



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.

Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

PSBA/Notice-126

December 19, 2023

NOTICE FOR MEMBERS

SUBJECT: IMPLEMENTATION OF REVISED CLAUSE 4.17.1(a) OF PSX RULE BOOK

Dear members,

This is in reference to clause 4.17.1(a) of the PSX Rule Book, which requires the Securities Brokers to pass on profits earned on unutilized funds to their clients.

During recent audits, the PSX identified certain discrepancies in mutual agreements, prompting discussions with the PSBA to clarify the actual position and legal status. It has been confirmed by PSBA that its members are already in compliance with this requirement.

However, to conclusively address the matter, the PSX advises to adopt the following provision moving forward:

Client Relinquishment Statement:

"With respect to Clause 4.17.1(a) of PSX Regulations or as may be amended from time to time whereby the securities brokers are required to pass on the profit earned on the unutilized funds to the respective clients, I, the undersigned customer of the Securities Broker, (including the beneficial owner(s) or authorized representative(s), if any), hereby relinquish my right to receive the profit, interest, markup, or any other benefit that may accrue on my unutilized funds maintained with the Securities Broker. I further confirm and undertake that I shall have no claim over such funds/amount.

I reserve the right to receive the profit, interest, markup, or any other benefit that may arise on my unutilized funds from the Securities Broker any time in the future from the date of intimation made to the Securities Broker in writing."

To ensure transparency and clarity in the implementation of these changes, we have agreed on the following procedures:

1. Existing Clients:

The brokers will communicate the revised changes to existing clients via email, who have previously signed the earlier clause. This communication will be framed as a negative confirmation.

Draft Email: The above condition shall become part and parcel of the existing agreement. In case of any disagreement or the customer wishes to receive profit, interest, markup, or any other benefits that may accrue on unutilized funds, please respond to this email otherwise till that time it will be considered as approved in all respects and admitted in the already signed Mutual Agreement.



2. New Clients:

Moving forward, all new clients will be required to sign on the updated clause, incorporating the above-discussed revisions.

We kindly request our members to comply accordingly with these updated provisions.

Should you have any queries or require further clarification, please do not hesitate to contact the PSBA team.

Thank you,

_____sd
BILAL FAROOQ ZARDI
Secretary General

Copy to: PSBA Website