



PAKISTAN STOCK BROKERS ASSOCIATION NEWSLETTER

JULY TO SEPTEMBER 2026



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Message From The CHAIRMAN



Dear Members,

It is my privilege to address you for the first time as Chairman following the Annual General Meeting of the Pakistan Stock Brokers Association.

I extend my heartfelt thanks to all members for their trust in the new Executive Committee. I also sincerely thank the outgoing committee for its dedicated services and contributions to the Association.

We take charge at a time of renewed optimism and important challenges for our capital market. As we see signs of economic stability and growing investor interest, it is essential that we work collectively to strengthen market depth, broaden the investor base, and enhance the overall competitiveness of our market.

Our focus for the coming term will be:

1. Proactive Dialogue with Regulators and Stakeholders: We will continue to foster a constructive and collaborative relationship with SECP, PSX, and other stakeholders to promote a balanced and growth-oriented regulatory environment.

2. Growth and Sustainability of the Brokerage Industry: We will advocate for measures that ensure the commercial viability of the brokerage business and encourage innovation and technology adoption.

3. Retail Investor Development: Revival of retail participation remains at the heart of our agenda, through investor education, facilitation, and confidence-building measures.

4. A Stronger PSBA: We aim to make PSBA a more vibrant, research-oriented, and member-focused institution.

The true strength of our Association lies in its unity. I am confident that with the collective wisdom of the Executive Committee and the active support of our members, we will advance the interests of our industry and contribute meaningfully to Pakistan's capital market development.

I look forward to your ideas, engagement, and continued support.

MUHAMMAD YASIR MAHMOOD

Chairman



PAKISTAN STOCK BROKERS ASSOCIATION NEWSLETTER

STRONGER MARKETS
BRIGHTER FUTURES

Message From The CEO

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The future of Pakistan's capital market is being shaped by a new generation of informed and digitally connected investors. Investing is more than numbers on a screen—it is about building knowledge, making informed choices, and driving national growth.

To our young investors, we encourage you to approach the market with curiosity, patience, and a long-term perspective. Learn the fundamentals, evaluate risks, and rely on knowledge rather than short-term emotion.

To our member brokers, your commitment to integrity, digital innovation, and mentorship remains the backbone of this transformation. Together, our joint efforts will expand access, deepen market resilience, and build a stronger, more inclusive investment culture.

Let us make the capital market a place where knowledge leads to confidence, confidence leads to participation, and participation powers national growth.

BILAL FAROOQ ZARDI

CHIEF EXECUTIVE & SG



PSBA Reviews Proposed PSX Regulatory Amendments

PSBA reviewed the proposed amendments to PSX Regulations covering disciplinary powers and Internet-Based Trading Systems (IBTS) audits.

The proposals seek to introduce a **case-by-case**

approach to branch-opening restrictions, considering the materiality, duration and frequency of violations, while also **removing non-technical**

areas from IBTS audit scope to eliminate duplication

with System Audits. The amendments aim to strengthen regulatory efficiency while maintaining investor protection, operational oversight and balanced market development.

Key Proposals



Disciplinary Powers & Branch-Opening Restrictions

- Shift the disciplinary power — which restricts a securities broker from opening a new branch office for three years for breaching clients' assets segregation — from Chapter 22 to the General Discipline Powers of PSX in Chapter 20 of the PSX Rulebook.
- Introduce a **case-by-case approach to branch-opening restrictions**, considering the materiality, duration and frequency of violations.
- No change to other existing disciplinary measures (e.g. capital adequacy reduction, trading account restrictions, settlement period, etc.) as per the proposed structure.



IBTS Audit Scope

- **Remove non-technical areas from IBTS audit scope** to eliminate duplication with System Audits.
- The amendment aims to streamline audit processes and enhance regulatory efficiency without compromising oversight and investor protection.

PSBA Clarifies Extension in CKO Registration Timeline for Existing Customers



The Pakistan Stock Brokers Association (PSBA) has urged NCCPL to ensure clarity and fairness regarding the timeline for registration of existing customers under the Central KYC (CKO) regime.



PSBA highlighted the earlier understanding that NCCPL would facilitate a one-time KYC verification for existing customers and manage the process, with associated costs to be jointly shared by NCCPL and PSBA.



The Association stressed that responsibility for completing the CKO process should not be placed on Authorized Intermediaries (AIs) where key system enhancements and processes remain dependent on NCCPL, and called for a collaborative, solution-oriented approach to ensure a smooth transition for all stakeholders.



