



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,
Off I.I Chundrigar Road, Karachi.

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PSBA/Notice-125

December 06, 2023

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO ENHANCEMENT OF TIME PRESCRIBED FOR DISPOSAL OF CASES OF NON-COMPLIANCE(S) BY THE SECURITIES BROKERS

This is in reference to the notification PSX/N-1231 dated **December 06, 2023 (attached)**, whereby the comments have been invited by the PSX:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **December 11, 2023**, so that a consolidated response is submitted to the authorities for their consideration.

_____sd
AKBER ALI
Officer - Secretariat

Copy to:

1. PSBA Website

INVITATION OF PUBLIC COMMENTS

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO ENHANCEMENT OF TIME PRESCRIBED FOR DISPOSAL OF CASES OF NON-COMPLIANCE(S) BY THE SECURITIES BROKERS

This is to inform the public that Pakistan Stock Exchange Limited (PSX), in exercise of power conferred upon it u/s 7 of the Securities Act, 2015, is proposing amendments to its Regulations in relation to enhancement of time prescribed for disposal of cases of non-compliance(s) by the securities brokers.

In order to ensure that an ample opportunity is provided to the securities brokers to furnish valid justification, explanation and/ or supporting documents in respect of the observed non-compliance(s)/violation(s), it is considered important in the interest of justice and fairness that the adjudication process is completed after thorough assessment and availability of all relevant records and information. In view thereof, PSX is proposing following amendments to its Regulations:

1. In PSX Regulation 20.4.2, the time period to dispose-off case of violation(s)/ non-compliance(s) from the date of first hearing by a securities broker is proposed to be enhanced from 30 days to 60 days.
2. In PSX Regulation 20.4.3, the power to grant an extension of 15 days by the CRO in case of delay in disposing-off the case shall remain in place with an addition of a requirement that the extension so granted shall be intimated to the Regulatory Affairs Committee (RAC) of PSX along with the reasons.
3. In exceptional circumstances, the RAC may grant further extension of time for the disposal of the case on case-to-case basis.

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 amendments to PSX Regulations in relation to the above matter, which are attached herewith as **Annexure A**. The comments can be submitted through such modes and in such manner as prescribed in the 'Guidelines for Submission of Comments' which are attached herewith as **Exhibit A**, latest by **December 13, 2023**.



AJEET KUMAR
Chief Regulatory Officer

1. The Executive Director/HOD (PRDD), SMD, SECP
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 Chief Executive Officer, E-Clear
7. The Chief Executive Officer, IFMP
8. The Secretary General, PSBA

“ANNEXURE A”

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO ENHANCEMENT OF TIME PRESCRIBED FOR DISPOSAL OF CASES OF NON-COMPLIANCE(S) BY THE SECURITIES BROKERS

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
<p>20.4. HEARING PROCEDURES:</p> <p>20.4.2 All cases of violation/ non-compliance by a TRE Certificate Holder shall be disposed-off within thirty (30) days of the date of first hearing by the RAD.</p> <p>20.4.3 In case hearing could not be disposed-off within the prescribed time due to unavoidable circumstances or reasons beyond control, the specific reasons for the delay along with the required time extension up to a maximum of 15 days shall be communicated in writing to the CRO, in case of delay by the authorized officer of RAD.</p> <p style="text-align: center;"><u>New Insertion</u></p>	<p>20.4. HEARING PROCEDURES:</p> <p>20.4.2 All cases of violation/ non-compliance by a TRE Certificate Holder shall be disposed-off within thirty (30) <u>sixty (60)</u> days of the date of first hearing by the RAD.</p> <p>20.4.3 In case hearing could not be disposed-off within the prescribed time due to unavoidable circumstances or reasons beyond control, the specific reasons for the delay along with the required time extension up to a maximum of 15 days shall be communicated in writing to the CRO, in case of delay by the authorized officer of RAD, <u>and the same shall be intimated to RAC.</u></p> <p><u>20.4.4 In exceptional circumstances, the RAC may grant further extension of time for the disposal of the case on case-to-case basis.</u></p>	<p>In order to ensure that an ample opportunity is provided to the securities brokers to furnish valid justification, explanation and/ or supporting documents in respect of the observed non-compliance(s)/violation(s), it is considered important in the interest of justice and fairness that the adjudication process is completed after thorough assessment and availability of all relevant records and information. In view thereof, these amendments have been proposed.</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. The comments can be submitted through any of the following modes:

Email	comments.rad@psx.com.pk
Mail	The Chief Regulatory Officer, Regulatory Affairs Division, 2 nd Floor, Administration Building, Pakistan Stock Exchange Building, Pakistan Stock Exchange Road, Karachi – 74000.

3. 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	
Name of respondent	
Name of company (if applicable)	
Designation (if applicable)	
Contact Number	
Email Address	

4. 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 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.

5. 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.
6. 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).
7. 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.