



# PRESS RELEASE

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(Karachi, October 06, 2009): The Board of Directors of the Karachi Stock Exchange at its meeting held on Monday, October 05, 2009 considered the matter of providing long-term and sustainable liquidity for the growth and development of the Capital Markets. The Board recommended two leverage systems to the SECP, namely: (1) Margin Financing System and (2) Margin Trading System.

The Concept Paper on Margin Financing System was developed by the consultative group of SECP. The KSE Board appreciates the initiative taken by SECP and has requested SECP to facilitate its early implementation through State Bank of Pakistan and National Clearing Company of Pakistan Limited (NCCPL).

The Concept Paper on Margin Trading System has been developed by the Management and Board of KSE in consultation with market participants including potential financiers and financees. This system is envisaged to run in parallel with the Margin Financing System. The KSE Board looks forward to working with SECP for its implementation as it requires significant technology and regulatory development. The Concept Paper will be made available on KSE website shortly.

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