allowed to avail such facility.

3. IFA ACCOUNT STRUCTURE

- 3.1 IFA shall be opened by CDC under Investor Account Services (IAS) on behalf of Issuer on the basis of Approved Prospectus or Offer for Sale Document. Issuer shall provide a copy of the approved Prospectus / Offer for Sale document to CDC for the opening of IFA.
- 3.2 Applicants who do not have CDS sub-account or investor account will be allowed to select the IFA checkbox in the physical IPO Form or through eServices portal specifically structured for the purpose of credit and parking of securities. Investors already maintaining CDS IAS or Sub-Account with CDS Participant are not eligible to use IFA for credit and parking of securities.
- 3.3 IFA shall be opened for the maximum period of 45 days OR shall be closed a day prior to the beginning of Book Closure, whichever comes earlier.
- 3.4 IFA can be closed after completing the above referred period and upon transfer of securities lying in IFA to the respective IAS or Sub account or inactive IAS accounts of the applicant(s).

4. NOTIFICATION TO APPLICANT

Applicants availing IFA shall be notified regarding credit of securities by the respective Issuer and to open CDS Sub-Account / Investor Account for movement of securities from IFA Account to their respective CDS account within the stipulated time frame.

5. ISSUER'S / R/TA FUNCTION

- 5.1 Issuer shall credit the cumulative number of securities in IFA for all the successful applicants in the IPO.
- 5.2 Issuer / its R/TA shall upload the list of successful applicants along with their details and details of securities transferred in IFA. The details shall include but not limited to the No. of securities allotted, Name, Father / Husband Name, Address, CNIC / NICOP Number, Residential Address, Joint Holder details.
- 5.3 CDC shall electronically maintain record of details uploaded in CDS provided by Issuer / its R/TA to ensure swift and effective movement of securities from IFA to respective successful allottee's account.

6. ERRONEOUS / DISPUTED CREDIT

In case of any dispute or erroneous credit of securities, Issuer will be required to provide the updated data along with details of applicant and request letter signed by Authorized Signatory to CDC for incorporating such rectification. Applicant shall be responsible to take up the matter with Issuer to resolve the issue.

7. TRANSFER OF SECURITIES

- 7.1 It is mandatory for the applicant to open either IAS Account or Sub Account for transfer of securities.
- 7.2 IAS Account or Sub Account opening structure where the securities are to be transferred should be in accordance with the combination of title and joint holders applied for IPO subscription where all the applicants applied for subscription should exist in the target IAS or Sub Account.
- 7.3 Applicant(s) shall provide IFA Transfer Request Form (Annex 1) duly signed by all joint applicants to CDC for transfer of securities from IFA to their respective IAS account. Non-Resident Pakistanis, Overseas Pakistani and Foreigners can also send the above referred form duly signed and scanned through their registered email address. In case of transfer of securities from IFA to sub account copy(ies) of CNIC / NICOP / Passport will additionally be required.

- 7.4 CDC shall perform necessary verification before processing the required transfer of securities. In case of any problem / mismatch of record, it will be the responsibility of applicant to contact Issuer / its R/TA to rectify the details and inform CDC for further processing. In case of any discrepancy found, CDC can also rectify the record subject to confirmation from the respective Issuer / R/TA on the basis of necessary internal approvals.
- 7.5 CDC shall transfer securities from IFA to applicants CDS account with the specific Reason Code in accordance with CDC Regulation 12A.6B.
- 7.6 In case of successful applicant does not approach CDC within the timeframe as specified in point 3.3 above, CDC shall open inactive IAS accounts of respective successful applicants and shall move securities from IFA to applicant's respective inactive IAS Account.
- 7.7 No transaction shall be allowed in inactive IAS accounts, besides credit of corporate action and outward movement of such securities on the basis of IFA Transfer Request Form as referred under para 7.3 above. Securities shall remain parked in inactive IAS account until client approaches CDC for the transfer of securities.
- 7.8 Once securities are moved out from inactive IAS account to normal CDS account the inactive IAS account can be closed after completing necessary requirements.

8. CORPORATE ACTION

- 8.1 Credit of Bonus Shares, Letter of Rights and other Issuer related activities, such as, mergers/de-mergers, acquisitions, etc. shall be allowed in inactive IAS accounts.
- 8.2 In case of any pending corporate action, inactive account shall not be closed until the process is completed. Securities credited (if any) consequent to pending corporate action shall be transferred to the respective CDS account where IPO subscription securities were earlier transferred without any further documentation / requirement.

NOTE: Applicants are also required to submit their IBANs as a mandatory requirement in case of applicants are entitled for cash dividend of concerned issuer.

9. UIN CREATION

Movement of securities from IFA to inactive IAS account or any other CDS account shall not be dependent on UIN creation.

10. TARIFF & CHARGES

CDC shall not charge tariff and fees on the following activities:

- (i) Opening of IFA
- (ii) Opening of Client's Inactive IAS Account
- (iii) Custody Fee in IFA and Inactive IAS Account
- (iv) Transfer Fee from IFA to Inactive IAS account
- (v) Transfer Fee from Client's Inactive IAS Account to Client's Normal CDS Account

NOTE: Charges for opening of normal Investor Account / Sub Account shall be applicable in accordance with CDC Schedule of Fee & Charges available on www.cdcpakistan.com.

For further clarification, you may call our Customer Support Services at toll free number **0800-CDCPL (23275)** or visit our website www.cdcpakistan.com for more information.