



**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**  
Stock Exchange Building, Stock Exchange Road, Karachi-74000, Pakistan  
UAN: 111-00-11-22 Fax (021) 246-2640, E-mail: [gm@kse.com.pk](mailto:gm@kse.com.pk)

**KSE/ N-80**

**January 6, 2012**

## **NOTICE FOR ALL MEMBERS**

### **Implementation of Risk Management Gateway**

The Management of the Exchange is pleased to inform that on the recommendation of Development & Trading Affair Committee and as approved by the Governing Board of Directors the I.T. Division has completed successfully the development of a Risk Management Gateway System (RMGS) for Brokerage Houses. The RMGS is going through rigorous User's Acceptance Tests (UAT) and subject to successful outcome of these tests; the same is scheduled to be introduced by January 30, 2012.


The RMGS will make the trading system of the brokers more efficient, provide them systematic controls and monitoring ability over their clients' trading activities and shall help improve general compliance of brokers for trade related rule and Regulations in following manner:

1. Members shall be able to exercise control and check their clients' orders permissible quantity and amount w.r.t their held margins or any other limit that may be required for risk management system of the Brokerage House.
2. This will provide members the ability to control incident of unintended "wash Sale" and will help identify "Blank Sale" & "Short sales", including enforcement of client wise Symbol Restrictions &/or any other restriction that Member may require to be placed on any of their specific client from risk management point of view, at order level.

We believe that the RMGS implementation will be a mile stone achievement w.r.t Risk management and Trade related Regulatory compliance of Brokers that will impact positively on investors' confidence on the system and investors perception of a robust risk management system at the Exchange.

Since the use of RMGS is optional at present, the Members who are desirous to avail this facility are requested to express their interest by sending a Request letter to I.T Support Services Department, as soon as possible as the installation will take place on first come first serve basis.

For inquiries contact 111-00-11-22 ext 4401-07

  
**Abdullah Jan Farooqui**  
General Manager - I.T. Division

**Copy to:-**

- The Commissioner, Securities & Exchange Commission of Pakistan -Islamabad
- The Managing Director, Lahore Stock Exchange (Guarantee) Limited
- The Managing Director, Islamabad Stock Exchange (Guarantee) Limited
- The Managing Director, Karachi Stock Exchange (Guarantee) Limited
- The Chief Executive, Central Depository Company of Pakistan Limited
- The Chief Executive, National Clearing Company of Pakistan Limited
- KSE Website