



# PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road,  
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PSBA/Notice-033

June 03, 2021

## NOTICE FOR MEMBERS

### COMMENTS ON PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX) REGULATIONS IN RELATION TO VARIOUS MATTERS

This refers to the notification PSX/N-664 dated June 02, 2021 (<https://www.psx.com.pk/psx/file/167670-1.pdf>), whereby, the Exchange has invited the comments on proposed amendments to PSX Regulations in relation to various matters.

In this regard, the members are requested to kindly submit the comments, if any, with the Association Office through email at [psamail024@gmail.com](mailto:psamail024@gmail.com) latest by **June 07, 2021**, so that a consolidated response is submitted with the authorities for their consideration.

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**BILAL FAROOQ ZARDI**  
Secretary General

#### Copy to:

1. All Members
2. PSBA Website



**INVITATION OF PUBLIC COMMENTS**

**PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX)  
REGULATIONS IN RELATION TO VARIOUS MATTERS**

This is to inform the public that the PSX, in exercise of power conferred upon it under section 7 of the Securities Act, 2015, is proposing to carry out amendments to PSX Regulations in relation to the following matters:

**(A) PROHIBITING BROKERS, THEIR SPONSORS, DIRECTORS AND EMPLOYEES FROM INDUCING TRADING IN SECURITIES BY GIVING FALSE, MISLEADING, DECEPTIVE OR BIASED STATEMENT, PROMISE, FORECAST OR INVESTMENT ADVICE:**

With a view to safeguard the interests and rights of investing public and prohibit deceptive practices related to securities market in any manner, PSX is proposing to prohibit following activities through its Regulations:

- a. Fraudulently inducing trading in securities and futures contracts based on false, misleading, deceptive or biased information in any manner whatsoever;
- b. Engaging in any regulated activity unless authorized by the relevant regulator/ licensing authority for that particular activity; and
- c. Promising or guaranteeing any return, making any exaggerated statement, presenting unwarranted facts and figures or engaging in illegal deposit taking activities.

**(B) REQUIRING BROKERS, THEIR SPONSORS, DIRECTORS AND EMPLOYEES TO EXERCISE DUE CARE AND DILIGENCE AND BE MINDFUL OF THEIR OBLIGATIONS AND RESPONSIBILITIES WHILE MAKING ANY STATEMENT OR COMMENTING REGARDING RELEVANT REGULATORY AUTHORITY ON MEDIA:**

It is important that the regulated persons exercise due care and diligence and be mindful of their obligations while making any statement or comments on media which may adversely affect investors' confidence, trust and sanctity of the regulators and capital market institutions. The regulated persons can raise their genuine concerns directly with the regulators at an appropriate forum for effective redressal.

In order to give effect to the above, PSX has proposed amendments to its Regulations, which are attached herewith as **Annexure A**.

**(C) ALLOWING OPENING OF TRADING ACCOUNT OF A LOCAL CUSTOMER BASED ON KYC INFORMATION SHARED BY DESIGNATED BANK IN PAKISTAN:**

Presently, the brokers are required to perform KYC verification process of new customers as part of account opening process, unless otherwise specified in the PSX Regulations.

In order to make the account opening process swift and easy, minimize duplication of work and increase customer base in securities market, KYC information of a local customer available with banks is planned to be utilized by brokers while opening trading account of that customer.

In this regard, PSX is proposing to insert enabling provisions in clause 4.15 of PSX Regulations. Moreover, various requirements relating to opening of account of customers mentioned in the said clause have been segregated by creating new headings to bring clarity and facilitate ease of understanding.

The proposed amendments to PSX Regulations are attached herewith as **Annexure B**.

**(D) ENHANCING PENALTIES APPLICABLE ON LISTED COMPANIES FOR VIOLATING CERTAIN CLAUSES OF CHAPTER 5 OF PSX REGULATIONS:**

With a view to create deterrence against certain cases of violations of material nature, PSX is proposing to enhance the amount of fines specified for such violations keeping in view the interests of investing public. The proposed amendments to PSX Regulations are attached herewith as **Annexure C**.

