

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-4224

NOTICE

August 17, 2011

Reproduced hereunder the copy of The Gazette of Pakistan dated August 17, 2011, on the publication of amendments in the Regulations Governing Risk Management System (RMS) and Deliverable Futures Contract (DFC), for information of all concerned, the same shall be implemented effective from opening of September 2011 Contract in Deliverable Futures Contract (DFC) Market.

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

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PART VI

**Advertisements and Notices Issued by Corporate Bodies and
Private Individuals on payment**

**THE KARACHI STOCK EXCHANGE (GUARANTEE)
LIMITED**

NOTIFICATION

Date : July 18, 2011.

In exercise of the powers conferred under Sub-Section (1) of Section 34 of the Securities & Exchange Ordinance, 1969, the Karachi Stock Exchange (Guarantee) Limited, with the prior approval of Securities & Exchange Commission of Pakistan, makes amendments in its Regulations mentioned below :

A. REGULATIONS GOVERNING RISK MANAGEMENT

- (1) In Sub-Clause 4.10, titled 'Basic Deposits as Exposure Margins', the words 'Deliverable Futures Contract Market' shall stand deleted.
- (2) In Schedule-2, captioned 'Form of Exposure Margins, MTM Losses, Special Margins, Concentration Margins, Liquidity Margins and Additional Margins Deposits', in Serial No. 4 relating to 'Deliverable Futures Market', the 'Exposure Margins' shall be substituted to read as under :

"50% in Cash and/or Bank Guarantee and 50% in Margin Eligible Securities."

**A. REGULATIONS GOVERNING DELIVERABLE
FUTURES CONTRACT**

In Clause 7, captioned 'Deposits and Margins':

- (a) Sub-Clause (i) shall be substituted to read as under:

"(i) Any member of the Exchange can enter into Deliverable Futures Contracts under these Regulations if he notifies in writing to the Exchange of his desire for trading in the Deliverable Futures Market."

- (b) Sub-Clause (vii) shall be substituted to read as under:

"(vii) In case a member delays any payment to the Exchange and/or Clearing Company for meeting any of his obligations in the Deliverable Futures Market beyond the specified time thrice in a calendar year, he would be liable to deposit Rs. 1,000,000/- with the Exchange for a period of 3 months. In case delay in payment has occurred for fourth time in a calendar year, the deposit amount would be enhanced to Rs. 2,000,000/- to be held by the Exchange for a period of 6 months.

Provided that the deposit amount shall not be utilized against the exposure margin of such Member."

HAROON ASKARI,
General Manager-Operations,
Karachi Stock Exchange (Guarantee) Limited.