

PRESS RELEASE
dated March 25, 2008

Meeting held at SECP, Karachi Office on March 25, 2008

The following decisions were taken in the meeting held today at SECP Karachi Office to discuss the issues being faced by the market participants in various Markets.

The participants comprising of management, directors of KSE, NCCPL management, representatives from MUFAP, KSE Brokers and officials of SECP attended the meeting, chaired by the Chairman Mr. Razi-ur-Rehman Khan.

- 1. Implementation date of CFS Mk-II** ---- Current CFS Market will run for 41 securities till June 30, 2008 and will have the existing cap of Rs. 55 billion. Existing CFS will be available on securities as attached herewith as Annexure 'A'.

CFS Mk-II Market will have no cap and will be available on the following eligible securities with effect from April 7, 2008.

Category "A" CFS MK -II Eligible Securities		
S. No	Symbol	Name
1	AHBL	Arif Habib Bank Limited
2	CSAP	Crescent Steel
3	HBL	Habib Bank Limited
4	JSBL	JS Bank Limited
5	JSCL	Jahangir Siddiqui & Co.
6	NRL	National Refinery
7	PACE	Pace (Pak) Limited
8	SPL	Sitara Peroxide
9	UBL	United Bank Limited

Category "B" CFS MK -II Eligible Securities		
S. No	Symbol	Name
1	MEBL	Meezan Bank
2	PICT	Pak. Int. Con. Ter.
3	TRIPF	Tri-Pack Films

2. Eligibility criteria of scrips in CFS Mk-II securities will be reviewed by KSE and NCCPL jointly on May 01, 2008 and revised CFS Mk-II eligible securities will be modified accordingly with due notice to Market participants.
3. The current CFS will merge with CFS Mk-II Market with effect from July 1, 2008.
- 4. Margining regime for Finances in CFS Mk-II**

Till July 1, 2008, initial margins in CFS Mk-II will be collected 100% in eligible securities or collateral.

After July 01, 2008, initial margins will be:

- 100% in eligible securities where financing in CFS Mk-II Market remains at or below Rs. 85 billion.
- 10% in cash and rest in eligible securities, where financing in CFS MK-II Market crosses Rs 85 billion but remains at or below Rs 100 billion.
- 20% in cash and rest in eligible securities, where financing in CFS MK-II Market crosses Rs 100 billion but remains at or below Rs 125 billion.
- 35% in cash and rest in eligible securities where financing in CFS MK-II Market crosses 125 billion but remains at or below Rs 150 billion.
- 50% in cash and rest in eligible securities, where financing in CFS MK-II Market crosses 150 billion.

Where any of the above limits is crossed and the respective cash requirement becomes applicable, it shall remain in force irrespective of the fact that the financing has reduced below that limit subsequently.

5. Initial Margins by Financier in CFS Mk – II --- Initial margin for financiers shall be 100% in eligible securities and other acceptable collateral under the NCCPL Regulations from April 7, 2008 and July 01, 2008.

6. Mark to Market Losses and Special Margins for Finanee and Mark to Market Losses of Financier in CFS Mk-II --- 100% in Cash (Bank Guarantees are also acceptable in lieu of margins under the present regulatory framework).

7. Infrastructure requirements --- CFS Mk-II will be implemented on separate terminals for Authorized Financier and Finanee. All market participants shall be required to install the requisite hardware and make it available to KSE and NCCPL for system installation by April 04, 2008.

8. Initial Margin in Cash Settled Futures and SIFC

Initial Margin shall be:

- 100% eligible securities where open interest in the relevant market remains at or below Rs. 10 billion.
- 10% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 10 billion but remains at or below Rs 20 billion.
- 20% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 20 billion but remains at or below Rs 30 billion.
- 35% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 30 billion but remains at or below Rs 35 billion.
- 50% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 35 billion.

9. Initial Margin in Deliverable Futures Market ---

Initial Margin shall be:

- 100% eligible securities where open interest in the relevant market remains at or below Rs. 20 billion.

- 20% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 20 billion but remains at or below Rs 30 billion.
- 35% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 30 billion but remains at or below Rs 35 billion.
- 50% in cash and rest in eligible securities where open interest in the relevant market exceeds Rs. 35 billion.

10. Special Margin in Deliverable Futures Market --- Special margins shall be 50% in cash and rest in eligible securities; however, where open interest in Deliverable Futures Market crosses Rs. 25 billion, special margins will be collected 100% in Cash,

11. The above amendments in the risk management regime for Deliverable Futures, Cash Settled Futures and SIFC Markets will be implemented with effect from the next applicable contract after getting necessary approvals from SECP.

12. It was agreed that release and roll-over in CFS Mk-II Market shall only be allowed in last 5 working days of the contract in CFS Mk-II Market. Unreleased financing shall be forced released on expiration of the maturity of 22 working days.

13. No. of eligible securities in cash settled futures shall be increased to 15 securities at the earliest.

Annexure 'A'

List of Securities Eligible for CFS Market at KSE		
Sr No	Symbol	Securities Name
1	ABL	Allied Bank Ltd.(XDXB)
2	AHSL	Arif Habib Securities Limited.
3	AICL	Adamjee Insurance Co. Ltd.
4	AKBL	Askari Bank Limited.(XDXB)
5	ANL	Azgard Nine Limited.(XD)
6	APL	Attock Petroleum Limited.
7	ATRL	Attock Refinery Limited.
8	BAFL	Bank Alfalah Ltd.(XDXB)
9	BAHL	Bank Al-Habib Ltd.(XDXB)
10	BOP	Bank Of Punjab.(XB)
11	DCL	Dewan Cement Limited.
12	DGKC	D. G. Khan Cement Co. Ltd.
13	EFUG	E. F. U. Gen Insurance Ltd.
14	ENGRO	Engro Chemicals.(XDXR)
15	FABL	Faysal Bank Limited.(XD)
16	FCCL	Fauji Cement Co Ltd.
17	FFBL	Fauji Fertilizer Bin Qasim Ltd.
18	FFC	Fauji Fertilizer Co. Ltd.
19	HUBC	Hub Power Company Limited.(XD)
20	ICI	ICI Pakistan Limited.(XD)
21	INDU	Indus Motor Company Ltd.(XD)
22	KAPCO	Kot Addu Power Company.(XD)
23	LUCK	Lucky Cement Limited.
24	MCB	MCB Bank Limited.(XD)
25	NBP	National Bank Of Pakistan.(XDXB)
26	NCL	Nishat (Chunia) Ltd.
27	NETSOL	NetSol Technologies Ltd.(XB)
28	NIB	NIB Bank Limited.
29	NML	Nishat Mills Ltd.
30	OGDC	Oil & Gas Development Company Ltd.
31	PAEL	Pakistan Elektron Ltd.
32	PKGS	Packages Ltd.(XB)
33	POL	Pakistan Oilfields Limited.
34	PPL	Pakistan Petroleum Limited.
35	PRL	Pakistan Refinery Ltd.(XB)
36	PSO	Pakistan State Oil Co Ltd.(XD)
37	PTC	Pakistan Telecommunication Co.
38	SNBL	Soneri Bank Ltd.
39	SNGP	Sui Northern Gas Pipe Line Ltd.
40	SSGC	Sui Southern Gas Co Ltd.
41	WTL	Worldcall Telecom Ltd.