**INVITATION OF PUBLIC COMMENTS:**

In terms of Section 7(3) of the Securities Act, 2015, all interested parties are invited to provide written comments on the proposed regulatory amendments, which are attached herewith as mentioned above. The comments can be submitted through any of the following modes latest by **June 09, 2021** in the manner as suggested in the 'Guidelines for Submission of Comments' attached herewith as **Exhibit A**:

Email	<a href="mailto:comments.rad@psx.com.pk">comments.rad@psx.com.pk</a>
Mail	The Chief Regulatory Officer, Regulatory Affairs Division, 2 <sup>nd</sup> Floor, Administration Building, Pakistan Stock Exchange Building, Pakistan Stock Exchange Road, Karachi – 74000.



**AJEET KUMAR**  
Chief Regulatory Officer

**Cc:**

1. The Director/HOD (PRDD), SMD, SECP
2. All Listed Companies of PSX through PUCARS
3. The Chief Executive Officer, PSX
4. The Chief Executive Officer, CDC
5. The Chief Executive Officer, NCCPL
6. The Chief Executive Officer, PMEX
7. The Professional Clearing Member
8. PSX Website

**“ANNEXURE A”**

**PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO:**

- (A) Prohibiting brokers, their sponsors, directors and employees from inducing trading in securities by giving false, misleading, deceptive or biased statement, promise, forecast or investment advice; and
- (B) Requiring brokers, their sponsors, directors and employees to exercise due care and diligence and be mindful of their obligations and responsibilities while making any statement or commenting regarding relevant regulatory authority on media.

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<b>Chapter 2: INTERPRETATION AND DEFINITIONS</b>		
<b>New Insertion</b>	<p><b>2.4. GENERAL DEFINITIONS:</b></p> <p><u><b>lxiv.A. “Media” for the purpose of these Regulations shall mean the following:</b></u></p> <p><u><b>(i) newspaper, magazine, journal or other periodical;</b></u></p> <p><u><b>(ii) posters, notices, billboards, hoardings etc.;</b></u></p> <p><u><b>(iii) circulars, handbills, brochures, pamphlets, books or other documents;</b></u></p> <p><u><b>(iv) letters addressed to individuals or bodies;</b></u></p> <p><u><b>(v) photographs or cinematograph films;</b></u></p> <p><u><b>(vi) broadcasting, television;</b></u></p> <p><u><b>(vii) the internet, e-mail services, web blogs, webinars, instant messaging applications or any social media platform; and</b></u></p> <p><u><b>(viii) tele-marketing and SMS marketing.</b></u></p>	To define this term for clarity.
<b>Chapter 4: TRADING RIGHTS ENTITLEMENT (TRE) CERTIFICATE</b>		
<b>New Insertion</b>	<p><u><b>4.30. OBLIGATIONS OF SECURITIES BROKERS AND RELATED PERSONS WHILE INTERACTING WITH OR ON MEDIA:</b></u></p> <p><u><b>4.30.1. The Securities Broker, its sponsors, directors and employees shall not:</b></u></p> <p><u><b>(a) Fraudulently induce or attempt to induce general public in any manner whatsoever including on</b></u></p>	To prohibit these activities through PSX Regulations with a view to safeguard the interests and rights of investing public and prohibit deceptive

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p><u>Media to subscribe for, or engage in trading of Listed Securities and Derivative Contracts or giving false impression about prevailing market conditions by making any statement, promise or forecast or giving investment advice that is false, misleading, deceptive or biased.</u></p> <p>(b) <u>Engage in any regulated activity unless authorized by the relevant licensing authority for that particular activity.</u></p> <p>(c) <u>Promise or guarantee any return, make any exaggerated statement, present unwarranted facts and figures or engage in deposit taking activities which are illegal.</u></p> <p><u>4.30.2 The Securities Broker, its sponsors, directors and employees shall exercise due care and diligence and shall be mindful of their obligations and responsibilities while making any statement or commenting regarding relevant regulatory authority on Media in any manner whatsoever.</u></p> <p><u>4.30.3. The Securities Broker shall be responsible for all the dealings, acts, omissions or failure of its sponsor, director and employee or other person acting for or on behalf of the Securities Broker, within the scope of his authority, office or employment shall be deemed to be the dealings, acts, omissions or failure of the Securities Broker.</u></p> <p><u>4.30.4. The Exchange, on the basis of the information available to it, in respect of any of the instances as mentioned under this clause, may:</u></p>	<p>practices related to securities market in any manner.</p> <p>To insert obligations for a broker, its sponsors, directors and employees with respect to interacting with or on Media in any matter whatsoever.</p> <p>To require broker to be responsible of activities of these persons.</p> <p>To empower Exchange to initiate disciplinary actions as per its Regulations or refer case(s) to the Commission for action</p>

