

**THE KARACHI STOCK EXCHANGE (G) LTD.**

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KSE/N-5574**October 18, 2010****NOTICE FOR ALL MEMBERS****"Off Exchange" Negotiated Deals Reporting System of KSE (NDRS)**

Members of the Exchange are hereby informed that to make the reporting of all off market transactions on real time basis the Exchange has decided to introduce a new negotiated deal reporting system (NDRS) for Equity and Debt Market segments, with effect from Monday November 01, 2010.

Presently, all off market transactions are reported via the special interface provided to members on their NCHS terminal. The members are obliged to report to the Exchange all off market transactions before 5:00 pm or in case the deal takes place after market hours they are reported next day before 5:00 pm and then the same gets disseminated on the following day to the market, via our daily Quotations, with quantity, price and Members 'Code. The information about these deals in many instances are price sensitive and therefore could be classified as material information that must be shared with all participants of the market in timely manner, therefore it is felt that the reporting of these transactions be made on real time basis.

In order to bring transparency and to make the system real time reporting, the Exchange has decided to implement the new Negotiated Deals Reporting System called "Off Exchange" Negotiated Deals Reporting System" (NDRS). This will also facilitate reporting of trades between investment houses involving large quantity i.e. block trades transactions as in mergers and acquisition deals, and all off-market transactions in the debt market, including in privately placed TFCs and OTC debt market securities for QIBs.

The NDRS shall remain operative daily and follow the timing of the Exchange trading & reporting time i.e from 9:15 am to 5:00 pm. The responsibility of completing the transaction reported on NDRS remains entirely between the transacting parties. This system shall also be able to cater for deals agreed on the telephone. Members can place a Client-to-Client and/ or Member-to-Member transactions in the system. NDRS shall be an "off Exchange" electronic trading facility that will cater for real-time completed off market transactions indicating the transactions' volume, price and respective members' code. It does not provide automated trade executions and settlement of trades, which remain entirely on counter-party risk.

All charges and Taxes payable pertaining to off market transactions presently applicable shall remain in place, like wise.

To implement the new system smoothly, the existing reporting interface on Members' NCHS terminals shall remain operative in parallel with new NDRS for further 15 days from November 01, 2010. Thereafter, all off market transaction shall mandatorily be reported to the Exchange via NDRS of the Exchange.

For detailed Information and other relevant details of the NDR system, please log on to our website www.kse.com.pk. Or contact IT help desk.


Haroon Askan

General Manager Operations

Copy to:

01. The Commissioner (SM), Securities & Exchange Commission of Pakistan, Islamabad
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. KSE Website