



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

PSX/N-6536

NOTICE

November 14, 2016

FOR ALL TRE CERTIFICATE HOLDERS

**AMENDMENTS TO UNIFORM CRITERIA FOR SELECTION OF SECURITIES ELIGIBLE FOR
TRADING IN DELIVERABLE FUTURES CONTRACT AND CASH SETTLED FUTURES CONTRACT
MARKETS**

All TRE Certificate Holders are hereby informed that the Board of Directors of Pakistan Stock Exchange Limited in its meeting held on September 23, 2016 approved amendments in Clause 13 of the "Uniform Criteria" for Selection of Securities for trading in Deliverable Futures Contract and Cash Settled Futures Contract Markets. The Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SMD/SE/8(4)/2008 dated November 11, 2016 accorded its approval for these amendments.

Accordingly, the revised Uniform Criteria, as approved by SECP, are attached herewith as **Annexure A** for your information and record.

SHAFQAT ALI

Chief Regulatory Officer

Distribution: TRE Certificate Holders of PSX based at Karachi through Karachi Office
TRE Certificate Holders of PSX based at Lahore through Lahore Office
TRE Certificate Holders of PSX based at Islamabad through Islamabad Office

Cc:

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

"ANNEXURE A"

REVISED UNIFORM CRITERIA FOR SELECTION OF SECURITIES ELIGIBLE FOR TRADING IN DELIVERABLE FUTURES CONTRACT AND CASH SETTLED FUTURES CONTRACT MARKETS

BASIS OF SELECTION	SECP APPROVED CRITERIA FOR DFC AND CSF MARKETS [New Additions are shown as Bold + Underlined & Deletions as Strikethrough]
Maximum Number of Securities	Top 100 book-entry securities will be selected by giving 50% Weight to Average. Daily Free Float Market Capitalization and 50% Weight to Average Daily Turnover during the previous six (6) months and same will be filtered based on the following criteria:
1. Impact Cost	Securities that have average daily impact Cost of less than 1% during the previous six months
2. Turnover	Securities that have average daily turnover of 0.25% of total average volume of book-entry eligible securities during the review period.
3. Public Float	Securities that have Free Float of more than 35% of issued capital or 60 million Free Float shares.
4. Trading History	Securities that have been traded at least 90% of the trading days during last six months.
5. Listing History	Securities that have been officially listed at the Exchange earlier than last six months period.
6. Auditors Opinion	Securities of the companies that do not have negative/qualified opinion in Auditor's report on the Company's most recent audited annual Financial Statements which may lead to suspension in trading of shares of such company.
7. Investigation	Securities of the companies against which any investigation/enquiry has been concluded with adverse findings of mismanagement shall not be eligible.
8. Defaulters' Segment	Securities of the companies that have not been quoted on the defaulters' segment of the Exchange during last six months.
9. Interim Review of Securities	Clause No. 1, 2, 4, 6, 7 & 8 of the criteria to be reviewed after each 45 days and any security which does not meet any of these criteria shall be executed from the list after giving notice of at least 60 days to market participants.
10. Final Review for Securities	The list of eligible securities will be revised in the first 15 days of January and July every year based on their data of immediate preceding 6 calendar months.
11. Notice Period	Based on the revised list of securities, any security will be notified for inclusion/exclusion in/form the list of securities eligible for trading under the cash-settled and deliverable futures markets after giving notice of at least 30 days to market participants.
12. Review for Criteria	The Exchange may review and change the eligibility criteria as and when required with prior approval of the Commission and notify the change in it, if any, to the market participants.
13. <u>Operating before tax</u> Profit	<p><u>Operating</u> Profit before tax as per <u>standalone</u> audited financial statements in any two of the last three years of <u>commercial</u> operations.</p> <p>In case of a company having operating history of less three years, the company must have completed one year of commercial operations and shown <u>operating</u> profits before tax as per its latest <u>standalone</u> audited financial statements throughout operating history.</p>
14. Eligibility of companies with principal activity in investment/ trading of securities	Securities of listed asset management companies, mutual funds, brokerage houses and companies whose principal activity includes short-term investment/trading in securities shall not be eligible.

End of Uniform Criteria

