



PSX PRESCRIBES STANDARD RANGE OF BROKERAGE COMMISSION

Islamabad, Karachi, October 14, 2019: PSX vide Notice No. PSX/N-1258 dated 9th October, 2019 issued a notification regarding implementation of standard range/scale of brokerage commission with effect from 14th October 2019. According to the notice, the commission range of 3 paise per share or 0.15% of the transaction value (whichever is higher) up to 2.5% of the transaction value is prescribed. The said notice also prescribes certain flexibilities and exemptions on nature of trades and executors (notice is available on PSX website).

PSX and SECP had observed that many brokerage houses were charging nominal or zero commission rates, which was adversely affecting true competition and creating a disadvantage for market participants in the form of disparity in service standards. This implementation of a standard range of commission would be helpful in enhancing quality standard of brokerage services including research, encouraging expansion of distribution network for brokerage services, improving proficiency and technical infrastructure of brokers and maintaining minimum level of governance and regulatory requirements. All these ensuing reasons will contribute to the economic progression and benefit investors at large in the long run.

As such, PSX, in exercise of its statutory power u/s 7(1)(w) of the Securities Act, 2015 to make regulations relating to brokerage and other charges and after following the due process including extensive consultations with all the stakeholders and with the approval of its Board and SECP introduced the standard range/scale of brokerage commission.

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