




NOTICE FOR ALL MEMBERS

**REVISION OF MARGIN ELIGIBLE SECURITIES
 FOR READY, CFS, CFS MK11 AND DERIVATIVE MARKETS**

In light of the SECP letter no. SMD-South/KSE(0076)/2008 which is being reproduced below, **Members of the Exchange are informed that the new list of Margin Eligible Securities will be shared with them in due course and that will be applicable w.e.f. August 04, 2008.**


 Shafqat Ali
 GM – Risk Management

CC to:
 01. Notice Board, KSE
 02. Website, KSE



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
 SECURITIES MARKET DIVISION**

SMD-South/KSE(0076)/2008

July 14, 2008

Mr. Adnan Afridi
 Managing Director
 Karachi Stock Exchange (Guarantee) Limited
 Stock Exchange Building
 Stock Exchange Road
 Karachi

Subject: Approval of Eligibility Criteria for Margin Eligible Securities

Dear Sir,

Kindly refer to KSE's letter No.KSE/SECP-4502 dated May 30, 2008 and the meeting held on June 17, 2008, at SECP Karachi Office, between the representatives of SECP and the KSE Management on the subject.

In this regard, the eligibility criteria for Margin Eligible Securities shall be as follows:

1. Securities have been traded at least 80% of the trading days during the review period of last 6 months.
2. Average impact cost of securities will not be greater than 2% as calculated based on daily impact costs of the review period of last 6 months.
3. Average daily trading volume of securities in the Ready market selected based on the above criteria will not be less than 0.5% of its Free Float or 100,000 shares, whichever is lower.
4. The following haircuts will be applicable on the Margin Eligible Securities selected based on the above criteria:

For all book entry securities having formal listing history of more than 6 months

VaR based Margin Buckets	Haircut Applicable on Daily Closing Rate in the Ready Market
00.00% ≤ VAR < 12.50%	15.00%
12.50% ≤ VAR < 15.00%	17.50%
15.00% ≤ VAR < 20.00%	22.50%
20.00% ≤ VAR < 25.00%	27.50%
25.00% ≤ VAR < 30.00%	32.50%
30.00% ≤ VAR < 40.00%	42.50%
40.00% ≤ VAR	50.00%