



NOTICE FOR ALL MEMBERS

**LIST OF MARGIN ELIGIBLE SECURITIES
ACCEPTABLE AS COLLATERAL FOR ALL MARKETS**

In terms of the definition of Margin Eligible (ME) Securities prescribed under the Regulations Governing Risk Management of the Exchange (the Regulations), the Exchange with approval of the Commission given vide its letter No. SMD/SE/2(141)/2008 dated July 11, 2012 relaxed the following two (2) criteria for selection of ME Securities in order to achieve the objective of enhancing the list of ME Securities in light of prevailing market conditions:

1. Average Impact Cost of new ME Security for last six (6) months should be $\leq 2.5\%$ instead of $\leq 2\%$.
2. Average Daily Trading Volume of new ME Security in the Ready Market should at least be lower of 0.5% of its Free Float (FF) or 50,000 shares instead of 0.5% of FF or 100,000 shares, whichever is lower.

Based on the revised Criteria for Selection of ME Securities, a list of 67 ME Securities as per **annexure-A** to this notice will be acceptable as collateral by the Exchange for all markets in accordance with the Regulations effective from **Monday, August 13, 2012**, the date determined based on 30 days advance notice as required under clause 4.6(h) of the Regulations.

Moreover, the Exchange has also been accepting T-Bills and electronic units of CDC Eligible open-ended funds as collateral for all markets, which are categorized as Money Market Schemes in accordance with the criteria prescribed by the Commission vide its circular No.7 dated March 6, 2009, the list of which is also enclosed herewith for your ready reference as **annexure-B**.

Therefore, you are hereby advised to update your collateral deposited with Exchange in terms of new ME Securities before August 13, 2012, failing which the Exchange reserves the right to value ineligible ME securities as **ZERO** on or after the effective date.


SHAFQAT ALI
General Manager
Risk Management, Market Control & Surveillance

- Encl:** 1. List of revised ME Securities.
2. List of CDC eligible open-ended money market funds

Copy to:

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|--------------------------------------|---|
| 01. The Director (SROD), SMD, SECP | 05. The Chief Executive Officer, CDC, NCCPL |
| 02. The Managing Director-KSE | 06. Heads of IT Division & Operations-KSE |
| 03. The Deputy Managing Director-KSE | 07. Notice Board |
| 03. The Managing Director, LSE, ISE | 08. KSE Website |