

COMPLIANCE CALENDAR FOR SECURITIES BROKERS

Periodic / Timebound Requirements

[Updated as of March 28, 2022]

PSX REGULATIONS

| S.No | Regulation Reference | Regulatory Requirements | TimeFrame |
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| Chapter # 04 Trading Rights Entitlement (TRE) Certificate | | | |
| 1 | 4.8.2 | Every TRE Certificate Holder shall, at the end of each quarter, submit pattern of shareholding of the company, Holding Company, if any, and Associated Company if it is declared as its Sponsoring Company in the format specified by the Exchange. | Within fifteen (15) days from the end of each quarter. |
| 2 | 4.17.4 | The Securities Broker, excluding Trading Only Securities Broker mentioned in proviso to regulation 4.17.1, shall submit to the Exchange "Clients' Assets Segregation Statement" as per format prescribed by the Exchange within fifteen (15) days of the end of the latest fortnight | Within fifteen (15) days from each fortnight. For Example : Clients' Asset Segregation Statement (CASS) of December 31 shall be submitted to the Exchange by January 15. |
| 3 | 4.17.5 | The Securities Broker, excluding Trading Only Securities Broker mentioned in proviso to regulation 4.17.1, within forty five (45) days of the close of its financial year shall submit an annual "Clients' Assets Segregation Statement", duly verified by its statutory auditor. | Within forty five (45) days from close of its financial year. For Example : CASS of December 31 shall be submitted to the Exchange by February 15. |
| 4 | 4.18 | Whenever an order of any client has been executed by a Securities Broker, confirmation of such execution shall be transmitted to the said client by the Securities Broker within 24 hours of the execution of such transaction through any previously agreed mode of communication as specified in the CRF and Sahulat Form. The confirmation order shall precisely include the following specific information: (a) Date on which order is executed; (b) Name and number of securities; (c) Nature of trade (SPOT, Ready, Future, Leveraged Market, Debt Market and also whether bought or sold); (d) Price; (e) Commission rate and any other charges; (f) Applicable regulatory levies i.e. trade fee of the Exchange, CDC, NCCPL and SECP etc.; (g) Applicable statutory levies i.e. taxes and duties of federal and provincial government; (h) Whether the order is executed for the Securities Broker's own account or from the market. | Within twenty four (24) hours of execution. |
| 5 | 4.20.2 | The Securities Broker shall register their all employees into the UIN database with all registration details including their respective designations and update/modify the registration details whenever any change occurs. | Within five (05) working days from the date of employment or any change in registration details. |
| 6 | 4.21 | Every Securities Broker shall provide within 15 working days of end of each quarter a quarterly account statement to each of its clients through acceptable mode of communication as provided under CRF and Sahulat Form. The statement must include, inter alia, the following information for the reporting period: (a) cash ledger statement showing opening and closing cash balances; all receipts and payments of money and settlement-wise money obligation debited or credited to the client account; (b) securities positions as per back office record of the Securities Broker showing status of available and pledged securities and reconciliation for any differences between back office record and CDS record; and (c) securities positions as per CDS record. | Within fifteen (15) working days from end of each quarter. |

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| 7 | 4.24.3 | In case of any change in the tariff mentioned under sub-clauses (f) or (g) of Clause 4.18, the Securities Broker shall communicate the change to its clients within seven working days from the effective date of such change. However, any change in the tariff mentioned under sub-clause (e) shall take effect after the same is agreed and duly signed by the clients and the Securities Broker. | Within seven (07) working days of any change. |
| 8 | 4.26 (a) | Every Securities Broker shall submit: Hardcopies of its annual financial statements along with audit report to the Exchange within four months after the end of each financial year. | Within four (04) months from the end of each financial year. |
| 9 | (b) | Hardcopies of its half-yearly financial statements to the Exchange. | Within sixty (60) days from the end of each half year. |
| 10 | (c) | Monthly financial information to the Commission through online Financial Information System (FINS). | within ten (10) days from the close of each month, or such other frequency as may be specified by the Exchange with approval of Commission |
| 11 | Clause 8 of Customer Relationship Form Annexure I of Chapter 4 | Acceptance of Cash in excess of Rs. 25,000/-. | Report within one (01) trading day. |
| 12 | 4.30.2 | The Securities Broker shall submit to the Exchange monthly Liquid Capital statement computed in a manner specified in Schedule III of the Securities Brokers (Licensing and Operations) Regulations, 2016 within 15 days of end of each month. Provided that the Securities Brokers shall be required to disclose the calculation of liquid capital in its annual financial statements on and shall be required to submit statement of liquid capital reviewed by the statutory auditor of the Securities Broker in the manner specified as on close of second quarter of its year of accounts. | Within fifteen (15) days from the end of each month. Brokerage Houses having year end June 30 should submit audited statement of liquid capital as of December 31 within time prescribed by the Clearing House and the Exchange |
| Chapter # 09 Internet Trading Regulations | | | |
| 13 | 9.12.1 | The Broker shall ensure that its IBTS systems, controls and procedures are audited and penetration tested independently, once in every two years, by an audit firm approved by the Exchange. | Once in every two (02) years. |
| 14 | 9.12.2 | The Broker shall submit report of the auditor to the Exchange within two months of the date of the close of its periodic vulnerability assessment, if not assessed by the Exchange itself. | Within Two (02) months from close of periodic vulnerability assessment. |
| 15 | 9.12.3 | If the IBTS audit report or the Penetration Testing and Vulnerability Testing audit report indicates any non-compliance(s) or vulnerabilities in the system, controls or procedures, the Securities Broker shall be liable to rectify such noncompliance(s) /remove the vulnerability and furnish a compliance report to PSX from the auditor, within 30 days from the date of submission of audit report, certifying that the noncompliance(s)/vulnerability has been rectified/removed. | Within thirty (30) days from date of submission of IBTS Audit Report. |