PSBA Responds to SRB on the Sindh Workers Welfare Fund

Highlighting the Requirements of Capital Market Laws and the Structure of the Securities Brokerage Industry.

PSBA has formally responded to the Sindh Revenue Board (SRB) regarding the Sindh Workers Welfare Fund, emphasizing the applicability of Capital Market Laws and the unique structure of the Securities Brokerage Industry. The association highlighted that the fund's implementation must be aligned with relevant regulatory frameworks, ensuring consistency with the Securities Act, 2015, and the Securities Brokers (Licensing and Operations) Regulations, 2016. PSBA also underscored the operational and financial characteristics of the brokerage industry, noting the distinct compliance, capital and risk management requirements that distinguish it from other sectors. The response aims to support a clear, practical and legally sound approach to the implementation of the Sindh Workers Welfare Fund.



KEY HIGHLIGHTS



CAPITAL MARKET LAWS

Ensuring alignment with the Securities Act, 2015 and related regulations.



REGULATORY FRAMEWORK

Emphasizing consistency with the SBL&O Regulations, 2016.



BROKERAGE INDUSTRY STRUCTURE

Highlighting unique operational, financial and risk management requirements.



PRACTICAL IMPLEMENTATION

Supporting a clear, legally sound and workable approach to the Fund.



PSBA ENGAGES WITH FBR

PSBA submits a detailed, legally grounded response to the FBR on digital invoicing and sales tax returns.

The Pakistan Stock Brokers Association (PSBA) has submitted a comprehensive response to the Federal Board of Revenue (FBR) on the proposed framework for digital invoicing and sales tax returns. The response highlights key legal and operational concerns, including the constitutional and statutory basis of taxation, clarification on jurisdiction, and the distinct nature of stock brokerage services. PSBA has urged the FBR to ensure that the proposed measures are aligned with applicable laws, respect provincial-federal boundaries, and do not create unintended tax overlaps.



KEY POINTS RAISED BY PSBA



Constitution of Pakistan



Sales Tax Act, 1990



Sales Tax Rules, 2006



Constitutional Jurisdiction



Legal References

- Constitution of the Islamic Republic of Pakistan
- Federal Legislative List
- Nature of Stock Brokerage Services
- Federal Excise Act, 2005



Shift of Taxation to Provinces



FBR Press Release



Sindh High Court judgement



Legal Precedent



- 66 The same taxable event cannot simultaneously fall within the ambit of both Federal and Provincial laws.

CONSTITUTION OF PAKISTAN

SALES TAX ACT, 1990

SALES TAX RULES, 2006

PSBA Raises Concerns Over Amendments to Research Analyst Regulations, 2015

PSBA has urged SECP to reconsider the implementation of amendments to the Research Analyst Regulations, 2015, highlighting concerns from research entities over restrictive qualification and experience requirements, proprietary trading restrictions linked to target prices, mandatory appointment of associated persons, and disproportionate record-keeping obligations. PSBA also called for greater clarity between fundamental and technical analysis and alignment with existing regulatory frameworks. The Association has requested a meeting with SECP to discuss the concerns and work toward an appropriate resolution.

Key Concerns



Qualification & Experience

Restrictive requirements for research entities.



Proprietary Trading Restrictions

Limits linked to target prices.



Associated Persons

Mandatory appointment and related obligations.



Record-Kkeeping

Disproportionate requirements.



Fundamental vs Technical Analysis

Need for greater clarity and distinction.



Regulatory Alignment

Alignment with existing frameworks required.

PSBA Submits Recommendations on SECP's Proposed AUC Limit Amendments

In response to the **Securities and Exchange Commission of Pakistan's (SECP)** draft amendments to the Securities Brokers (Licensing and Operations) Regulations, 2016, the **Pakistan Stock Brokers Association (PSBA)** has formally submitted its recommendations to the Commission.



PSBA has proposed that **Assets Under Custody (AUC)** limits continue to be determined on the basis of **Net Worth** together with the **Broker Fiduciary Rating (BFR)**, rather than introducing Liquid Capital as an additional criterion.



The Association has put forward a revised limit structure ranging from a top tier with **no limit** for highly rated brokers to a reduced limit for **Trading and Self-Clearing (TSC) Brokers without a BFR**.



PSBA has further recommended that this reduced limit, currently available to **existing unrated TSC Brokers**, be extended to **newly licensed TSC Brokers** as well, in the interest of regulatory consistency and a level playing field across the industry.



