



NOTICE FOR ALL MEMBERS

COMPLIANCE WITH SHORT SELLING REGULATIONS

Attention of the members is invited to the **Regulations for Short Selling under Ready Market 2002 of the Karachi Stock Exchange** which inter-alia requires that no Member shall make a Short Sale unless:

- Prior contractual borrowing arrangement has been made or has a definite pre existing interest
- The sale is in conformity with the up-tick rule for Short Selling, and
- The Short Sell trade is identified as a Short Sale at the time of placement of order.

Members will have to declare their Short Sale Transactions while placing Short Sale Order through Short-Sale Order Window of KATS which can be operated with F-8 key of the system. This identification would be at the Trade Level to the Exchange, which would then disclose the cumulative figures for public consumption at the close of market everyday.

Members are advised to note that every Sell Order having all pre-requisites of Short Sale mentioned above, not routed through Short Sale Order Window will be treated as Blank Sale, which is strictly prohibited under the regulations.

Regulation governing Short Selling under Ready Market alongwith penalty schedule can be accessed through KSE Official web site, www.kse.com.pk.

In view of the above, Members are once again reminded to ensure strict compliance of all the relevant requirements of the said Regulations. The Exchange shall conduct **spontaneous** checks to monitor the compliance of the Short Selling Regulations and will impose prescribed penalties on Members who are found violating these Regulations. Please note that Short Selling will be checked under UIN regime of the Exchange.


SHAFQAT ALI

General Manager Risk

- CC to:**
01. The Director (SMD), Securities & Exchange Commission of Pakistan
 02. The Managing Director, Lahore Stock Exchange (Guarantee) Limited
 03. The Managing Director, Islamabad Stock Exchange (Guarantee) Limited
 04. The Chief Executive, National Clearing Company of Pakistan Limited
 05. The General Manager, IT Division-KSE
 06. DGM Market Control & Surveillance Department-KSE
 07. DGM Clearing & Settlement Department-KSE
 08. Notice Board
 09. KSE Website