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| Chapter # 12 Market Makers Regulations | | | |
| 16 | 12.6.1 | A Designated Market Maker must give the Exchange at least 10 business days' prior notice of any change in the Designated Market Maker Contact, the Designated Market Maker Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible. | Ten (10) business days prior notice. |
| 17 | 12.6.3 | A Designated Market Maker must give the Exchange at least 60 days' prior written notice that it intends to relinquish its responsibilities in an Assigned Security, unless the Exchange has consented to a shorter notice period. | Sixty (60) days prior notice. |
| Chapter 12A: Market Makers Regulations For Listed Debt Securities Including | | | |
| 18 | 12A.5 (b) | Report any Off Market Transactions executed by it with other Market Makers to the Exchange through electronic mode at the end of each trading day for placement on PSX website. | End of each trading day. |
| 19 | 12A.8 | A Market Maker must give the Exchange at least 3 days' prior written notice that it intends to relinquish its responsibilities for a particular listed Debt Security or add any new listed debt security in its market making portfolio. Provided that for any addition/ deletion in market making portfolio an addendum to the Market Making agreement shall be issued. Provide further that in case of PDs, where market making agreement is not applicable there is no need for an addendum, they just have to inform the Exchange about the change in market making portfolio. The Exchange may also make the above provisions part of Market Maker Agreement. | Three (03) days prior notice. |

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| Chapter # 19 Risk Management Regulations | | | |
| 20 | Schedule I | <p>Review and Updation of BMC</p> <p>1. The Exchange shall determine the required Value of BMC for each Securities Broker on the first working day of every month on the basis of AUC of such Securities Broker as of the last working day of the preceding month.</p> <p><u>2. The Securities Broker shall be required to fulfill any shortfall in the BMC within next five (5) working days of the issue of notice by the Exchange.</u></p> | Within five (05) working days of issuance of notice by the Exchange. |
| 21 | Schedule I | <p><u>Provided that in case value of collateral deposited by a Securities Broker to meet its BMC requirement falls below its required value at trading day end, the Exchange shall require such Securities Broker to deposit the shortfall in any of the forms as mentioned above within one trading day, failing which the Exchange shall restrict/suspend trading rights of such Securities Broker till the time the Securities Broker fulfills its BMC requirement.</u></p> | In case of shortfall, Broker is required to deposit the shortfall in BMC within one (01) trading day. |

