



KARACHI STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000
UAN : 111-001-122, Fax (021) 32462640

KSE/N- 3550

July 10, 2015

NOTICE FOR ALL TRE CERTIFICATE HOLDERS/BROKERS **CLARIFICATION IN RELATION TO OFF MARKET (NDM) TRANSACTIONS** **VARIFICATION**

In continuation of our Notice No.3403 dated July 1, 2015 on the subject, whereby stringent reporting requirements and comprehensive verification procedures were introduced in the functioning of Off Market (NDM) transactions by the Exchange to ensure that these transactions are carried out in a transparent manner and the contents of such trades are properly disclosed and verified.

Further, it is hereby clarified that the verification as mentioned in the above referred Notice shall not be required for those Off Market (NDM) transactions where settlement of shares is taking place in those CDC accounts which are not in the control of the respective Brokers/Participants, such transactions may include:

1. Transactions of Foreign Institutions/ Clients which are affirmed and settled by the custodian banks directly with the NCCPL.
2. Transactions of Institutional Clients affirmed and settled by respective institutions directly with NCCPL.
3. Transactions of clients affirmed through either Direct Settlement System (DSS) of CDC or National Custodian Services (NCS) of NCCPL for the settlement.

It may further be noted that in case of failure of affirmation for aforesaid transactions, the settlement of such transactions shall take place as per the clause No.11A.2.1 (b) of NCCPL Regulations and the Exchange shall carry out post trade/ settlement verification of the same. It shall be the responsibility of concerned Broker to submit all related documentary evidences as mentioned in our aforesaid notice along with valid reasons for rejection/failure of affirmation by the respective client within three days of such rejection / non-affirmation of respective trades.

In case the concerned Broker fails to provide required documentary evidence/ satisfactory information w.r.t post trade verification of these off market transactions, the Exchange reserve the right to take appropriate enforcement actions against such brokers.

Haroon Askari
Head of operations

Copy to:

01. The Executive Director (PRDD), SMD, SECP, E-mail: gmd.notices@secp.gov.pk
02. The Managing Director, Karachi Stock Exchange Limited
03. The Managing Director, Lahore Stock Exchange Limited
04. The Managing Director, Islamabad Stock Exchange Limited
05. The Chief Executive Officer, Central Depository Company of Pakistan Limited
06. The Chief Executive Officer, National Clearing Company of Pakistan Limited
07. All Head of Departments-KSE
08. KSE Website