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	<p><u>(a) initiate inquiry against the Securities Brokers and take appropriate disciplinary action(s) in accordance with Chapter 20 of these Regulations.</u></p> <p><u>(b) refer the matter to the Commission for further investigation and action, where deemed appropriate or necessary by the Exchange.</u></p>	<p>at its end, if deemed necessary, in case of occurrence of any instance mentioned in this clause.</p>

**“ANNEXURE B”**

**PROPOSED AMENDMENTS TO CHAPTER 4 [TRADING RIGHTS ENTITLEMENT (TRE) CERTIFICATE] OF PSX REGULATIONS IN RELATION TO ALLOWING OPENING OF TRADING ACCOUNT OF A LOCAL CUSTOMER BASED ON KYC INFORMATION SHARED BY DESIGNATED BANK IN PAKISTAN**

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>4.15. MAINTENANCE OF A CUSTOMER RELATIONSHIP FORM (“CRF”) AND SAHULAT KYC APPLICATION/ ACCOUNT OPENING FORM (“SAHULAT FORM”):</p> <p align="center"><b><u>NEW HEADING</u></b></p> <p>4.15.1. The Securities Brokers shall adopt the CRF attached as Annexure-I to this chapter, as amended from time to time, and the Know Your Customer Application Form specified in the Centralized Know Your Customer Organization Regulations, 2017 by NCCPL for all their Customers.</p> <p>Provided that the Securities Brokers may open sahulat accounts for individuals identified as low risk customers as per applicable laws and regulations and adopt Sahulat Form for such customers as notified by the Exchange together with relevant terms and conditions from time to time with the prior approval of the Commission.</p>	<p>4.15. <b><u>OPENING AND MAINTENANCE OF ACCOUNTS OF CUSTOMERS RELATIONSHIP FORM (“CRF”) AND SAHULAT KYC APPLICATION/ ACCOUNT OPENING FORM (“SAHULAT FORM”):</u></b></p> <p><b><u>4.15.1. OPENING AND MAINTENANCE OF A CUSTOMER RELATIONSHIP FORM (“CRF”) AND SAHULAT KYC APPLICATION/ ACCOUNT OPENING FORM (“SAHULAT FORM”):</u></b></p> <p>4.15.1.1. The Securities Brokers <b><u>shall open an account of customers</u></b> by adopting the CRF attached as Annexure-I to this chapter, as amended from time to time, and the Know Your Customer Application Form specified in the Centralized Know Your Customer Organization Regulations, 2017 by NCCPL for all their Customers, <b><u>unless otherwise specified in this clause.</u></b></p> <p align="center">No Change</p>	<p>To bring clarity and for better presentation, various requirements relating to opening of trading account under this clause are proposed to be segregated by creating new headings.</p> <p>This heading contains provisions related to opening of account through CRF and Sahulat Form.</p>

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p><u>NEW INSERTION</u></p>	<p><u>4.15.1.2. Existing customers of Securities Brokers shall, within such time as specified by the Exchange, provide additional information required in the CRF which was not required in the earlier Standardized Account Opening Form. Upon failure to comply with such timeline, the Exchange shall restrict such UIN from taking new positions. However, only squaring-up of open position(s) in all markets, including leveraged markets, and selling of securities held in the sub account(s) of Customer shall be allowed for such restricted UIN.</u></p> <p><u>Explanation:</u>  <u>CRF and Sahulat Form, which have been jointly specified by the Exchange and CDC for opening of trading account, sub-account and Investor Account, where applicable, with approval of the Commission, contain the minimum Terms and Conditions which are equally binding on the Broker and Customer(s). However, in order to protect the rights of the concerned parties, the Brokers may include additional Terms and Conditions preferably in separate section to the CRF and Sahulat Form, as long as such Terms and Conditions do not, in any way, negate or undermine any other applicable laws, rules, regulations, directives/ notices/ circular of the Commission, the Exchange, CDC etc., and the Terms and Conditions laid down in the said CRF and Sahulat Form. The Securities Brokers shall give prior notice of not less than seven working day to customers in case of any revision, addition or removal of Terms and Conditions affecting rights and obligations of customers.</u></p>	<p>Existing clause 4.15.7 has been moved here as it pertains to CRF, Sahulat Form.</p> <p>This has been moved from clause 4.15.2 for better placement.</p>



EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p style="text-align: center;"><b><u>NEW HEADING</u></b></p> <p>Provided further that the Securities Brokers may open an account of NRP who maintains NRVA with the designated bank in Pakistan, in such manner and based on such terms and conditions as prescribed in the procedures specified by the Exchange and as amended from time to time. For the purpose of establishment of such account, NRVA Information and any additional information, as may be prescribed in the procedures, shall be used in place of Customer Relationship Form, or, as the case may be, the Sahulat Account Opening Form and/or the KYC Application Form and the requirement of obtaining such forms will be dispensed with. The Securities Brokers shall be required to separately maintain the list of such accounts along with supporting documents and correspondences made with such customers in their records.</p> <p>Provided further that all other requirements prescribed under these PSX Regulations and any other relevant regulations or notification relating to opening of account and subsequent dealing between Securities Broker and customers shall be applicable on accounts opened for NRP under this clause, except as is otherwise specified in the procedures.</p> <p>Provided further that where an account of NRP is opened by the Securities Broker on the basis of NRVA Information and any additional information as may be prescribed in the procedures, such information or any subsequent updations (if any)</p>	<p><b><u>4.15.2. OPENING AND MAINTENANCE OF ACCOUNTS OF NRP:</u></b></p> <p><b><u>4.15.2.1.</u></b> <del>Provided further that</del> <b><u>T</u></b>he Securities Brokers may open an account of NRP who maintains NRVA with the designated bank in Pakistan, in such manner and based on such terms and conditions as prescribed in the procedures specified by the Exchange and as amended from time to time. For the purpose of establishment of such account, NRVA Information and any additional information, as may be prescribed in the procedures, shall be used in place of <b><u>CRF</u></b> <del>Customer Relationship Form</del>, or, as the case may be, the Sahulat <del>Account Opening</del> Form and/or the KYC Application Form and the requirement of obtaining such forms will be dispensed with. The Securities Brokers shall be required to separately maintain the list of such accounts along with supporting documents and correspondences made with such customers in their records.</p> <p><b><u>4.15.2.2.</u></b> <del>Provided further that all</del> <b><u>All</u></b> other requirements prescribed under these PSX Regulations and any other relevant regulations or notification relating to opening of account and subsequent dealing between Securities Broker and customers shall be applicable on accounts opened for NRP under this clause, except as is otherwise specified in the procedures.</p> <p><b><u>4.15.2.3.</u></b> <del>Provided further that where</del> <b><u>Where</u></b> an account of NRP is opened by the Securities Broker on the basis of NRVA Information and any additional information as may be prescribed in the procedures, such information or any subsequent</p>	<p>This heading contains all provisions relating to account opening of NRPs.</p>

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>shall be deemed to have been entered with the authorization and consent of such customer.</p> <p>Provided further that terms of the Customer Relationship Form, the KYC Application Form or, as the case may be, the Sahulat Account Opening Form referred under these Regulations, shall be read as NRVA Information and any additional information as may be prescribed in the procedures for the purpose of NRP.</p> <p style="text-align: center;"><b><u>NEW INSERTION</u></b></p>	<p>updates (if any) shall be deemed to have been entered with the authorization and consent of such customer.</p> <p><del>4.15.2.4. Provided further that terms</del> <b><u>Terms</u></b> of the <del>CRF Customer Relationship Form</del>, the KYC Application Form or, as the case may be, the Sahulat <del>Account Opening</del> Form referred under these Regulations, shall be read as NRVA Information and any additional information as may be prescribed in the procedures for the purpose of NRP.</p> <p><b><u>4.15.3. OPENING ACCOUNT OF LOCAL CUSTOMERS WHO/WHICH MAINTAIN AN ACCOUNT WITH A BANK IN PAKISTAN:</u></b></p> <p><b><u>4.15.3.1 The Securities Brokers may open an account of a local customer who/which maintains an account with a bank in Pakistan on such terms and conditions as prescribed in the procedures specified by the Exchange and as amended from time to time.</u></b></p> <p><b><u>4.15.3.2. For the purpose of opening of such account, the information of such customer shared by the concerned bank and any additional information, as may be prescribed in the procedures, shall be used in place of Customer Relationship Form or Sahulat Account Opening Form, as the case may be, and/or the KYC Application Form and the requirement of obtaining such forms will be dispensed with.</u></b></p> <p><b><u>4.15.3.3. The Securities Brokers shall be required to separately maintain the list of such accounts</u></b></p>	<p>To avoid duplication of work at the brokers' end and to make account opening process easier for new customers, the requirement of performing KYC at brokers' end at the time of opening of account of customers who already maintain an account with a Bank in Pakistan is proposed to be waived. This step will also help increase investor base in securities market.</p>