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| Chapter # 22 Brokers' Office / Branch Office Regulations | | | |
| 22 | 22.6.8 (c) | The Securities Broker shall ensure the following: Status of Office(s)/Branch Office(s) including their closure or change of Branch Head shall be notified along with reasons of closure in writing to the Exchange within 24 hours for updating the status of Office(s)/Branch Office(s) on its website. | Within twenty four (24) hours. |
| 23 | 22.6.8 (e) | In addition to regular monitoring, the Compliance Officer of the Broker shall confirm to the Exchange on a bi-annual basis that the Office(s) or Branch Office(s) of the Broker is/are in compliance with the applicable regulations of Commission and Exchange. In case of any non-compliance, the Compliance Officer shall report the same to the Broker, Exchange and Commission. | Bi-Annual Basis. |
| 24 | 22.9 | The Securities Broker may temporarily suspend trading facility at the Office(s)/Branch Office(s) with a one month prior notice in writing to the Exchange and all its clients. However, the Securities Broker will ensure that the Office(s)/Branch Office(s) remain open for a period of at least one month thereafter for disposal of pending matters. | Shall remain open for one (01) month from the issue of notice for disposal of matters. |
| 25 | (a) | In case of permanent closure of any Office/Branch Office, the Securities Broker shall: (i) give 90 days prior notice to the Exchange and all its clients for closure of any of its Office/Branch Office along with the specific reason thereof. | Prior ninety (90) days Notice. |
| | | (ii) visibly display notice for closure of its office/branch at the respective location at least 30 days prior to closure of such office/branch office | Thirty (30) days prior to the closure. |
| | | (iii) publish of closure at least 30 days prior to closure of Office/Branch Office in two (English and Urdu) newspapers having wide circulation in the province(s) where its Head Office, Main Office and branch Office(s) is situated. | Thirty (30) days prior to the closure. |
| | | (iv) submit copy of the published notices of closure to Exchange and the Commission within two days of their publication. | Within two (02) days of publication. |
| | | (vi) submit a final statement at least 15 days prior to the closure of Office/Branch Office to the Exchange. | Fifteen (15) days prior to the closure. |
| 26 | (b) | b) The Securities Broker may relocate its existing Office/Branch Office within nearby vicinity of 15 KM provided the Securities Broker shall: (i) report the same to the Exchange 15 days prior to shifting. (ii) inform its clients in writing about new address. (iii) visibly display the information for shifting of Branch shall be at the respective Office/Branch Office at least 15 days prior to its relocation. | Fifteen (15) days prior to shifting / relocation. |
| Chapter 22A: Regulations Governing Opening And Operations Of Account Facilitation/ | | | |
| 27 | 22A.5 (g) | A Securities Broker must prominently display its name and the words "Account Facilitation/ Customer Help Center" in the Center and shall comply with the following obligations with respect to the Center: Notify to the Exchange 15 days in advance regarding the closure of a Center. | Fifteen (15) days prior notice |
| | (h) | The Compliance Officer of the Securities Broker shall confirm to the Exchange on a bi-annual basis that the Center(s) of the Securities Broker is/are in compliance with the requirements of this Chapter. In case of any non-compliance, the Compliance Officer shall report the same to the concerned Securities Broker and the Exchange. | Bi-Annual Basis. |
| Chapter # 23 System Audit [Regulatory Compliance] Regulations | | | |
| 28 | 23.7.1 | Auditor declaration shall be submitted with the Exchange by the Securities Broker. | Within thirty (30) days from intimation letter from the Exchange. |
| 29 | 23.7.4 | Securities Broker shall direct the Auditor to submit its Report directly to the CRO of the Exchange on the format prescribed by the Exchange. | Within Two (02) months from appointment of Auditor. |
| 30 | 23.7.6 | If the Report contains any non-compliance(s), the Securities Broker shall rectify the same immediately and such Securities Broker shall be subject to limited scope audit. The period for limited scope audit shall not be less than 3 months. | LSA Report shall be submitted with the Exchange within fifteen (15) days from end of LSA Period. |

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SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016

| 6 | | | |
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| Financial Resources Requirement | | | |
| 1 | 6 (1)A | With effect from October 1, 2020 or such extended date as may be allowed by the Commission, each securities broker shall be required to comply with and ensure ongoing compliance with the following levels of minimum net worth and net capital balance for each category | Networth to be submitted within fifteen (15) days from the end of each month as prescribed by Exchange. |
| 10 | | | |
| Procedure where license is not granted or renewed | | | |
| 2 | 10 (3) | [An applicant] whose application for renewal of license is refused shall immediately inform all its existing customers, settle all dues of the customers within fifteen days and shall remain responsible for clearing and settlement of all its obligations up to the date on which it has been working as a Securities Broker, in the manner specified by the securities exchange with the approval of the Commission. | Within fifteen (15) days. |
| 11 | | | |
| Cancellation of license | | | |
| 3 | 11(4) | A Securities Broker whose license is cancelled under sub-regulation (3) shall inform all its existing customers, settle all dues of the customers within fifteen days and shall remain responsible for clearing and settlement of all its obligations up to the date on which it has been working as a Securities Broker. | Within fifteen (15) days. |
| 16 | | | |
| Duties and obligations of a Securities Broker | | | |
| 4 | 1 (q) | Maintain a functional and accessible website as per requirements prescribed by the Commission and submit quarterly compliance report to the securities exchange. | Within seven (07) days from the end of each quarter. |
| 27 | | | |
| Customer Complaints | | | |
| 5 | 27 (4) | A Securities Broker shall at the end of each quarter submit information about the number of customer grievances received, redressed and those remaining unresolved beyond three months of the receipt to the securities exchange along with the reasons thereof for delay. | Within fifteen (15) days from the end of each quarter. |

**The term 'day(s)' shall mean calendar day(s), unless specifically stated as working, trading or settlement day(s) when the Exchange is open for business in Pakistan;
In case any action or requirement under these regulations falls due on the day on which the Exchange is closed for business, as announced by the Exchange, the first trading day following the holiday(s) of the Exchange shall become applicable.*

