



**PAKISTAN STOCK EXCHANGE LIMITED**  
Stock Exchange Building, Stock Exchange Road, Karachi-74000  
Phone: 111-001-122 Fax: **32437560**

**PSX/N-741**

**NOTICE**

**JUNE 17, 2019**

**FOR ALL TRE CERTIFICATE HOLDERS**

**“GUIDELINES FOR PUBLIC ADVERTISEMENT OF BUSINESS OF SECURITIES BROKERS”**

This is in continuation of PSX Notice # PSX/N-708 dated June 03, 2019 whereby PSX informed about the notification of amendments made to Clause 12(7) of the Securities Brokers (Licensing and Operations) Regulations, 2016 by the Securities and Exchange Commission of Pakistan vide S.R.O. 592(I)/2019 dated May 28, 2019.

In compliance with the requirement contained in the aforesaid clause, PSX is pleased to hereby issue the “Guidelines for Public Advertisement of Business of Securities Brokers”, which are attached herewith as **Annexure A**.

Accordingly, all TRE Certificate Holders are advised to ensure that they advertise their business publicly only in accordance with these Guidelines with immediate effect.

**ABBAS MIRZA**

GM & Acting Chief Regulatory Officer

**Cc:**

1. The Executive Director/HOD (PRDD), SMD, SECP
2. The Acting Chief Executive Officer, 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”**

### **GUIDELINES FOR PUBLIC ADVERTISEMENT OF BUSINESS OF SECURITIES BROKERS**

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#### **1. INTRODUCTION:**

Under Clause 12(7) of Securities Brokers (Licensing and Operations) Regulations, 2016 (**Brokers' Regulations**), the securities brokers are required to advertise their business publicly only in accordance with the **guidelines** issued by the securities exchange under its regulations.

As required under the aforesaid clause, PSX hereby issues the following “Guidelines for Public Advertisement of Business of Securities Brokers”.

#### **2. DEFINITION:**

The term “Advertisement” is defined below in light of Clause 2(1)(b) of Brokers' Regulations:

*“advertisement means dissemination or conveyance of information, or an invitation or solicitation, in respect of the services that the securities broker is licensed to carry on, by any means or in any form, including by means of:*

- (i) publication in a newspaper, magazine, journal or other periodical;*
- (ii) display of posters, notices, billboards, hoardings etc.;*
- (iii) circulars, handbills, brochures, pamphlets, books or other documents;*
- (iv) letters addressed to individuals or bodies;*
- (v) photographs or cinematograph films;*
- (vi) sound broadcasting, television, the Internet or other media including social media; or*
- (vii) tele-marketing and SMS marketing.”*

#### **3. GUIDELINES FOR ADVERTISEMENT:**

##### **3.1 Advertisement should mention:**

- (i) Name and logo of securities broker;
- (ii) Registered address of main office of securities broker and preferably all other branch offices;
- (iii) Broker License Number assigned by SECP;
- (iv) TRE Certificate Number assigned by PSX;
- (v) Contact details including web link, helpline number etc.; and
- (vi) Management rating if obtained from a credit rating company licensed by SECP and is valid at the time of issuance of advertisement.

##### **3.2 Advertisement to be published, circulated or distributed should not contain:**

- (i) Any false, misleading, deceptive, biased information;
- (ii) References, directly or indirectly, to any past specific recommendations of the securities broker which were or would have been profitable to any person;

## **“ANNEXURE A”**

- (iii) Any statement(s) that any report, analysis or other service will be furnished free or without charge, unless such report, analysis or service is in fact or will in fact be furnished in its entirety and without any condition or obligation;
  - (iv) Exaggerated and unwarranted facts and figures that are unrelated to the risk and return profile of regulated activities;
  - (v) Superlative terms such as ‘Lowest rates in the market’, ‘the best in the business’, ‘Number 1 broker’, ‘Best broker’, ‘Best services offered’ etc., unless such statements are true and verifiable;
  - (vi) Promise or guarantee any return or make any exaggerated statement or presentation to exploit an individual’s lack of experience and knowledge;
  - (vii) Any adverse reference regarding the reputation of any other securities brokers or a participant of the securities and/or futures market; and
  - (viii) Anything that is prohibited under any other Act, Rules or Regulations.
- 3.3 Information in every advertisement should be accurate, true and fair, clear, complete, unambiguous and concise.
- 3.4 The advertisement shall be legible, written in clear language, and should not be such which may prejudice interest of the investors in general.
- 3.5 In the event of suspension of any TRE Certificate Holder, the TRE Certificate Holder so suspended shall not make any advertisement, either individually or jointly, with any other TRE Certificate Holder during the period of suspension.
- 3.6 Statistical information, charts, graphs etc. when used in the advertisement should be supported by their original source.
- 3.7 PSX reserves the right to direct the TRE Certificate Holder to refrain from issuing any advertisement for a period as it may deem fit.

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