



PAKISTAN STOCK EXCHANGE LIMITED
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UAN: 111-001-122 Fax: 32437560

PSX/N-5413

NOTICE

September 18, 2017

Solicitation of Public Comments

On

**Proposed Reforms under Trade Rectification Mechanism ("the Mechanism")
and consequential changes in the Deposit, Fee, Contribution and Other Sums
Schedule prescribed by PSX under PSX Regulations**

Attention of all TRE Certificate Holders is invited towards the captioned subject.

In order to address Brokers' concerns/ suggestions w.r.t. reforms recently implemented under trade rectification mechanism ("the mechanism") by PSX which were notified vide PSX Notice dated April 24, 2017, the Regulatory Affairs Committee (RAC) of PSX in its meeting held on September 13, 2017 revisited these reforms and recommended certain changes therein along with consequential amendments to the Deposit, Fee, Contribution and Other Sums Schedule prescribed by the PSX under clause 3.4 of PSX Regulations.

Under the proposed mechanism, SYMBOL shall be taken into account for rectification purposes and five instances of rectification of symbols per UIN per Broker shall be permitted during a month. The Salient features of the proposed mechanism along with explanations are enclosed herewith as **Annexure A**. The consequential amendments to the Deposit, Fee, Contribution and Other Sums Schedule prescribed by the PSX under clause 3.4 of PSX Regulations are enclosed herewith as **Annexure B**.

Pursuant to Section 7(3) of the Securities Act, 2015, PSX hereby invites the public to provide comments on the revised reforms and the consequential amendments in relation to the above matter. All concerned are invited to provide written comments on the revised reforms and consequential amendments either in hard form or through email at comments.rad@psx.com.pk latest by **Tuesday, September 26, 2017**.


ABBAS MIRZA

Acting Chief Regulatory Officer

Distribution: TREC Holders of PSX based at Karachi through Karachi Office
TREC Holders of PSX based at Lahore through Lahore Office
TREC Holders of PSX based in Islamabad through Islamabad Office

Cc:

1. The Executive Director (PRDD), SMD, SECP
2. The Managing Director, PSX
3. The Chief Executive Officer, CDC
4. The Chief Executive Officer, NCCPL
5. The Chief Executive Officer, PMEX
6. All Heads of Department, PSX
7. PSX Notice Board & Website

"Annexure A"

SALIENT FEATURES OF THE PROPOSED TRADE RECTIFICATION MECHANISM

The salient features of the proposed reforms under trade rectification mechanism are as follows:

1. **Symbols Orders** shall be taken into account for rectification purpose and five (5) instances of rectification of **symbols orders** per client/ **UIN per Broker** will be permitted during a month;
2. Subsequent to fifth rectified **symbol order** against a specific UIN, Broker shall be responsible to pay fee as specified below:

Sr.#	Symbol Order Slabs (on monthly basis)	Fees as a % of traded value of respective UIN of a Broker in erroneous segment
1.	No. of rectified symbols orders between 6 and 8	0.15%
2.	No. of rectified symbols orders between 9 and 10	0.25%
3.	No. of rectified symbols orders greater than 10	0.5%

3. Fee so collected shall be deposited in the Investor Protection Fund managed by the Exchange.

Note(s):

1. The trade rectification for the purpose of above schedule shall be counted on INTER-SYMBOL as well as INTRA-SYMBOL basis for client/ UIN of a Broker;
 - i. **Explanation-I:** In case of Inter-Symbol, Client/ UIN of Broker shall be allowed to rectify free of charge 5 symbols in a month;
 - ii. **Explanation-II:** In case of Intra-Symbol, Client/ UIN of a Broker shall be allowed free of charge rectification up to 5 times in a same symbol during a month;
2. In case an Order(s) received in a single symbol from a client/ UIN of Broker is executed as a whole or in parts thereof and the executed trade(s) is/ are rectified from wrong client/ UIN (SOURCE) to a single correct client/ UIN (TARGET) of a Broker, then such trade rectification(s) in a single symbol shall be considered as single count for the purpose of trade rectification schedule as specified above;
3. With regards to Trade Rectification instance count:
 - i. Client/ UIN of a Broker through which trade in respective market has been executed (i.e. Client/ UIN of a Broker whose trade is being rectified) shall be considered and
 - ii. Rectification at INTER-SYMBOL as well as INTRA-SYMBOL of a particular UIN of a Broker shall be considered cumulatively for the purpose of above schedule during a month;
4. In case trade(s) is/ are rectified in a symbol(s) between similar UINs' (i.e. SOURCE and TARGET UIN is same) of a Broker, then the system shall not count such instances and such rectifications shall be exempted from imposition of fees scheduled above.



"Annexure B"

**CONSEQUENTIAL AMENDMENTS IN DEPOSIT, FEE, CONTRIBUTION AND OTHER SUMS SCHEDULE
SCHEDULE FOR TRADING FEE**

Market Name	Rate in Rupees	Basis	Mode	Collection Date
Ready Market Trade	2.78916	Rs100,000 /- value trade	Through Payment Order	On Every Settlement Day
Odd Lots Market Trade	3.50191			
Deliverable Futures Contract Market- contract	3.50191			
Futures Trading in Provisionally Listed Securities Market	3.50191			
Cash-Settled Futures Contract Market-contract	3.50191			
Stock Index Futures Contract Market-contract	3.50191			
Squaring-Up Market-trade	3.50191			
Negotiated Deals Market- transaction	2.785			
Debt Market	2.80			
Trade Rectification- transaction	(a) One side of fee applicable to Original Trade.		Value of Rectified Trade	On Month End
	(b) Subsequent to fifth rectified orders symbols against a specific UIN, the fee as specified below shall be applicable in addition to (a) above on the concerned broker:			
	Order Symbol Slabs (on monthly basis)	Fee as % of the traded value of respective UIN of a Broker in erroneous segment		
	No. of rectified orders symbols between 6 and 8	0.15%		
	No. of rectified orders symbols between 8 and 10	0.25%		
No. of rectified orders symbols greater than 10	0.5%			

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