COMPLIANCE CALENDAR FOR SECURITIES BROKERS
Other Situational / Event Based Requirements
[Updated as of March 28, 2022]

PSX REGULATIONS

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| Chapter # 04 Trading Rights Entitlement (TRE) Certificate | | | |
| 1 | 4.5.8 | In case the outgoing TRE Certificate Holder is a Participant of CDC and Clearing Member of NCCPL, it shall be required to notify the CDC and NCCPL about its application made to the Exchange for transfer of TRE Certificate and shall also submit to the Exchange, NOC of CDC and NCCPL in this regard. Provided that if the transferor is a Trading Only Securities Broker, it shall notify PCM or Trading and Clearing Securities Broker, as the case may be, about its application made to the Exchange for transfer of TRE Certificate and shall also submit to the Exchange the NOC of PCM or Trading and Clearing Securities Broker, as the case may be. | Along with the transfer request. |
| 2 | 4.12.1 | A Broker engaged in preparation, writing and/or publication of a research report or substance of a research report or making a public appearance concerning a listed security or a public offer shall comply with the requirements as specified in the Research Analyst Regulations, 2015. | At all times. |
| 3 | 4.12.2 | The sponsors, directors and employees of brokerage houses shall exercise due care and diligence and shall be mindful of their obligations and responsibilities in the capacity of a regulated entity and capital market intermediary while commenting or interacting with the media in any manner. | At all times. |
| 4 | 4.13 | Every TRE Certificate Holder of the Exchange shall immediately report to the Exchange of any violation of any provisions of these Regulations by any TRE Certificate Holder, which may come into its notice. | On immediate basis. |
| 5 | 4.14 | Each applicant shall be required to pay a fee, deposit, charges, contribution or any other sums to the Exchange with the application for issuance or transfer of TRE Certificate, from time to time with the approval of the Commission. | Prescribed by the Exchange. |
| 6 | 4.15.5 (c) | Securities Brokers shall incorporate any amendments in CRF and Sahulat Form for their new Customers including any change in Terms and Conditions immediately upon coming into effect of such amendments. | On immediate basis. |
| 7 | 4.15.5 (d) | Any amendment in the CRF and Sahulat Form pertaining to roles and responsibilities of Securities Brokers shall be binding as per the date notified by the Exchange with the approval of the Commission, whether or not such amendments have been incorporated in the manner specified above. | As per the date notified by the Exchange with the approval of the Commission. |
| 9 | 4.16.1 | The Securities Brokers shall comply with the requirements as specified in the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 and the Guidelines on AntiMoney Laundering, Countering Financing of Terrorism, and Proliferation Financing issued by the Commission and as may be amended from time to time. | At all times. |
| 10 | 4.17.1(c) | The Securities Broker shall report the Exchange in writing explaining the reason for utilizing the Collateral Account and/or for holding client's securities immediately after such transfer. | On immediate basis. |
| 11 | 4.17.2 | Except as permitted above, the clients' funds and securities shall not be used by the Securities Broker for any purpose other than as authorized by the client in writing in the manner and procedure prescribed by the Exchange, NCCPL and/or CDC. The Securities Broker shall be obliged to maintain and furnish documentary evidence to substantiate the compliance with the above regulations as and when required by the Exchange. | As and when required by the Exchange. |
| 12 | 4.19 | General obligations relating to leveraged market shall be followed by Broker: | At all times. |
| 13 | 4.19.1 | No trade is executed by the Securities Broker on behalf of a client in the Leveraged Market unless an appropriate agreement has been executed between the Securities Broker and such client. | At all times. |
| 14 | 4.19.2 | All risks involved in the relevant trades have been fully disclosed and the Securities Broker has obtained a written confirmation from its clients that they have understood and have the ability to bear the risks in such trades. | At all times. |

