

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-399

NOTICE

February 01, 2012

Reproduced hereunder letter No. NCCPL/MTS/JAN-12/02 dated January 31, 2012 received from NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED regarding Modification in Margin Trading System, for information of all concerned.

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



National Clearing Company of Pakistan Limited

8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/MTS/JAN-12/02

January 31, 2012

Modifications in Margin Trading System

Dear Clearing Members,

- ❖ This is with reference to the amendments made in the Securities (Leveraged Markets and Pledging) Rules, 2011 as notified by the Securities and Exchange Commission of Pakistan ("SECP"), whereby following changes have been incorporated in the Margin Trading System ("MTS");
 - 1) **Broker Trading Financiers** have been allowed to provide financing in MTS through their **Individual Clients** as well subject to fulfillment of **Eligibility Criteria** enclosed as Annexure.
 - 2) **Minimum Financing Participation Ratio ("FPR")** has been revised from 25% to 15% i.e. minimum equity participation of the Financee is 15% of Margin Trading ("MT") Transaction Value.
 - 3) **The Financees shall be required to deposit margins on their open position of MTS** i.e. on the value of MT (R) Transactions.
- ❖ Accordingly, National Clearing Company of Pakistan Limited ("NCCPL") has planned to implement the aforementioned changes in MTS as follows:
 - A. **Effective from Monday, February 06, 2012**
 1. **Provision of Financing by Broker Trading Financiers through their Individual Clients**
 - a) Broker Trading Financiers will be allowed to provide financing in MTS through their Individual and Corporate Clients. However, existing requirement of minimum FPR of 25% will remain applicable till February 17, 2012.