Central Depository Company of Pakistan Limited

PROCEDURES FOR DECLARATION AND SETUP OF EXISTING PUBLIC UNLISTED AND PRIVATE LIMITED COMPANIES HAVING SHARE CAPITAL

Updated 18th July 2026

Contents

1. Executive Summary

In accordance with Section 72 of the Companies Act, 2017, the Securities and Exchange Commission of Pakistan (SECP) is mandated to notify a date for all companies having share capital, to issue and hold shares in book-entry form only and to convert physical shares into book-entry form in the manner prescribed under Regulation 44 of the Companies Regulations, 2024.

In exercise of the powers conferred by Section 510, read with Section 72 of the Companies Act, 2017 (the **"Act"**) and regulation 44 of the Companies Regulations, 2024 (the **"Regulations"**) the Securities and Exchange Commission of Pakistan, in continuation of its earlier notification S.R.O. No. 246(I)/2025 dated February 27, 2025 has issued notification **S.R.O. 328(1)/2026 dated February 19, 2026** mandating that all unlisted public and private limited companies shall ensure replacement of its physical shares into book-entry form prior to giving effect to any share related transaction in the manner specified in the notification, which state that:

1. **All unlisted companies which intend to undertake any transaction involving transfer of shares or any allotment of its shares including bonus shares, right issues, or shares issued otherwise than by way of rights, or buy-back of shares etc. ("share related transactions"), shall replace all its physical shares into book-entry form prior to undertaking such transaction in accordance with the first proviso to sub-section (2) of section 72 of the Act**.
2. All these share related transactions shall be executed exclusively in book-entry form through the Central Depository System while complying with the following requirements, -

   I. All unlisted companies prior to the reporting of any share related transaction(s) to the Registrar, shall in accordance with Regulation 44 of the Regulations, apply to the Central Depository for CDS Eligible Security and the replacement of their physical shares into book-entry form, following the prescribed procedures, to ensure that all shares of the company are duly inducted into the Central Depository System.

   II. The allottee(s), transferor(s), transferee(s) or any other person concerned, as applicable, shall, prior to subscribing to or accepting any rights or participating in a buy-back of shares or effecting or accepting any transfer of shares or any other share related transaction, as the case may be, ensure that all shares held by them are duly maintained in book-entry form.

<u>Clarification</u>

1. Where both the transferor and the transferee are registered CDS account holders and the shares proposed to be transferred are already maintained in book-entry form, the transaction shall be facilitated entirely within the CDS environment to achieve the intended objective. However, the company shall continue to actively pursue the conversion of the remaining physical shares and ensure full compliance within a reasonable timeframe.
2. CDC shall facilitate the transfer of shares as per the applicable law and procedures in book entry form during the transitional period where:

   I. The shares proposed to be transferred have already been converted into book-entry form;

   II. Both the transferor and the transferee must maintain an active CDS accounts; and

   III. The transfer is only processed entirely between the transferor and transferee maintain CDS Accounts without involving any physical share certificates.

The issuance of shares in book-entry form streamlines the share handling process, simplifying activities such as transferring securities within Central Depository System and corporate action such as bonus, rights. It also eliminates risks associated with physical shares while making it more efficient and transparent. Following are some of the benefits of maintaining securities in book-entry form:

- Eliminate the risks associated with physical share certificates, including loss, misplacement, theft or damage.
- Facilitates in instant and convenient transfer of securities.
- Instant credit of bonus and right shares entitlements in shareholders' CDS Accounts.
- Prevention of fraud, by eliminating the risks of fake, bogus or counterfeit securities.
- Effective control over investments with instant access to account information via online platforms.
- Readily accessible records that simplify legal procedures for inheritance and succession, while minimizing ownership disputes.

This initiative aligns with global best practices, enhances operational efficiency, and modernizes the securities market by eliminating physical certificates.

2. Declaration of Existing Public Unlisted and Private Limited Companies as CDC Eligible Security

Following the issuance of a notification by SECP under section 72 of the Companies Act, 2017, any existing public unlisted and private limited company, which intend to undertake any transaction involving transfer of shares or any allotment of its shares (including bonus shares, rights issues, or shares issued otherwise than by way of rights), or buy-back of shares etc. shall be required to follow the process as under:

CDC pursuant to Regulation 5.1.9 of the CDCPL Regulations, the Central Depository Company of Pakistan Limited (CDC) shall review / accept your application and declare your Company as a CDS Eligible Security. Accordingly, your company shall be inducted/setup into the Central Depository System (CDS) made in accordance with Regulation 44 of the Companies Regulations, 2024, read with Section 72 of the Companies Act, 2017.

i Security/Company Setup in CDS – Process

Company/Issuer will submit following documents with CDC:

1. **Issuer Admission Form**, duly completed, stamped, and **signed by the CEO, CFO, Company Secretary, or Director** (as per the contact details provided in the form).