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| 15 | 4.19.3 | The options available to a client in respect of various financing facilities in the securities markets have been fully disclosed and explained to the clients. | At all times. |
| 16 | 4.19.4 | All provisions of the Anti-Money Laundering Act, 2010 (Act VII of 2010) and any rules and regulations made there-under are complied with at all times. | At all times. |
| 17 | 4.19.5 | The credit worthiness of clients is evaluated through a proper credit risk assessment methodology and credit limits are assigned to each client beyond which the client shall not be allowed to take a position in the Leveraged Market. | At all times. |
| 18 | 4.19.6 | Maintenance of records evidencing compliance with the aforesaid obligations and that such records remain available for inspection by the Commission or any other person authorized to do so, at any time. | At all times. |
| 19 | 4.23.1 | The Securities Brokers or PCM as the case may be shall receive and make payments of Rs. 25,000/- and above from/to customers drawn on customer's own bank account, in the name of customers only in the manner as provided in the Terms and Conditions for Trading Account in CRF and Sahulat Form. | At all times. |
| | 4.23.2 | <p>The Trading Only Securities Broker shall not receive or make payment to its customers whose custody of securities is maintained with PCM or Trading and Clearing Securities Brokers and shall ensure that such customers receive or make payment only from/to PCM or Trading and Clearing Securities Brokers, as the case may be, either directly or through the Trading Only Securities Broker, in the same manner as specified in Clause 4.23.1.</p> <p>Provided that where payment is made from/to PCM or Trading and Clearing Securities Brokers, as the case may be, through the Trading Only Securities Broker, the Trading Only Securities Broker shall only facilitate the payment and shall not at any time receive any payment in its name or account.</p> <p>Provided that the Trading Only Securities Broker shall not accept or receive any cash, subject to such conditions as imposed under these Regulations, or electronic transfer of funds from customers on behalf of PCM or Trading and Clearing Securities Brokers</p> | At all times. |
| 20 | 4.24.1 | Every Securities Broker shall provide to its clients a tariff schedule annexed to CRF and Sahulat Form which should contain the information as prescribed under Clause 4.18 (e), (f) and (g). | At all times. |
| 21 | 4.24.2 | The tariff schedule as mentioned above shall be signed by the clients and the Broker. | At all times. |
| 22 | 4.25.1 (a) | The TRE Certificate Holders shall: Ensure that the software or application, which means electronic data processing system; excluding network or communications equipment; for the purpose of this clause, used directly or indirectly for the purpose of trading, risk management, clearing and settlement, and preparation and maintenance of books and accounts etc. meet the bare minimum standards/specifications, regular testing including vulnerability assessment and penetration testing and certification requirements prescribed by the Exchange from time to time. | on immediate basis. |
| 23 | 4.25.1(b) | Comply with information technology and information security requirements as prescribed by the Exchange. | At all times. |
| 24 | 4.25.1(c) | Submit to the Exchange an audit report/certificate of the auditor for appropriateness of necessary controls and safeguards put in place in relation to information security arrangements. | As and when required by the Exchange. |
| 25 | 4.25.1(d) | Use the software either procured from the eligible vendors or provided by the Exchange or developed in-house by the software development team of the TRE Certificate Holder. The Exchange shall make available the eligibility criteria and the list of eligible vendors on its website. | At all times. |
| 26 | 4.25.1(e) | Ensure that the Exchange provided endpoint security/antivirus solution remain installed and operational at all times on all trading terminals. | At all times. |
| 27 | 4.25.1(f) | Ensure that only Exchange certified ancillary software are installed on the trading terminals. | At all times. |
| 28 | 4.26 (d) | Any other information or reports in such form and manner and within such time as may be specified and required by the Commission and/or the Exchange from time to time or as and when the need arises. | As and when needed. |
| 29 | 4.30.1 | The Securities Brokers shall maintain the minimum amount of Liquid Capital as specified by the Commission in the Securities Brokers (Licensing and Operations) Regulations, 2016 and related ratios as may be notified by the Commission from time to time | At all times. |
| 30 | 4.30.3 | In case the liquid capital falls below the specified threshold, the securities broker shall immediately notify the Exchange and the Commission and submit the revised liquid capital calculations to the Exchange and the Commission | On immediate basis. |

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| Chapter # 07 Proprietary Trading Regulations | | | |
| 31 | 7.2.1 | All orders to buy or sell securities that a Securities Broker, or an Associated Person may place shall be entered, in the chronological order in an order register (either manual or electronic) and/or order log maintained by telephone recording to be maintained by the Securities Broker in a form which shows the name of the person who placed the order and the time at which the order is received, the name and number of securities to be bought or sold, nature of the trade clearly indicating in writing a proprietary trade and the limitation, if any, as to the price of the securities or the period for which the order is to be valid. | At all times and on immediate basis. |
| 32 | 7.4.1 | The Broker shall disclose to its customer placing an order in a particular security, while accepting such order, whether it intends to or is carrying out Proprietary Trading in that security on that particular day. | At all times. |
| 33 | 7.4.2 | The Broker, if doing Proprietary Trading through Agents/traders, shall disclose the name(s) of such persons to his customers. | At all times. |
| 34 | 7.5 | Every Securities Broker who engages in Proprietary Trading shall have a separate account. The account shall be in the name of the Securities Broker, an Associated person and the title of the account must contain the word "proprietary". The account(s) shall be used for all trades involving Proprietary Trade. | At all times. |

