



NOTICE FOR ALL MARKET PARTICIPANTS

AMENDMENTS IN STANDARDIZED ACCOUNT OPENING FORM AND GENERAL REGULATIONS ON MEMBERS'/BROKERS' OBLIGATIONS RELATING TO LEVERAGED MARKETS & AUTOMATION OF SECURITIES SETTLEMENT

This is with reference to the amendments in the General Regulations incorporated by the Exchange to cater for Automation of Securities Settlement and Securities (Leveraged Markets and Pledging) Rules, 2011. Reproduce hereunder for information and compliance:

40. REGULATIONS FOR THE MAINTENANCE OF A STANDARDIZED ACCOUNT OPENING FORM:

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The Brokers shall adopt the Standardized Account Opening Form, attached as Form-I to these Regulations, as amended from time to time, for their all Account Holders.

Provided that any amendments in the Form shall be incorporated by the Brokers for their new Account Holders immediately and brought into conformity through addendums for their existing Account Holder(s) within 3 months from the publication of such amendments in the Official Gazette of Pakistan or any other time period specified by the Exchange from time to time with prior approval of the Commission. After expiry of such period, the broker shall not allow any Account Holder to purchase further without complying with the above requirement.

Provided further that any amendments in the Form pertaining to roles and responsibilities of Brokers shall be binding on all Brokers after 7 days notice to market participants by the Exchange whether or not such amendments have been incorporated in the manner specified above.

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41. SEGREGATION OF CLIENTS' ASSETS BY THE BROKERS:

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(1) The Brokers shall ensure that the assets belonging to their clients are kept separated from the assets of the Broker. For this purpose, the Broker shall maintain:

- (a) a separate bank account which will include all the fund deposits of their clients along with record/breakdown of clients' balances.*
- (b) separate sub-accounts under his Participant Account in Central Depository System (CDS) for each of his clients to maintain the custody of margins deposited by the clients in the form of securities and securities bought for clients.*
- (c) a Collateral Account under his Participant Account in CDS for all clients. This account shall be used exclusively for instances where outstanding payment has not been received from clients in respect of securities purchased on their behalf and relevant purchase obligation is to be settled. In such cases, the Broker will be allowed to transfer the securities on the respective settlement date from the respective sub-account to the Collateral Account for a maximum period of three (3) settlement days only to the extent of the transaction volume for which the client's payment is outstanding for whatsoever reason and comply with relevant requirements contained in the CDC Regulations. The Broker shall, in addition to the electronic reporting of such transfers through ways and means as specified by the Exchange report the Exchange in writing explaining the reason for utilizing the Collateral*