



NOTICE FOR ALL MEMBERS

PROHIBITION ON BLANK/SHORT SELLING

Members are hereby informed that in view of existence of an exceptional *force majeure* market conditions, the Board of Directors of the Exchange, through a resolution by circular dated September 19, 2008, has decided the following by virtue of powers vested with it under regulation 8.8 of the Regulations Governing Risk Management of the Exchange, which will be effective from **Wednesday, September 24, 2008**:

- i) To prohibit blank selling in Deliverable Futures Contract for October 2008 as currently allowed under clause 6(i) of the Regulations Governing Deliverable Futures Contract;
- ii) To prohibit short sale in Ready Market as currently allowed under Regulations for Short Selling under Ready Market, 2002 along with the Sale with Pre-existing Interest against purchase on another Exchange.

Please note that above prohibitions shall remain effective for a period of one (1) month and will be reviewed by the Exchange one week prior to start of November 2008 Deliverable Futures Contract.

The Exchange has also received No Objection from SECP to the above decisions taken by the Board, vide its letter No. SMD/SE/2(20)2008 dated September 22, 2008.

Members are requested to note and ensure compliance of the same.


SHAFQAT ALI
General Manager Risk

Copy 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, Central Depository Company of Pakistan Limited
05. The Chief Executive, National Clearing Company of Pakistan Limited
06. The General Manager, I.T. Division-KSE
07. The General Manager (Operations)
08. Deputy General Manager, Market Control & Surveillance Department-KSE
09. Deputy General Manager, Clearing & Settlement Department-KSE
10. Deputy General Manager, Trading Affairs Department, KSE
11. Notice Board
12. KSE Website