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| Chapter # 09 Internet Trading Regulations | | | |
| 35 | 9.5.1 | The Securities Broker shall enter into an agreement with the client to whom it offers IBTS, which would contain appropriate disclosures highlighting the risks associated with internet trading. | At all times. |
| 36 | 9.6 (f) | Provision of user manual of IBTS containing complete system and interfaces documentation on its website. | At all times. |
| 37 | 9.9 (d) | Information regarding any disruption in the online trading services either on part of the Broker or the third party vendor, is immediately disclosed on its website and to its clients. | On immediate basis. |
| 38 | 9.11 | The Securities Broker providing IBTS shall maintain monthly reports on the reliability and compliance status of the service. | At all times. |
| 39 | 9.13.1 | The Securities Broker providing IBTS shall ensure that its website contains following information in plain English and Urdu language and in an easily accessible form: (a) A basic explanation of securities trading; including definitions of common terms used on the trading screen; (b) A general statement and information regarding the manner, in which orders are accepted, processed, settled and cleared via the internet; (c) Disclosure of various risks of securities trading, including the risk of systems outages and failures and any alternative means of placing orders; (d) Procedures to cancel pending orders during a system failure; (e) Rules and regulations affecting inter-alia client broker relationship, arbitration procedures and any other useful information from the perspective of Investor protection; (f) Hyperlink to the websites/page on the websites of the Exchange and the Commission displaying relevant rules, regulations, guidelines of the Exchange and Commission, information regarding the rights and obligations of the Investors and the Broker; Investor's guidelines issued by the Exchange and the Commission, relevant legal provisions for Investor protection and the complaint handling and arbitration procedures etc.; (g) Hyperlink to the websites/page on the websites showing information relating to UIS Services of NCCPL and SMS, IVR and Investor Account services of CDC. | At all times. |
| 40 | 9.13.2 | The Securities Broker providing IBTS shall ensure that the ticker, quote and order book displayed on its website displays the time stamp as well as the source of information against any given information. | At all times. |
| Chapter # 10 Ready Delivery Contracts Market Regulations | | | |
| 41 | 10.8.2 | Buying Securities Brokers are required to notify to the Clearing House for non-receipt of deliveries, if any, before opening of Ready Delivery Contract Market on next Trading Day after the Settlement Day on which fail deliveries are due. | The buyer for non-receipt of delivery shall inform Clearing House on or before opening of market on next trading day after settlement date. |
| Chapter # 12 Market Makers Regulations | | | |
| 42 | 12.6.2 | A Designated Market Maker must inform the Exchange immediately if market conditions in any of its Assigned Securities has changed such that it is not possible for the Designated Market Maker to carry out its responsibilities. | On immediate basis. |
| Chapter # 13 Deliverable Futures Contract Market Regulations | | | |
| 43 | 13.4.2 | Trading in Deliverable Futures Contract shall take place through KATS. | At all times. |
| 44 | 13.6.2 | Each Securities Broker entering into Deliverable Futures Contract shall pay Mark-to-Market Losses in accordance with NCCPL Regulations. | At all times. |
| 45 | 13.6.4 | In case of failure of any Securities Broker to deposit Exposure Margins/MtM Losses, it shall be subject to such conditions and requirements as prescribed under the NCCPL Regulations. | At all times. |

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| Chapter # 14 Cash Settled Futures Contract Market Regulations | | | |
| 46 | 14.2.2 | Any Securities Broker may enter into CSF Contracts under this chapter subject to prior notification in writing to the Exchange. | Prior written notification. |
| Chapter # 15 Index Option Contracts Market Regulations | | | |
| 47 | 15.2.2 | Any Securities Broker may enter into Option Contracts under these Regulations subject to prior notification in writing. | Prior written notification. |
| 48 | 15.2.4 | The Option Contract as specified in these Regulations shall be deemed to have been executed into when a buyer/seller accepts a bid/offer in the Index Options Market. | At all times. |
| 49 | 15.2.11 | Only an eligible Option Writer shall be allowed to write an Option Contract without any open purchase position in such Option Series. Provided that a buyer/holder of an Option Contract may sell an option contract in the same Option Series only to the extent of squaring up an earlier open purchase position in the same Option Series. | At all times. |
| Chapter # 17 Stock Index Futures Contract Market Regulations | | | |
| 50 | 17.2.1 | Trading in SIFC Market shall take place only through KATS. | At all times. |
| 51 | 17.2.2 | Any Securities Broker can enter into SIFC Market under these Regulations subject to prior notification in writing to the Exchange. | As and when needed. |
| 52 | 17.2.8 | There shall be no adjustment for cash Dividends, Bonus and Right issue in the SIF Contracts. | At all times. |
| Chapter # 19 Risk Management Regulations | | | |
| 53 | 19.2 | Every Securities Broker desiring to trade in any Market shall be required to maintain a Base Minimum Capital of the amount and in the form as calculated/prescribed in Schedule-1 annexed to this Chapter. | All the times. |
| 54 | 19.5 | It shall be obligatory upon the Securities Broker trading/taking exposure in any Market under these Regulations to take all margins and MtM losses from their respective clients in accordance with total Margin Requirements as prescribed by the NCCPL. Such prescribed margin shall be the minimum margins that must be taken by the Securities Broker from their respective clients while trading/taking exposure on behalf of such client. The Exchange shall ensure compliance of this requirement through appropriate procedures including auditing and inspection of records, provided that the Securities Brokers may not, if so desire, collect applicable margins and MtM Losses from their institutional clients who directly settle their trades through NCCPL as its Non-Broker Clearing Members. Provided further that in case where margins are not collected from any institutional client, the Securities Broker shall remain responsible for payment of all applicable margins to NCCPL in accordance with NCCPL Regulations. The collection of any type of margin by a Securities Broker from its client/client(s) shall be the sole responsibility of such Securities Broker; nevertheless, any failure of the client to pay such margin shall not affect the obligation of the Securities Broker to pay such margin to the NCCPL. | At all times. |

