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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

COMPETITION COMMISSION OF PAKISTAN

NOTIFICATION

Islamabad, the 21st October, 2011

S. R. O. 980(I)/2011.—In exercise of the powers conferred under section 58 of the Competition Act, 2010 (the Act), the Competition Commission of Pakistan (the Commission) is pleased to make the following further amendments in the Competition (Merger Control) Regulations 2007, namely:—

In the above regulations,—

1. Regulation 4A shall be substituted with the following, namely:—

“4A. The following transactions shall be exempt from filing pre-merger notification:—

- (i) A transaction in which a holding company (whether incorporated in or outside Pakistan) increases its stake in its subsidiary or the subsidiaries thereof (whether incorporated in or outside Pakistan), or if such subsidiary *acquire or* increase their equity investment in each other;

(3387)

- (ii) A transaction in which a bank deals in trading of shares for its own account for the purpose of earning dividend income and capital gains and not with the intention of acquiring controlling interest in the investee company.
- (iii) shares acquired by succession or inheritance;
- (iv) shares acquired as a gift from one's spouse or immediate blood relatives;
- (v) shares acquired through will (testamentary bequeath);
- (vi) voting shares acquired by a person, acting as securities underwriter in ordinary course of business;
- (vii) voting shares allotted pursuant to a right issue; provided that the voting securities acquired do not increase, directly or indirectly, the acquiring person's per centum share of outstanding voting securities of the issuer;
- (viii) Where an undertaking, the normal market activities of which include the carrying out of transactions and dealings in securities for its own account or for the account of others, acquires securities of another undertaking and sells back the acquired securities on pre-determined price within a period of 6 months from the date of such acquisition.
- (ix) real property or goods acquired in the ordinary course of business if the person who intends to acquire the assets shall not, as a result of the acquisition, hold all or substantially all of the assets of a business or of an operating segment of the business; and
- (x) un-explored real resource property acquired for the purpose of exploration or development.

While the above transactions may be exempt from pre-merger notification, they may still be subject to substantive review under the Act, if so deemed appropriate by the Commission.”

2. In regulation 5, existing sub-regulation (6) shall be substituted with the following, namely:—

“(6) No person shall make an application under sub-regulation (1) hereof unless it is accompanied by a processing fee amounting to Rs. 200,000/- (two hundred thousand rupees) or at rates indicated below, which-ever amount is greater. The fee may be paid in the form of bank challan or bank draft in favour of the Commission.

Turnover of merger Parties (undertakings)	Fee
(i) Up to 500 million rupees.	Rs. 200,000/-
(ii) More than 500 million but not exceeding 750 million rupees.	Rs. 400,000/-
(iii) More than 750 million but not exceeding 1000 million rupees.	Rs. 500,000/-
(iv) More than 1000 million rupees but not exceeding 5000 million rupees.	Rs. 700,000/-
(v) More than 5000 million rupees but not exceeding 10,000 million rupees.	Rs. 1,000,000/-
(vi) Exceeding 10,000 million rupees.	Rs. 1,500,000/-
Assets under management of the applicant Asset Management Company(ies)	
(i) Up to 5 billion rupees.	Rs. 200,000/-
(ii) More than 5 billion but not exceeding 7.5 billion rupees.	Rs. 400,000/-
(iii) More than 7.5 billion but not exceeding 10 billion rupees.	Rs. 500,000/-
(iv) More than 10 billion rupees but not exceeding 50 billion rupees.	Rs. 700,000/-
(v) More than 50 billion rupees but not exceeding 100 billion rupees.	Rs. 1,000,000/-
(vi) Exceeding 100 billion rupees.	Rs. 1,500,000/-”

3. In regulation 5, a new sub-regulation (7) shall be inserted, namely:—

“(7) The Commission may, for reasons to be recorded, remit or reduce it to the minimum amount of application fee prescribed in sub-regulation (6) of regulation 5 in favour of a reputable non-profit organization dedicated for public welfare, on its written request, if the Commission is satisfied that the applicant undertaking has credible track record of performance during the preceding period of five years.”

[No.9 (1)/SY/CCP/REG/Merger Control/07.]

MOHAMMED HAYAT JASRA,
Secretary.