

**KARACHI STOCK EXCHANGE LIMITED**

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KSE/N-3143**June 12, 2015****NOTICE FOR SOLICITATION OF PUBLIC COMMENT****PROPOSED AMENDMENTS TO CHAPTER 4 OF KSE REGULATIONS AND REGULATIONS
GOVERNING OVER-THE-COUNTER (OTC) MARKET OF KSE**

The *Securities Act 2015*, Part 2, Clause 7 (3) which states:

"The power to make regulations conferred by this section on the securities exchange shall be subject to the condition of previous placement of the said regulations on the website of the securities exchange along with the rationale for eliciting public opinion thereon for a period of not less than seven days starting from the date of its placement on the website."

In accordance with the above mentioned clause of the *Securities Act 2015*, KSE after acquiring approval to the proposed regulations from the Board of Directors in its meeting held on April 30, 2015, KSE vide this notice wants to seek valuable suggestions and feedback of the market participants on the following amendments proposed to KSE regulatory framework:

1. Amendments to Chapter 4 [Trading Rights Entitlement (TRE) Certificate] relating to Disclosure Requirements for Directors and Shareholders Trading Through Other Brokerage Houses of the Same Exchange:

SECP issued a directive restraining brokers to trade through other brokerage houses within the same exchange. SECP through its letter stipulated that the Directors (other than CEO/MD or Nominee Director) and shareholders of a brokerage house may trade through other brokerage house of the same exchange subject to fulfillment of certain disclosure requirements to be prescribed by the relevant stock exchange with prior consent of SECP.

Pursuant to the aforementioned requirement, a Disclosure Policy was drafted for Trading by Directors (Other than Employees including CEO/MD) and Shareholders of a Brokerage House through other Brokerage House of the same Stock Exchange which is placed on KSE Website: www.kse.com.pk as **Annexure-A**.

Further, a new clause was inserted in Chapter 4 of KSE Regulations for effective implementation of this policy.

2. Amendments to the Regulations Governing Over The Counter (OTC) Market of KSE to make them applicable for Privately Placed Debt Securities only

The existing Regulations Governing Over The Counter (OTC) Market of KSE ("**OTC Regulations**") apply on both the equity securities to be issued/offered to the general public under the said