

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED****KSE/N-7905****N O T I C E****December 12, 2008**

*Reproduced hereunder Directive received from Securities and Exchange Commission of Pakistan (Securities Market Division), Islamabad under the (SECP Act 1997) vide their letter No. SMD/SE/2(20) 2008 dated December 11, 2008 for information of all concerned.*

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**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**  
(Securities Market Division)

SMD/SE/2(20) 2008

December 11, 2008

**Mr. Adnan Afridi,**  
Managing Director,  
Karachi Stock Exchange (G) Limited,  
Karachi.

**Mian Shakeel Aslam,**  
Managing Director,  
Lahore Stock Exchange (G) Limited,  
Lahore.

**Mr. Aftab Ahmad Chaudhree,**  
Managing Director,  
Islamabad Stock Exchange (G) Limited,  
Islamabad.

**Subject: Directive under the Securities & Exchange Commission of Pakistan Act, 1997 (the "1997 Act")**

Whereas, the Board of Directors of Karachi Stock Exchange, decided to place a floor on closing prices of securities effective vide notice No. KSE/N-5061 dated August 27, 2008;

Whereas the Lahore Stock Exchange decided vide notice No. 2042 dated August 28, 2008 to place a floor on the closing prices of securities as on August 27, 2008;

Whereas the Islamabad Stock Exchange decided vide notice No. ISE/CIR/08/101 dated August 28, 2008 to place a floor on the closing prices of securities as on August 27, 2008;

Whereas the continuing restriction on the trade prices of the securities has adversely affected the ability of the market participants to manage their respective investments;

Whereas it is in the public interest to allow the securities markets to function without any hindrance in order to maintain the confidence of the investors;

Now therefore, I am directed to communicate that the Securities and Commission of Pakistan ("the Commission") in exercise of its powers under section 40B read with paragraph (a), (b) and (c) of sub-section (4) of section 20; and paragraph (b) and (g) of sub-section (6) of section 20 of the 1997 Act, hereby directs all three stock exchanges to remove the floor placed on closing prices of securities in terms of the aforementioned decisions of the stock exchanges, and to ensure that the securities market functions in the ordinary course without any restrictions, effective as of December 15, 2008.

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