



THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi

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KSE/N- 2580

Dated: April 29, 2011

NOTICE FOR ALL MEMBERS **AMENDMENTS IN BATS REGULATIONS**

In exercise of the powers conferred by sub-section (1) of Section 34 of the Securities and Exchange Ordinance, 1969, the Karachi Stock Exchange (Guarantee) Limited with the prior approval of Securities & Exchange Commission of Pakistan has made amendments in the "Bonds Automated Trading System Regulations".

Pursuant to above approval the Governing Board of Director of the Exchange has allowed the waiver of basic deposit of Rs. 150,000/= required for entering into Debt Market. Given below are the features which will be available in the BATS from Monday May 2, 2011.

- 1. REMOVAL OF CIRCUIT BREAKERS:** Price Discovery is the key element for the development of secondary market. Currently, the Circuit Breakers restrict price movement in TFCs by Rs. 5/= which shall be stand removed.
- 2. ADDITION OF 'ALL OR NONE' ORDER TYPE:** A New type of Order called "All or None" is also approved by the Commission, which would facilitate to fill the order completely OR not at all. In case there is insufficient supply to meet the quantity throughout the day, then the order will be cancelled at the close of market. This feature is being added with a view to cater for the dynamics of Debt Market where the buyer and sellers prefer to trade in pre-defined lots and tend to prevent from partial execution of their entered orders. Taking into considerations, the involved complexities in the concept, the Management of the Exchange advises that the feature may not be used till the time; the participant has full understanding of the concept and knowledge of the modalities of the feature. In order to practically understand the concept, it is suggested that RFQ feature may be used and quantities may be mentioned.