



NOTICE FOR ALL MEMBERS

CHANGES IN DELIVERABLE FUTURES CONTRACT (DFC) MARKET

This is in continuation to our Notice No. KSE/N-1362 dated March 5, 2010. The Exchange is pleased to announce that effective from Monday March 29, 2010, following changes will be available in the Deliverable Futures Market and the related systems as mentioned below;

Client Level Margining System

Client Level Margining System will become live, whereby UIN wise Margin requirements against related Exposures and MtM Losses will be determined based on the allocated Cash deposited by the Members for their respective UIN's. The unallocated cash will continue to be considered as of Member's Proprietary Account and will be utilized for all deficit clients as per the undertaking submitted by such member.

Blank Selling and Compliance in Deliverable Futures Market

- (i) Member on his Proprietary or Clients' accounts on UIN basis shall be allowed to make Blank Sale upto 0.5% of the Free Float of the scrip or Rs. 50 million, whichever is higher subject to maximum blank sale of 3.0% of the Free Float of a scrip for his all accounts including Proprietary and Clients' accounts, in accumulation at any given time during a contract period.
- (ii) Existing mandatory requirement for Blank Sale on Uptick or Zero-Plus Tick will no longer be applicable.

Concentration Margins

All three tier Concentration Margins i.e., Market, Member and UIN wide, shall be applied on the basis of average of the margins corresponding to the two applicable slabs as provided under Schedule 6 of the Regulations Governing Risk Management of the Exchange.

All members are requested to note the same.

FAISAL IQBAL

Senior Manager-Risk Management

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, Central Depository Company Pakistan Limited
05. The Chief Executive, National Clearing Company of Pakistan Limited
06. The General Manager, Operations-KSE
07. The General Manager, IT Division-KSE
08. The General Manager, Market Control & Surveillance-KSE
09. Notice Board
10. KSE Website

22/3/2010