PSBA remains committed to constructive engagement with the **SECP** to ensure the final regulatory framework is balanced and reflective of industry input.

SINGLE STOCK OPTION

Consultation on Proposed Risk Management

Consultation on Proposed Risk Management Framework

PSBA provided industry-focused recommendations on the proposed risk management framework for the Single Stock Options Market, with emphasis on facilitating participation, ensuring effective risk controls, and supporting market growth.

Key Discussion Points

- Basic Deposit
- Exposure Margins
- Standard Portfolio Analysis (SPAN)
- Mark to Market Losses
- Exposure Limit
- Acceptable Form of Collateral
- Option Premium



PSBA & NCCPL LAUNCH NEW API FUNCTIONALITY



Through the joint efforts of the **Pakistan Stock Brokers Association (PSBA)** and the **National Clearing Company of Pakistan Limited (NCCPL)**, a new API functionality has been introduced by NCCPL to facilitate the automated dissemination of **Capital Gains Tax (CGT)** data for securities brokers.



PSBA's Ongoing Efforts

PSBA has been actively facilitating industry discussions and advocating for digital solutions that improve CGT reporting, streamline regulatory processes, and support greater efficiency across the securities brokerage industry.



AUTOMATION

Seamless and efficient CGT data dissemination



ACCURACY

Reliable and standardized data



EFFICIENCY

Reduced manual intervention



DIGITAL ECOSYSTEM

Strengthening market infrastructure



**A Step Towards a More Efficient and
Digitally Enabled Capital Market**

New Investor Accounts Opened

IN THE MONTH OF AUGUST
IN PAKISTAN'S CAPITAL MARKET

The Pakistan Stock Market continues to witness strong participation from new and retail investors, reflecting growing confidence in the capital market and the success of ongoing awareness and outreach initiatives by PSBA and its member brokers.



24,788

The increase in new investor accounts highlights the continued momentum in Pakistan's capital market and underscores the growing trust and participation of individuals in the market.

Implementation of IBAN Validation

Following PSBA's recommendation, NCCPL has implemented of an **IBAN-based identity verification mechanism** in the **Centralized KYC Organization (CKO) System** for customer onboarding, in line with the requirements of the revised SECP AML/CFT Regulations, 2020.

CENTRALIZED KYC ORGANIZATION



IBAN



VERIFIED
VIA RAAST



RAAST

The revised verification framework shall be processed as follows:

1



IBAN validation through **RAAST** shall serve as the **primary identity verification** mechanism for account opening.

2



OTP shall be generated upon successful verification of the customer's **IBAN** and **registered mobile number (PMD)**.

3



CNIC verification through the **NADRA API** shall be used as an alternate verification mechanism in cases where no response is received from RAAST. **Biometric verification** shall be required in these cases.

New Investor Accounts Opened

IN THE MONTH OF SEPTEMBER

IN PAKISTAN'S CAPITAL MARKET

26,267 New Accounts Opened in September 2026
The investor base continued to expand in September 2026, with 26,267 new accounts opened during the month. Of these, 18,556 (71%) were Sahulat Accounts, while 7,673 (29%) were Normal Accounts. The figures also include 38 corporate accounts, reflecting continued participation across different investor segments.



26,267

The Pakistan Stock Market continues to witness strong participation from new and retail investors, reflecting growing confidence in the capital market and the success of ongoing awareness and outreach initiatives by PSBA and its member brokers.

BUSINESS INVITATION LETTER

FACILITY RELAUNCH

Pakistan Stock Brokers Association (PSBA), through its successful integration with **NADRA**, has facilitated the relaunch of the **E-Business Invitation Letter** facility for Visa Recommendations.

The relaunch provides **PSBA members** with seamless profile creation and an end-to-end digital experience.



Seamless **profile**
creation



End to end **digital**
experience for
PSBA members.

*A step forward in digital facilitation
for **PSBA members.***

**BUSINESS
INVITATION LETTER**



BRIEFING SESSION



Common Reporting Standard (CRS) under the AEOI Framework

Pakistan Stock Brokers Association (PSBA) held a briefing session on the Common Reporting Standard (CRS) under the AEOI framework, bringing together market participants to discuss practical reporting and compliance challenges.

A key concern raised during the session was the recurring difficulty in receiving login credentials and the OTP required to access the reporting system. Delays in VIP registration and non-compliance with user IDs and passwords can be accepted on the platform, making it difficult for brokers to update and submit **CRS** reports within the required timelines.

