



PAKISTAN STOCK EXCHANGE LIMITED

PSX/N-6557

NOTICE

December 21, 2018

Reproduced hereunder letter No.SMD/SE/2(257)/2015 dated December 21, 2018 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN** regarding **Negotiated Deal Market Transactions** For information of all concerned.

(Copy of the same is also available on our Website www.Psx.com.pk)



Securities and Exchange Commission of Pakistan

Securities Market Division

Policy, Regulation and Development Department

No. SMD/SE/2(257)/2015

December 21, 2018

Mr. Richard Morin,
Chief Executive Officer,
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

SUBJECT: Negotiated Deal Market Transactions

Dear Sir,

The Securities and Exchange Commission of Pakistan (SECP) following detailed consultation with market participants and taking into consideration representations received from the Pakistan Stock Exchange Limited (PSX), in supersession of its earlier letters of even number dated February 02, 2018 and March 22, 2018 has decided to remove the restrictions in the Negotiated Deal Market (NDM) with respect to intra-participant NDM transactions and back-to-back repurchase transactions in NDM between same accounts, with effect from December 31, 2018.

In view of the foregoing, only the following measures/restrictions as communicated vide the SECP letter No. SMD/SE/2(7)/2002 dated May 26, 2015 shall continue to remain applicable from abovementioned date, based on the already prescribed threshold of minimum 10% of average daily volume of each security in ready market during last six months or Rs. 10 million, whichever is lower:

1. NDM transactions below the specified threshold from Sub-to-Sub shall be allowed subject to the following conditions:
 - a. Reasons for such transactions shall be disclosed to PSX;
 - b. Brokers shall submit to PSX written authorities obtained from the respective clients;
 - c. Copies of CNICs of such clients shall also be submitted; and
 - d. Signatures of such clients on the written authorities shall match with the signatures on the CNICs.
2. In case of NDM transactions above the specified threshold from Sub to Sub, the brokers shall obtain and maintain with them written authority from the respective clients. PSX shall require the broker to submit such written authority where frequent transactions are executed from any client account of a broker.
3. NDM transactions above the specified threshold between Sub-to-House shall be allowed subject to below mentioned requirements:
 - a. Reason for such transaction shall be disclosed to PSX;

1/2



Securities and Exchange Commission of Pakistan

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- b. Brokers shall submit to PSX written authorities obtained from the respective clients along with the copies of CNICs in the aforementioned manner.
4. It shall be ensured that only those NDM transactions which fulfill the prescribed conditions are allowed to be reported and settled.
5. Further, gifts to individuals other than blood relatives are currently required to be reported as NDM to PSX. The aforementioned conditions shall also be applicable on such transactions.

PSX is advised to ensure implementation of the above in coordination with the National Clearing Company of Pakistan Limited and Central Depository Company of Pakistan Limited.

Yours truly,

Asif Iqbal
Additional Director

- Cc: (i) Chief Executive Officer, NCCPL
(ii) Chief Executive Officer, CDC
(iii) Acting Chief Regulatory Officer, PSX (ensure circulation among TREC Holders)