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p data-bbox="300 1480 503 1507"><b><u>NEW HEADING</u></b></p> <p data-bbox="162 1617 641 1890">4.15.2. The Securities Brokers may open an online account of customers by utilizing the services of an authorized entity as per the terms and conditions specified by the Exchange from time to time. The Securities Brokers shall ensure that the online accounts are opened after</p>	<p data-bbox="665 231 1144 325"><u>along with supporting documents and correspondences made with such customers in their records.</u></p> <p data-bbox="665 367 1144 745"><u>4.15.3.4. All other requirements prescribed under these PSX Regulations and any other relevant regulations or notification relating to opening of account and subsequent dealing between Securities Broker and customers shall be applicable on accounts opened for such customers under this clause, except as is otherwise specified in the procedures.</u></p> <p data-bbox="665 787 1144 1165"><u>4.15.3.5. Where an account of a customer is opened by the Securities Broker on the basis of bank provided KYC Information and any additional information as may be prescribed in the procedures, such information or any subsequent updations (if any) shall be deemed to have been entered with the authorization and consent of such customer.</u></p> <p data-bbox="665 1207 1144 1438"><u>4.15.3.6. Securities Brokers shall obtain from customers, if needed, the additional information as required in the CRF or Sahulat Form, as the case may be but does not form part of the information transmitted to it through the bank.</u></p> <p data-bbox="665 1480 1144 1575"><u><b>4.15.4. OPENING AND MAINTENANCE OF ONLINE ACCOUNTS OF CUSTOMERS:</b></u></p> <p data-bbox="665 1617 1144 1890"><del>4.15.2.</del> The Securities Brokers may open an online account of customers by utilizing the services of an authorized entity as per the terms and conditions specified by the Exchange from time to time. The Securities Brokers shall ensure that the online accounts are opened after</p>	<p data-bbox="1161 1480 1461 1606">This heading contains provisions relating to opening of online accounts of customers.</p>

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>completing all applicable regulatory requirements including conducting required verification and due diligence of customers, collection and submission of documents/information and meeting any other requirements or conditions as may be prescribed by the Exchange or Commission in relation to online account opening.</p> <p><b>Explanation:</b> CRF and Sahulat Form, which have been jointly specified by the Exchange and CDC for opening of trading account, sub-account and Investor Account, where applicable, with approval of the Commission, contains the minimum Terms and Conditions which are equally binding on the Broker and Customer(s). However, in order to protect the rights of the concerned parties, the Brokers may include additional terms and conditions preferably in separate section to the CRF and Sahulat Form, as long as such terms and conditions do not, in any way, negate or undermine any other applicable laws, rules, regulations, directives/notices/circular of the Commission, the Exchange, CDC etc., and the terms and conditions laid down in the said CRF and Sahulat Form. The Securities Brokers shall give prior notice of not less than seven working day to customers in case of any revision, addition or removal of terms and conditions affecting rights and obligations of customers.</p> <p style="text-align: center;"><b><u>NEW HEADING</u></b></p> <p>4.15.3. Securities Brokers shall provide the terms and conditions, duly stamped, dated and signed by the Compliance Officer on each page, to its customers attached as an annexure to CRF or Sahulat Form at the time of</p>	<p>completing all applicable regulatory requirements including conducting required verification and due diligence of customers, collection and submission of documents/information and meeting any other requirements or conditions as may be prescribed by the Exchange or Commission in relation to online account opening.</p> <p><b>Explanation:</b> <del>CRF and Sahulat Form, which have been jointly specified by the Exchange and CDC for opening of trading account, sub-account and Investor Account, where applicable, with approval of the Commission, contains the minimum Terms and Conditions which are equally binding on the Broker and Customer(s). However, in order to protect the rights of the concerned parties, the Brokers may include additional terms and conditions preferably in separate section to the CRF and Sahulat Form, as long as such terms and conditions do not, in any way, negate or undermine any other applicable laws, rules, regulations, directives/notices/circular of the Commission, the Exchange, CDC etc., and the terms and conditions laid down in the said CRF and Sahulat Form. The Securities Brokers shall give prior notice of not less than seven working day to customers in case of any revision, addition or removal of terms and conditions affecting rights and obligations of customers.</del></p> <p><b><u>4.15.5. GENERAL REQUIREMENTS:</u></b></p> <p><del>4.15.3. (a)</del> Securities Brokers shall provide the terms and conditions, duly stamped, dated and signed by the Compliance Officer on each page, to its customers attached as an annexure to CRF or Sahulat Form at the time of</p>	<p>This explanation has been shifted above under 4.15.1. above without any change.</p> <p>The general requirements relating to account opening are proposed to be listed under this new heading, for clarity and better presentation.</p>

