



The Karachi Stock Exchange (Guarantee) Limited

Stock Exchange Building, Stock Exchange Road, Karachi-74000, Pakistan
Phones: (9221) 111-001122, 111-012-345, Fax (9221) 3241-0825, (9221) 3241-5138
URL: <http://www.kse.com.pk>, Email: info@kse.com.pk

KSE/N- 145

January 12, 2011

NOTICE FOR ALL MEMBERS

PROCEDURES FOR RECTIFICATION OF ERRONEOUS TRADES

Further to our Notice No.KSE/N-1801 dated April 01, 2010 whereby the Exchange notified the **Trades Rectification Interface** on Members' NCHS terminals for rectifying and reporting their erroneous trades which are inadvertently executed on KATS during the trading session. However, we have observed that some of our Members are either reporting their erroneous trades in writing to the Exchange on their letter pads (hard copies form) or rectifying them on their NCHS terminals in incorrect manner.

Please note that any erroneous trades manually reported to the Exchange on Members' Letter Pads (hard copies form) will not suffice **Client Level Movement of Securities on Settlement Date** and absolve the Members and/or their clients for any investigations including but not limited to the violations of regulations governing short selling under Ready and Deliverable Futures markets.

In order to discourage this undesirable manually reporting mechanism and for the purpose of explaining correct rectification mechanism through NCHS interface, we have developed **Standard Procedures** for rectifying and reporting all possible types of erroneous trades through NCHS interface, which is placed on **KSE website home page** captioned "**The Procedures For Rectification of Erroneous Trades on NCHS Trade Rectification Interface**".

All the Members are advised in their own interest to rectify their erroneous trades (**Inadvertently executed through KATS**) in the right manner as explained in the Procedures and ensure compliance with the rules and regulations strictly.


SHAFQAT ALI
General Manager
Risk Management, Market Control & Surveillance

CC to:

1. The Executive Director-Securities Market, Securities & Exchange Commission of Pakistan
2. The Acting Managing Director, Karachi Stock Exchange (Guarantee) Limited
3. The Managing Director, Lahore Stock Exchange (Guarantee) Limited
4. The Managing Director, Islamabad Stock Exchange (Guarantee) Limited
5. General Manager – IT Division – KSE
6. General Manager – Operations – KSE
7. Notice Board
8. KSE Website