The discussion highlighted the need for a more reliable and responsive authentication process, so that brokers can complete their reporting obligations smoothly, accurately, and on time.



Circular 19

A Unified Digital Experience for Investors

SECP introduced Circular 19 — a landmark initiative to simplify and digitize the investor experience across the capital market.

WHAT IS CIRCULAR 19?

It eliminates the need to submit the same documents repeatedly, reduces processing time and enhances transparency, making the investment process simpler, faster and more convenient for all investors.



A SIMPLER, SMARTER INVESTOR JOURNEY

Now, investors can access all their accounts and services across the market — anytime, anywhere — with just their UIN, via the API powered system.



PSX COLLABORATION

PSX, in collaboration with PSBA, NCCPL, SECP and CDC, has worked together to ensure a smooth implementation and industry readiness for Circular 19.

This initiative marks a significant step towards a more connected, efficient and digital capital market.



Future of Finance Summit 2026



Future of Finance
Summit 2026

PSBA Represents the Brokerage Industry at the ICMA International Future of Finance Summit 2026, organized by ICMA International, brought together leading representatives from Pakistan's Capital Market. Mr. Bilal Farooq Zardi, CEO, PSBA, joined an insightful panel discussion highlighting the strength and contribution of the the brokerage industry, one of the country's most documented, regulated and tax-compliant sectors", regulated, and tax-compliant sectors. His participation underscored PSBA's role in advocating for a transparent and resilient capital market ecosystem. PSBA remains committed to removing regulatory hurdles and facilitating its members and investors.



Innovation in Financial sector and Sustainable Value Creation

SHIELD DISTRIBUTION



PSBA Holds 6TH Annual General Meeting



Members come together to review progress, discuss key issues and chart the way forward for a stronger capital market.

 **Date**
29 September 2026

 **Venue**
PSBA Office, Karachi



The 6th Annual General Meeting (AGM) of the Pakistan Stock Brokers Association (PSBA) was held at the PSBA Board Room to review key industry matters and the Association's performance. The meeting covered the Association's financials, Annual Book, appointment of the Auditor, and the election results. The AGM provided an opportunity to review key developments and matters concerning the Association, reflecting its continued focus on effective governance and industry representation.



KEY HIGHLIGHTS



**INDUSTRY
MATTERS**

Financials



**REVIEW OF
ANNUAL PROGRESS**

Annual Book



**REGULATORY
ENGAGEMENT**

Appointment Of Auditor



**COMMITMENT
TO GROWTH**

Elections Results

TOP BROKERS AWARDS FY2026 & ASAAN REWARD PROGRAM

Top Brokers Awards FY2026 & Asaan Reward Program

The Pakistan Stock Brokers Association (PSBA) acknowledges and appreciates the initiative by Pakistan Stock Exchange Limited and CDC – Central Depository Company of Pakistan Limited to recognize the valuable contributions of the securities brokerage industry through the Top Brokers Awards – FY2026 and Asaan Reward Program, followed by a Gong Ceremony.

PSBA extends its warmest congratulations to all its esteemed members who were recognized with these awards. The recognition reflects the continued growth and progress of the securities brokerage industry, marked by historically high investor participation, a growing pipeline of new IPOs, and continued development across the Capital Market ecosystem.



ANNUAL DINNER

The Pakistan Stock Brokers Association (PSBA) hosted its Annual Dinner, bringing together members of the securities brokerage industry for an evening of fellowship, appreciation, and celebration.

The evening also marked the beginning of a new chapter as PSBA warmly welcomed the newly appointed Board of Directors.

PSBA extends its sincere appreciation to the outgoing leadership.



Welcoming Our New Executive Committee

We look forward to the leadership, vision and dedication of our newly elected Executive Committee as we continue to work together for a stronger and more progressive future.



Two New Members Join the Association

NEW MEMBERS



TREC Holder

Brains Securities

Brains Securities (Pvt.) Limited is a licensed PSX broker providing expert financial advisory, investment management, and secure market execution through platforms like EClear OMS and SSS. Guided by top-tier auditors and legal advisors, we build lasting client partnerships based on trust and professional excellence.



TREC Holder

A.U.A. Securities

AUA Securities (Pvt.) Limited mission statement is to build financially trusted relationship with investors and provide unique solutions for portfolio and trading risk management at least cost. We are frequently communicating with, and learn from our clients, in order to improve our services and expertise.