



THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED
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KSE/N-601

February 09, 2011

NOTICE FOR ALL MEMBERS

AMENDMENTS IN CLAUSE NO.1.5 TITLED 'DEFINITIONS – CLOSING PRICE' OF REGULATIONS GOVERNING RISK MANAGEMENT OF THE EXCHANGE

All members are hereby informed that the Securities & Exchange Commission of Pakistan (SECP) vide its letter No.SMD/SE-S/1-11(4)/2009 dated October 13, 2010 approved amendments in the above mentioned Regulations, which were sent for publication in the official Gazette of Pakistan on October 14, 2010 and copy of the same is received by the Exchange today i.e. February 09, 2011. Accordingly, effecting from Monday, February 14, 2011, the Closing Price of the security in the respective market will be determined as per its new definition which is stated as under.

"Closing Price" of a security in the respective market shall be determined based on the following methodology:

1. *If the cumulative volume in a security is at least 500 shares or Rs. 25,000/-, whichever comes earlier (here in after referred to as the "threshold") then the Closing Price of that security shall be determined as volume weighted average price of trades of last 30 minutes before closing of the market.*
2. *If the cumulative volume in a security during last 30 minutes before closing is less than the threshold, then the Closing Price of that security shall be determined as volume weighted average of the most recent executed trades during the day which constitute the threshold.*
3. *If cumulative volume is less than the threshold or there is no volume in the security during the whole trading day, then Closing Price shall be determined on basis of volume weighted average of all bids / offers entered in KATS during the whole trading day and trades below the threshold provided that:*
 - i. *Bid/Offer entered at order level is equal to at least 500 shares or Rs. 25,000/- whichever comes earlier.*
 - ii. *Bid/Offer is entered in KATS at least two hours before the market close and remained unchanged during such period.*
 - iii. *Bid/Offer is available for trade at the time of closure of the market.*
4. *In case, Bid/Offer price does not meet the above criteria; the Closing Price of the scrip shall remain unchanged from the previous day's Closing Price.*
5. *Cross trades at Member's level and UIN's level shall not be eligible for the determination of Closing Price of the respective scrip.*

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