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**PUNJAB PRIVATIZATION BOARD
GOVERNMENT OF THE PUNJAB**

16th DECEMBER, 2015

NOTIFICATION

No. SOG/PPB/1-181/713 In exercise of the powers conferred under section 43 of the Punjab Privatization Board Act 2010 (IV of 2012), the Board is pleased to make the following regulations:

1. Short title and commencement.— (1) These regulations may be cited as the Punjab Privatization Board (Sale of Shares) Regulations 2015.

(2) They shall come into force at once.

2. Definition.— (1) In these regulations:

- (a) "Act" means the Punjab Privatization Board Act, 2010 (IV of 2010);
- (b) "adviser" means an external adviser hired with the approval of the Board to advise on a particular privatization process or transaction; or any other ancillary activity leading to privatization; and
- (c) "regulations" means the Punjab Privatization Board (Sale of Shares) Regulations 2015

(2) An expression used but not defined in the regulations shall have the same meanings as assigned to it under the Act.

3. Procedure for privatization.— (1) After approval of the Government, the Board shall prepare and carry out the privatization programme through public offering or sale of shares with or without transfer of management control of the enterprise.

(2) The Board shall carry out privatization of shares through one of the following modes:

- (a) sale of shares through public auction or tender;
- (b) public offering of shares through a stock exchange; or
- (c) transfer of management of the enterprise.

(3) The Board may:

- (a) with legal, technical and financial due diligence:
 - (i) identify obstacles in implementation of the privatization programme and suggest, if possible, methods to remove such obstacles;
 - (ii) allow a fair and independent valuation of the shares or enterprise proposed to be privatized; and
 - (iii) prepare a suitable information memorandum together with other marketing instruments;

- (b) pre-qualify the prospective bidders, if required, for privatization, evaluate the technical and financial position of the prospective bidders and manage or operate the enterprise;
- (c) prepare the bid documents which shall include:
 - (i) instructions to bidders;
 - (ii) proforma sale instruments; and
 - (iii) appropriate disclaimers to protect the Government, the Board and their respective officers, employees, consultants and advisers in respect of the information provided to the bidders;
- (d) hold pre-bid conferences to discuss concerns of prospective bidders;
- (e) create an enabling environment; and
- (f) carry out the bidding process.

(4) Subject to the terms of appointment of an adviser, the adviser shall carry out or advise on any or all of the steps specified in clause (3).

4. Approval or rejection of highest ranked bidder.— (1) The Board shall carry out a bidding process with the objective of selecting the highest ranked bidder amongst the bidders ensuring that the highest ranked bidder:

- (a) has satisfied the pre-qualification criteria determined by the Board, if required; and
- (b) complied with instructions for bidding provided by the Board to bidders.

(2) Upon selection of a highest ranked bidder as specified in clause (1), the Board shall refer the matter to the Government for approval or rejection of the highest ranked bidder with full justification.

5. Special Purpose Vehicle.— (1) Subject to the Companies Ordinance 1984, a special purpose vehicle, incorporated outside Pakistan, if is wholly and directly or indirectly owned and controlled by the bidder or purchaser and the performances and obligations of such special purpose vehicle are irrevocably and unconditionally guaranteed by the bidder or purchaser through an instrument approved by the Board, may acquire property through privatization in accordance with the provisions of the Act.

(2) The Board shall have the absolute discretion to impose, from time to time, such eligibility criteria in the request for statement of qualification documents with regards to a special purpose vehicle as it may deem expedient and proper.


16.12.2015
CHAIRPERSON
PUNJAB PRIVATIZATION BOARD