



NOTICE FOR ALL MEMBERS

In exercise of the powers conferred by sub-section (1) of Section 34 of the Securities and Exchange Ordinance, 1969, the Karachi Stock Exchange (Guarantee) Limited with the prior approval of Securities & Exchange Commission of Pakistan makes the following amendments in the "Regulations Governing Members' Exposure" and "Members Default and Procedure for Recovery of Losses Regulations". Pursuant to above approval the Governing Board of Directors of the Exchange has allowed the netting of Margin Financing Trades with the Exchange trades.

CHANGES IN REGULATIONS

1. REGULATIONS GOVERNING MEMBERS' EXPOSURE

EXISTING	REVISED
<p><u>PREAMBLE</u> Whereas the question of review of Rules & Regulations Governing the Ready Delivery Contracts at the Karachi Stock Exchange has been under consideration since a long time. And whereas in the process of considering various aspects of the risk management of the members of Clearing House, it is deemed necessary that a suitable regulation for Members' Exposure is desirable in order to protect the interest of all concerned. Now, therefore, the Board of Directors of the Karachi Stock Exchange (Guarantee) Limited with the prior approval of the Corporate Law Authority hereby made these Regulations which shall be deemed to come into effect at once.</p>	<p><u>PREAMBLE</u> Whereas the question of review of Rules & Regulations Governing the Ready Delivery Contracts at the Karachi Stock Exchange has been under consideration since a long time. And whereas in the process of considering various aspects of the risk management of the members of Clearing House, it is deemed necessary that a suitable regulation for Members' Exposure is desirable in order to protect the interest of all concerned. Now, therefore, the Board of Directors of the Karachi Stock Exchange (Guarantee) Limited with the prior approval of the Corporate Law Authority hereby made these Regulations which shall be deemed to come into effect at once.</p>
<p>1. <u>SHORT TITLE:</u> These Regulations may be called "The Regulations Governing Members' Exposure" of the Karachi Stock Exchange (Guarantee) Limited.</p>	<p>1. <u>SHORT TITLE:</u> These Regulations may be called "The Regulations Governing Members' Exposure" of the Karachi Stock Exchange (Guarantee) Limited.</p>
<p>2. <u>DEFINITIONS:</u> In these Regulations, unless there is anything repugnant in the subject or context:</p> <p>(i) "Exposure" means "at any point in time, scrip-wise cumulative net unsettled amount of purchases and sales, added together, of a member, under Ready Counter.</p>	<p>2. <u>DEFINITIONS:</u> In these Regulations, unless there is anything repugnant in the subject or context:</p> <p>(i) "Exposure" means "at any point in time, scrip-wise cumulative net unsettled amount of purchases and sales, added together, of a member, under Ready Counter.</p>
<p><u>Explanation:</u></p> <ul style="list-style-type: none"> • Ready Counter means T+3, T+1 and COT. • The system will net off all unsettled buy and sell transactions within the same scrip at the member level including the current trading days transactions. The system will consider all unsettled COT transaction (1st & 2nd effects) including all open COT transactions of the 	<p><u>Explanation:</u></p> <ul style="list-style-type: none"> • Ready Counter means T+3, T+1 and COT. • The system will net off all unsettled buy and sell transactions within the same scrip at the member level including the current trading days transactions. The system will consider all unsettled COT transactions (1st & 2nd effects) including all open COT transactions of the