

# CSDI's Preemption Right Pioneer

## Modernizing Capital Engagement with e-Certificates



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# Certificate of Preemption Right

- **Introduction to Preemption Right**
- **Key Element of Capital Increase in Iranian Capital Market (Source of capital)**
- Cash infusion / due liabilities
- Retained Earnings
- Asset Revaluation
- Issuing Common Stock without Preemptive Right



# Steps of Traditional Preemption Right Handling

1. Proposal by the Board of Directors (BoD)
2. Independent Auditor's Review
3. Securities and Exchange Organization (SEO) Approval
4. General Meeting Approval
5. Certificate of Preemption Rights
6. Funds Remittance and Receipt Posting
7. Sale of Unclaimed Preemption Rights
8. Depository Database Update



## **Challenges of Traditional Preemption Right Handling**

- **High Administrative Complexities**
- **Complex Fund Remittance Procedures**
- **Document Exchange Inefficiencies**
- **Labor-Intensive Manual Processing**
- **Accuracy and Documentation Submission Issues**



## **Steps of Electronic Preemption Rights Handling**

1. Proposal by the Board of Directors (BoD)
2. Independent Auditor's Review
3. Securities and Exchange Organization (SEO) Approval
4. General Meeting Approval
- 5. Issuance of e-Certificate of Preemption Rights**
- 6. SMS Notification**
- 7. Referring to Integrated Portal of Capital Market Stakeholders (DDN)**
- 8. Electronic Exercise of Preemption Rights**
- 9. Online Payment**
- 10. Automatic Registration in CSDI's Depository Database**



## **Benefits of Electronic Preemption Certificate Issuance**

- **Improved Rights Offering Process**
- **Enhanced Shareholder Experience**
- **Elimination of Prolonged Timelines**
- **Faster Capital Increase**
- **Electronic Participation**
- **Efficiency and Cost Savings**

Central Securities  
Depository of Iran

Thank  
you!

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