

## REGULATIONS GOVERNING INDEX OPTION CONTRACTS

### ELIGIBILITY CRITERIA FOR INDEX OPTION WRITER

Any Broker/Entity that fulfills the criteria given below would be considered eligible as Option Writer in the Options Market:

- i) A Broker, fulfills the capital adequacy requirements given below:
  - a. Minimum net capital balance of Rs. 20 million and he shall be required to submit wealth statement or a net capital balance certificate certified by a Chartered Accountant;
  - b. Minimum equity (net of provisions and capitalized losses if any) of Rs. 25 million as per latest audited financial statements.
- ii) All Non-Broker Clearing Members of the National Clearing Company of Pakistan Limited.



### ELIGIBILITY CRITERIA FOR UNDERLYING INDEX FOR INDEX OPTION MARKET

Any index which fulfills the criteria given below will be considered eligible as the Underlying Index:

- i) The Index must be maintained using the free-float capitalization methodology;
- ii) The Index must have been declared eligible for trading in the Stock Index Futures Contracts (SIFC) Market;
- iii) The Index must consist of at least 10 securities;
- iv) Weightage of any one constituent stock of the index should not be more; than 20% at the time of composition/re-composition.