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| Chapter # 22 Brokers' Office / Branch Office Regulations | | | |
| 55 | 22.3 (h) | Branch-wise list of employees, along with their CNIC and residential and permanent addresses and the same information shall be updated on UIN database of NCCPL. | Before opening of branch. |
| 56 | 22.3 (i) | The Broker shall submit details of the number of trading workstations connected through KATS, KITS, IBTS, Fix Gateway etc. including IP addresses of each such terminal installed at the new branch, within one month from the date of opening of branch. | Within one (01) month from the date of opening of Branch. |
| 57 | 22.6.1 | The Securities Broker desirous of opening office/branch within or outside Exchange must prominently display its name outside the Broker's Office/Branch Office. | At all times. |
| 58 | 22.6.2 | The Securities Broker shall keep and maintain all the client related record/information of the Office/Branch Office at the Head Office/ Registered Office and shall make necessary arrangements to provide at all reasonable times respective information/record to their clients dealing through such Office(s)/Branch. | At all times. |
| 59 | 22.6.3 | <p>The Securities Broker shall keep displaying at all the times at a visible location at the reception/front office of the Office(s)/Branch Office(s) the following information:</p> <p>(a) Certificate of Registration of Office/Branch Office.</p> <p>(b) Names of persons and their signatures authorized by the Broker to deal with the customers.</p> <p>(c) The standard text provided by the Exchange after due approval of the Commission, disclosing the remedy and process how to approach the Exchange in case of non-resolution of complaints.</p> <p>(d) Standees about the products, the Broker is selling and the procedures of how investments can be made therein as per the specimen attached as Annexure-D. Such information shall be displayed in Urdu language in a clear and concise manner with the logo of "Jama Punji" covering the following contents:</p> <p>(i) Who is Stock Broker;</p> <p>(ii) Procedure for investment in stock market;</p> <p>(iii) Procedure for opening an account with CDC.</p> <p>(e) Investors Guide, issued by the Exchange.</p> <p>(f) All payments from the clients to the Securities Broker or PCM, as the case may be, shall be made in the name of such Securities Broker or PCM, through "A/c Payee Only" crossed cheque, bank drafts, pay orders or other banking channels only.</p> <p>(g) The Trading Only Securities Broker does not receive or make payment to its customers whose custody of securities is maintained with PCM or Trading and Clearing Securities Brokers and such customers shall receive and are required to make payment only from/to PCM or Trading and Clearing Securities Brokers.</p> <p>(h) Any change in email address, mobile number, office phone number, mailing address, registered/permanent addresses or other related information should be intimated immediately to the broker. Provided that the information mentioned in sub-clause (f), (g) and (h) of this clause shall also be prominently displayed at the official website and all social media platforms of the Broker. Provided further that the display requirement prescribed in sub-clause (g) of this clause shall apply only in case of Trading Only Securities Broker, which shall also be required to display such information at its website, stationery and such other communications, platforms etc. as specified by the Exchange.</p> | At all times. |
| 60 | 22.6.4 | <p>A BOARD AT A CONSPICUOUS PLACE AT THE RECEPTION/FRONT OFFICE WHICH SHOULD CONTAIN</p> <p>(a) Name of the person authorized to deal with the customers.</p> <p>(b) A warning that the branch cannot deal in cash, except as provided in the CRF and Sahulat Form.</p> <p>(c) That the customer must demand deliveries as per these Regulations.</p> <p>(d) That nobody is authorized to take deposit money on fixed profits which is illegal.</p> | At all times. |