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>filing of CRF or Sahulat Form and also make such terms and conditions available on its website and update the same immediately upon occurrence of any change in terms and conditions.</p> <p>4.15.4. Securities Brokers shall not activate customer account unless the customer has affirmed that he/she/it has agreed with the terms and conditions.</p> <p>4.15.5. 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.</p> <p>4.15.6. 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.</p> <p>4.15.7. Existing Customers of Securities Brokers shall, within such time as specified by the Exchange, provide additional information required in the CRF which was not required in the earlier Standardized Account Opening Form. Upon failure to comply with such timeline, the Exchange shall restrict such UIN from taking new positions. However, only squaring-up of open position(s) in all markets, including leveraged markets, and selling of securities held in the sub-account(s) of Customer shall be allowed for such restricted UIN.</p>	<p>filing of CRF or Sahulat Form and also make such terms and conditions available on its website and update the same immediately upon occurrence of any change in terms and conditions.</p> <p><del>4.15.4.</del> <b>(b)</b> Securities Brokers shall not activate customer account unless the customer has affirmed that he/she/it has agreed with the terms and conditions.</p> <p><del>4.15.5.</del> <b>(c)</b> 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.</p> <p><del>4.15.6.</del> <b>(d)</b> 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.</p> <p><del>4.15.7. Existing Customers of Securities Brokers shall, within such time as specified by the Exchange, provide additional information required in the CRF which was not required in the earlier Standardized Account Opening Form. Upon failure to comply with such timeline, the Exchange shall restrict such UIN from taking new positions. However, only squaring-up of open position(s) in all markets, including leveraged markets, and selling of securities held in the sub-account(s) of Customer shall be allowed for such restricted UIN.</del></p>	<p>This clause has been shifted above for better placement under clause 4.15.1 above, without any change.</p>

**“ANNEXURE C”**

**PROPOSED AMENDMENTS IN RELATION TO ENHANCING PENALTIES APPLICABLE ON LISTED COMPANIES FOR VIOLATING CERTAIN CLAUSES OF CHAPTER 5 OF PSX REGULATIONS**

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p><b>5.6.7. NON COMPLIANCE WITH DISCLOSURE OF PRICE SENSITIVE INFORMATION TO THE EXCHANGE:</b></p> <p>(a) In case a Listed Company or Issuer of a Listed Security fails to communicate the complete financial results timely, or any other price sensitive information immediately, such company or issuer will be liable to pay penalty at a minimum of Rs.100,000/- (Rupees one hundred thousand only) and maximum up to Rs.1,000,000/- (Rupees One million only) to be determined by the Exchange.</p> <p>(b) In case a Listed Company or Issuer of a Listed Security fails to communicate accurate and complete financial results, or any other price sensitive information in a timely manner, the Chief Executive Officer (CEO) as well as Chief Financial Officer (CFO) of such Listed Company or Issuer will be liable to pay a penalty of a minimum Rs. 100,000/- (Rupees one hundred thousand only) and a maximum penalty of upto Rs. 1,000,000/- (Rupees one million only) to be determined by the Exchange.</p> <p align="center"><u><b>New Insertion</b></u></p>	<p><b>5.6.7. NON COMPLIANCE WITH DISCLOSURE OF PRICE SENSITIVE INFORMATION TO THE EXCHANGE:</b></p> <p>(a) In case a Listed Company or Issuer of a Listed Security fails to communicate the complete financial results timely, or any other price sensitive information immediately, such company or issuer will be liable to pay penalty at a minimum of <del>PKR Rs.</del> 100,000/- (Rupees one hundred thousand only) and maximum up to <del>PKR Rs.</del> 1,000,000/- (Rupees One million only) to be determined by the Exchange.</p> <p>(b) In case a Listed Company or Issuer of a Listed Security fails to communicate accurate and complete financial results, or any other price sensitive information in a timely manner, the Chief Executive Officer (CEO) as well as Chief Financial Officer (CFO) of such Listed Company or Issuer will be liable to pay a penalty of a minimum <del>PKR Rs.</del> 100,000/- (Rupees one hundred thousand only) and a maximum penalty of upto <del>PKR Rs.</del> 1,000,000/- (Rupees one million only) to be determined by the Exchange.</p> <p><u><b>Provided that in case of continuing contravention with respect to communication of complete and/ or accurate financial results or non-compliance with the directive issued by the Exchange, an additional amount of penalty amounting to PKR 10,000/- for every day after the first day during which such contravention or default continues, may be imposed by the Exchange.</b></u></p>	<p>With a view to create deterrence against certain cases of violations of material nature, PSX is proposing to enhance the amount of fines specified for such violations</p>