1. **Digitally Certified True Copy (CTC)**

    - **Latest Form A**, together with the **latest list of shareholders**, **and/or**
    - Subsequently filed **Form 3** along with the **list of allottees**, if applicable.

2. **CDC Fee** (if applicable), as per the approved tariff.

Upon receipt of the above documents, CDC shall seek confirmation from SECP regarding any pending inquiry, legal proceedings, regulatory non-compliance, outstanding penalties, or any other relevant matter to ensure that only undisputed companies are inducted into CDS.

Upon receipt of SECP's clearance, CDC, pursuant to Regulation 5.1.9 of the CDCPL Regulations, and in accordance with Regulation 44 of the Companies Regulations, 2024, read with Section 72 of the Companies Act, 2017, shall accept your application and declare your company as a CDS Eligible Security and accordingly your company will been inducted/setup into the Central Depository System (CDS). The Company/Issuer shall be notified through written communication or email.

A comprehensive process flow outlining the complete procedures for inducting existing companies into CDS is attached **as Annexure C**.

Company/Issuer should immediately inform all existing physical share certificates holders to convert/replace their physical share certificates into electronic (book-entry) form.

IMPORTANT NOTE: The Contact Details information on the ISSUER ADMISSION FORM **must be of company's CEO, CFO, CS, or Director**.

3. Issuer Admission Form

UPDATED JULY 14, 2026 - Annexure C

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
CDC House, 99-B Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi - 74400
Customer Support Services: 0800-CDCPL (23275)
Email : OCSSElementSupport@cdcpak.com

ISSUER ADMISSION FORM
FOR PRIVATE & PUBLIC UNLISTED COMPANIES

CUIN OF COMPANY ____

(A) ISSUER DETAILS

1. Full Name of Issuer / Company *(In Block Letters - Name Limit is 60 Characters including spaces)* :

2. (a) Contact Person: (Must be CEO or CFO or CS or Director of the Company)

(b) Designation :

(c) Landline Telephone:

(d) Mobile :

(e) Email :

(f) Office Address ***(for Correspondence)*** **:**

3. (a) Financial Year End :

(b) Security Category ☐ Company ☐ Other Body Corporate

(c) National Tax Number (NTN) :

(B) SECURITY DETAILS

1. Security Name :

2. Authorized Capital (In Volume):

3. Paid-up Capital/ Total Issue (In Volume):

4. Face Value (Rupees) / Unit Size :

5. Security Type : Ordinary Shares ☐ ☐ Preference Shares

Mention Class of Ord. Shares (if applicable) ____________

(C) SHARE REGISTRAR (RTA)

(1) ☐ **Outsourced to Share Registrar**
Share Registrar Name: ____________
Share Registrar CDS ID:

OR

(2) ☐ **Require a Direct Access to CDS**

UNDERTAKING & DECLARATION

I/We have gone through the Memorandum & Articles of Association of the Company and confirmed that Company is incorporated under the Companies Ordinance 1984 / Companies Act, 2017. I/We further confirm that our securities are transferable to any other person(s) subject to fulfillment of the terms, conditions and Regulations prescribed thereto.
We, being the Company, hereby certify and undertake that our securities are valid and legally transferable, whether by book-entry or otherwise, subject to fulfillment of the terms and conditions and the Regulations prescribed thereto. We also certify that our Company is not under receivership, Court-appointed managership, winding up, or any equivalent form of administration.
This undertaking/certificate is issued in relation to the intended induction of our securities into the CDS, thereby enabling CDC to satisfy its obligations under Regulation 5.1.1(b), (d) and (e) of the Central Depository Company of Pakistan Limited Regulations.
We, being the Company, hereby confirm that all the information contained in this admission form is true and correct to the best of our knowledge.

Name of Signatory: ____________
(Signatory must be the contact person as mentioned in 2(a) above)

Dated : ____________

Title : ____________

Place : ____________

Signature : ____________

Stamp : ____________
(For & on behalf of)

Process Flow for Declaration of CDS Eligibility and Security Setup in Central Depository System