



**PAKISTAN STOCK EXCHANGE LIMITED**  
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PSX/N-6119

NOTICE

OCTOBER 17, 2018

**FOR ALL MARKET PARTICIPANTS**

**Strict Compliance with PSX Regulation 10.14 relating to "Short Sale" under Ready Delivery Contract Market (RDCM)**

Attention of all market participants is invited to PSX Regulations 2.4 (ix) & (Ixviii) which define Blank Sale and Short Sale respectively, as reproduced below:

*"2.4 (ix) Blank Sale means a sale by a Broker on its proprietary account or on client's account when the Broker or client does not own shares respectively at the time of sale, or the sale does not constitute a sale with Pre-Existing Interest, or is a sale without entering into a Securities Lending and Borrowing Contract to meet delivery requirements on settlement date".*

*"2.4 (Ixviii) Short Sale means a sale by a Broker, on its Proprietary Account or on Client's Account, when the Broker or client does not own securities respectively at the time of sale or the sale does not constitute a sale with Pre-Existing Interest, but the Broker or the client, as the case may be, has SLB Contract executed through SLB Market at NCCPL in accordance with NCCPL Regulations / Procedures to meet delivery requirements on the settlement date.*

It is emphasized that Sale in RDCM without owning securities or Pre-Existing Interest or Sale without entering into a Securities Lending and Borrowing Contract through designated Short Sale window in Trading System is **Strictly Prohibited** in terms of the above definitions.

Moreover, it is emphasized that strict adherence to all other requirements relating to Short Sale are monitored as enshrined in PSX Regulation 10.14 including requirements relating to position limits on Short Sale without Up-Tick or Zero-Plus Tick as per PSX Regulation 10.14.3, and the same must be ensured by all.

It must be noted that any observance of non-compliance or market manipulation shall be subject to the severest enforcement action(s) against the persons involved.

**ADEEL SHAMSHAD**

Senior Manager | Market Surveillance Department  
Regulatory Affairs Division

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2. The Chief Executive Officer, PSX
3. The Chief Executive Officer, CDC
4. The Chief Executive Officer, NCCPL
5. The Chief Executive Officer, PMEX
6. The Acting Chief Regulatory Officer, PSX
7. All Head of Departments, PSX
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