EXISTING REGULATIONS			PROPOSED AMENDMENTS			RATIONALE																																	
<p><b>5.21. DISCIPLINARY ACTIONS:</b></p> <p>5.21.1. Any Listed Company which fails or refuses to comply with, or contravenes any provision of these Regulations, or knowingly and willfully authorizes or permits such failure, refusal or contravention, shall, be liable to disciplinary action(s) by the Exchange as specified below:</p> <p>(a) Issue an Advice;            (b) Issue a warning in writing to act more carefully and vigilantly.            (c) Reprimand in writing that the conduct warrants censure;            (d) Impose any one or more conditions or restrictions;            (e) Direct to take remedial actions to rectify its non-compliance(s);            (f) Impose a fine as specified below:</p>			<p><b>5.21. DISCIPLINARY ACTIONS:</b></p> <p>No Change</p> <p>No Change</p>			keeping in view the interests of investing public																																	
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<p>Provided where reasonable grounds are adduced by a company and after taking</p>			<p>No Change</p>																																				

EXISTING REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>into account the factors including but not limited to the severity and frequency of non-compliance of such company, the Exchange may waive or reduce the applicable fine under this Chapter and/or initiate any one or more disciplinary actions laid down under sub-clause (a) to (e) of this clause.</p>		

**\*\*\*End of Proposed Amendments\*\*\***



**“EXHIBIT A”**

**GUIDELINES FOR SUBMISSION OF COMMENTS**

1. PSX invites the interested parties to provide their comments and views with specific reference to the subject matter of the proposed amendments to PSX Regulations notified in this Notice.
2. At the time of submission of comments, respondent is advised to provide the information, as per **Table-A** below, so that PSX may contact him/her for clarification or deliberation on the comments, if needed. Anonymous responses may be disregarded by PSX.

**Table-A**

TO BE FILED BY THE RESPONDENT	
<b>Name of respondent</b>	
<b>Name of company (if applicable)</b>	
<b>Designation (if applicable)</b>	
<b>Contact Number</b>	
<b>Email Address</b>	

3. The respondent may request confidential treatment for his/ her identity and all or any part of comments due to their proprietary, confidential or commercial nature, by clearly marking the information in **Table-B** below:

**Table-B**

DISCLOSURE OF IDENTITY AND COMMENTS
Please check the box(es) if you wish to be remain confidential:
<input type="checkbox"/> I wish to have my identity remain confidential.
<input type="checkbox"/> I wish to keep all or any part of my comments confidential.

If respondent wishes to keep any part(s) of comments confidential, then he/she is required to clearly specify such part(s) of comments.

4. To ensure quality and promote transparency, PSX will publish the relevant comments of respondents and its management’s response thereon in the form of a **Response Paper** on its website, within a reasonable timeframe, after close of public consultation session, unless the respondent has made a confidentiality request.
5. Any policy or rule amendment may be subject to regulatory concurrence. For this purpose, respondents should note that notwithstanding any confidentiality request, PSX will share all their response(s) with the Securities and Exchange Commission of Pakistan (Apex Regulator).
6. By submitting comments, respondents are deemed to have consented to the collection, use and disclosure of data that is provided to PSX, unless respondents wish to have their identity or comments remain confidential.