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| 61 | 22.6.5 | The Broker shall at the time of change of Branch Head of its Office/Branch Office, publish a public notice in two (English and Urdu) newspapers having wide circulation in the province(s) where registered office and Branch Office(s) is situated. The said notice should also be displayed at visible place in Office(s)/Branch Office(s) | Prior to the change in Branch Office. |
| 62 | 22.6.6 | The Securities Broker shall ensure that all stationery, i.e. confirmation, contract, cash memo and any other document will be issued by the Securities Broker only in its name and shall state such particulars and shall be in accordance with such form and manner as specified by the Exchange. | At all times. |
| 63 | 22.6.7 | The Securities Broker shall ensure the following with respect to their Office(s)/Branch Office(s): (a) It shall employ any person who has not been convicted of any non-compliance and violation by the Exchanges, Commission and/or any other competent authority; (b) Properly trained staff/human resources; (c) Security arrangements including installation of CCTV cameras for the safety of staff and record; (d) Proper arrangement for guidance and customer support for filling up of CRF and Sahulat Form and completion of documentation; (e) Drop box facility for collection of complaints; (f) Product information related to various products/services being offered by the Securities Broker at the Office/Branch Office through printed brochure for the information of potential/existing clients. | At all times. |
| Chapter 22A: Regulations Governing Opening And Operations Of Account Facilitation/ Customer Help Centers By Securities Brokers | | | |
| 64 | 22A.5 | A Securities Broker must prominently display its name and the words "Account Facilitation/ Customer Help Center" in the Center and shall comply with the following obligations with respect to the Center: | |
| 65 | (a) | Display on its official website the list and addresses of all Centers, the names and contact details including official email address of employees and Designated Employees deputed at the Center. The Securities Broker shall update such information as and when any change occurs. | At all times. |
| 66 | (b) | Display a board/standee at a conspicuous place at the reception/front desk of the Center, clearly mentioning in English or Urdu and regional language, the following: (i) Trading and investment advisory activities shall not be performed at the Center. (ii) No cash dealing shall be allowed at the Center. (iii) CRF and Sahulat Forms along with Risk Disclosure Document, applicable Tariff Structure, Investor Awareness Guide can be obtained from the Center. (iv) While using sales office(s) of the Designated Entity, it shall be clearly displayed that, the products being marketed by the Securities Broker in the Center are separate and carry a different risk profile from that of the products and services of the [Name of the Designated Entity]. | At all times. |
| 67 | (c) | Register every person deputed at the Center as 'employee' in NCCPL's UIN Database. Provided that the 'Designated Employees' employed by the Securities Broker shall not be required to be registered as 'employee' in UIN Database of NCCPL. Instead, the Securities Broker shall display the list of Designated Employees on its official website as required under clause 22A.5.(a) | At all times. |
| 68 | (d) | Provide relevant trainings to the Designated Employees before engaging them for performing functions as specified in this Chapter. | At all times. |
| 69 | (e) | Provide visiting cards to its employees and Designated Employees; mentioning their name, designation, official contact details, name of Securities Broker and address of Center. | At all times. |
| 70 | (f) | All written communications made by the employees and Designated Employees shall be through official e-mail addresses/ letterheads of the Securities Broker. | At all times. |

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SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016

| 13 Disclosure of financial risks | | | |
|-----------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1 | 13 (1) | A Securities Broker shall not commence business with a customer unless such Securities Broker provides the customer with a risk disclosure document in accordance with the specimen provided by the securities exchange, inter alia containing the basic risks involved in trading in securities [and/or futures contracts] ¹ including explanation of the following: (a) the risk of higher volatility which may affect the complete or partial execution of an order and the price at which it may be executed; (b) risk of lower liquidity; (c) speculative trading; (d) risk of wider spread; (e) price fluctuations due to corporate announcements; (f) systemic risk; and (g) specific risks of trading [in futures and] ² leverage markets etc. | At all times. |
| 2 | 13 (2) | The Securities Broker shall obtain a written acknowledgment duly signed and dated by the customer confirming that such customer has understood the nature and contents of the risk disclosure document. | At all times. |
| 16 Duties and obligations of a Securities Broker | | | |
| 3 | 1 (h) | remain in compliance with the licensing requirements at all times and inform the Commission immediately when it is non-compliant with any of the said requirements. | On immediate basis. |
| 29 Appointment and functions of Compliance Officer | | | |
| 4 | 29 (4) | Where the Securities Broker fails to take steps as required under sub-regulation (3) the compliance officer shall immediately inform the securities exchange and the Commission of the non-compliance by the Securities Broker. | On immediate basis. |

****Pakistan Stock Exchange Limited (PSX) is publishing the "Compliance Calendar" in order to make the Securities Brokers aware of their reporting and compliance obligations as well as their related timelines and frequencies. This Calendar shall provide ease of understanding with regard to the compliance regime and facilitate in meeting their reporting obligations. However, this Calendar should not be construed as all-inclusive of the applicable regulatory requirements. Securities Brokers are advised in their own interests to read and understand the applicable securities rules and regulations as framed by Securities and Exchange Commission of Pakistan (SECP) and PSX to obtain complete understanding of their rights and obligations.**