

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-713

N O T I C E

February 15, 2011

Reproduced hereunder letter received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN, (Securities Market Division)**, for information of members of the Exchange.

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



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
(Securities Market Division)

SMD/SE/2(211)/2009

February 14, 2011

Mr. Haroon Askari
Acting Managing Director,
Karachi Stock Exchange (G) Limited,
Stock Exchange Building,
Karachi.

Mr. Muhammad Hanif Jakhura
Chief Executive Officer,
Central Depository Company of Pakistan
Karachi.

Mr. Aftab Ahmed Ch.
Managing Director,
Lahore Stock Exchange (G) Limited,
19 Khayaban-e-Aiwan-e-Iqbal,
Lahore.

Mr. Muhammad Lukman
Chief Executive Officer,
National Clearing Company of Pakistan
Limited
Karachi.

Mr. Imtiaz Haider
Managing Director,
Islamabad Stock Exchange (G) Limited,
ISE Towers,
Jinnah Avenue, Blue Area
Islamabad.

Subject: Transfer of TFCs in the CDC

Dear Sir(s)

This is in continuation to our previous letters of even number whereby the Securities and Exchange Commission of Pakistan (SECP) had granted relaxation to the restriction on off-market trades in listed TFCs as provided in the relevant Regulations of the stock exchanges governing automated trading of bonds.

The SECP in order to identify long-term sustainable solutions for encouraging trading activity on Bonds Automated Trading System (BATS), had constituted a committee with representation from major stakeholders including the stock exchange, NCCPI, MUFAP, FMA and broker community. The said Committee has submitted its report to the SECP on February 2, 2011 which is also available on the SECP website under the following link http://www.secp.gov.pk/IACCD/iacctl_reports.asp. The Committee recommendations envisage certain system enhancements in BATS along with additional proposals which mainly focus on the following:

- Facilitation to market participants in negotiating transactions in line with international best practices
- revamping the risk management regime including the margin requirements
- modification in the current levels of circuit breakers
- modification in the pricing methodology for listed TFCs at BATS