



KSE/N-2209

Dated: April 11, 2005

NOTICE FOR ALL MEMBERS

Attention of the Members is drawn to Notice No. KSE/N-2144 dated April 06, 2005.

Subsequent to the letter No. SMD/MSW/1(7)2004 dated April 07, 2005 of SECP circulated vide Notice No. KSE/N-2179 dated April 7, 2005, the member Directors of the Exchange, led by Chairman of the Board of Directors met the SECP Chairman and Commissioner (SM) in Islamabad on April 09, 2005.

The KSE delegation fully agreed with the contention of the Commission's letter dated April 7, 2005 and reconfirmed the understanding of the regulation cited by it.

In order to clarify the position, the Board with the consent of the Commission has decided that the following procedure be adopted for netting off profit and loss in the futures contracts as under:

"The distributable profit in the squared contracts (scrips) will be allowed to be adjusted against losses in other contracts. However no adjustment (netting) will be allowed against retained profit".

Muhammad Ghufuran
Manager

Copy to:

Commissioner (SM), Securities & Exchange Commission of Pakistan
Managing Director, Lahore Stock Exchange (Guarantee) Limited
Managing Director, Islamabad Stock Exchange (Guarantee) Limited
The Chief Executive, Central Depository Company of Pakistan Ltd.
The Chief Executive, National Clearing Company of Pakistan Limited
Notice Board