

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-1053

N O T I C E

February 26, 2010

Reproduced hereunder letter No: F1(5) Sch-3/2005-06 VolII dated February 25, 2010 received from Government of Pakistan, Ministry of Finance, Central Directorate of National Savings, Islamabad for information of all concerned.

(Copy of the same is also available on our Website www.kse.com.pk).

Government of Pakistan
Ministry of Finance
Central Directorate of National Savings
Islamabad

F 1(5)-Sch-3/2005-06 VolII

February 25, 2010

Mr. Haroon Askari
General Manager Operations,
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Road,
Karachi.

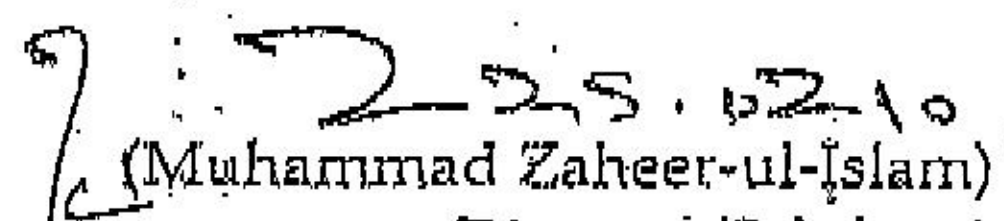
SUBJECT: Trading of National Savings Bonds at Bond Automated System

Dear Sir,

The undersigned is directed to refer to KSE letter no. KSE/GOVT-1365 dated February 24, 2010 on the subject noted above and to state that the rule-12 of NSB rules 2009 pertains to primary market (Initial Public Offering) only. This directorate had already ensured categorically the observance of the eligibility criteria of issuance laid down in NSB rules 2009 by restricting the bodies corporate and banks to invest in NSBs. As far as the trading of the bonds in the secondary market is concerned, the NSB is a tradable security and apparently there exists no mechanism to bar such entities to take long position in NSBs, as it would be against the spirit of the tradability. However, we consider that participation of financial institutions in trading of NSB is not desirable.

2. Further, we ensure all our possible cooperation to strengthen the domestic debt market which will eventually provide substantial support to the stock exchanges of the country.

Yours truly,


(Muhammad Zaheer-ul-Islam)
Director (Schemes)

Copy to:

Mr. Shah Nawaz Khoso Deputy Secretary (GS) Finance Division
(Budget Wing) in accordance with the discussion of Director General
National Savings held with Special Secretary Finance on the subject
matter.