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-264 October 22, 2026

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX) REGULATIONS REGARDING SINGLE STOCK OPTIONS CONTRACTS MARKET

This is in reference to the notification PSX/N-1294 dated October 22, 2026 (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 **November 02, 2025**, so that a consolidated response is submitted to the authorities for their consideration.

_____**Sd**_____
Akber Ali
Officer - Secretariat

Copy to:

1. PSBA Website

PAKISTAN STOCK EXCHANGE

NOTICE

PSX/N-1294 **October 22, 2026**

INVITATION FOR PUBLIC COMMENTS

PROPOSED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED (PSX) REGULATIONS REGARDING SINGLE STOCK OPTIONS CONTRACTS MARKET

Pursuant to the powers conferred under Section 7 of the Securities Act, 2015, the Pakistan Stock Exchange Limited (PSX) has proposed amendments to the PSX Regulations and the Schedule of Charges to introduce and govern the **Single Stock Options Contracts (SSOC) Market.**

These amendments establish the operational, trading, clearing, and risk management framework for single stock options on the Exchange, featuring the following specifications:

Sr. No.	Feature	Overview & Specifications
1	**Eligible Stocks**	Selected from the pool of Deliverable Futures Contract (DFC) eligible stocks as determined by the Exchange.
2	**Option Class**	Call Options and Put Options
3	**Exercise Style**	European (exercisable strictly on the expiration date)
4	**Settlement Method**	Delivery of the underlying security
5	**Settlement Period**	T+1 settlement cycle
6	**Lot Size**	1 Contract
7	**Contract Symbol**	• **Standardized:** Underlying Symbol-Contract Type-Delivery Month Abbreviation-Strike • **Non-Standardized:** Underlying Symbol-Contract Type-Delivery Month Abbreviation-StrikeNn *(Where Contract Type is C for Call) or P for Put)*
8	**Contract Size / Multiplier**	500 shares (or any other quantity as may be specified by PSX from time to time) for standardized contracts. For non-standardized contracts, the standard contract multiplier will be adjusted proportionally.
9	**Contract Months**	Spot month and the next two calendar months
10	**Opening of Contract**	First trading day following the last friday of expiring month
11	**Moneyness**	• **Minimum:** 3 In-The-Money (ITM), 1 At-The-Money (ATM) and 3 Out-of-The-Money (OTM) contracts shall remain available at all times. • **Maximum:** 5 ITM, 1 ATM and 5 OTM contracts • In case more than 5 ITM or OTM strikes are available, a monthly review shall be conducted where the strikes which are deep ITM or deep OTM shall be disabled provided if they have zero open interest. *Note: The minimum and maximum strikes shall remain at the discretion of PSX.*
12	**Contract Listing Price**	Theoretical price calculated via the Black-Scholes Model
13	**Minimum Fluctuation (Tick Size)**	PKR 0.01 (premium per underlying security)

Regulatory Affairs Division | UAN: **+9221-111-00-11-22** | E-MAIL: **info@psx.com.pk** | WEB: **www.psx.com.pk**

Sr. No.	Feature	Overview & Specifications
14	**Expiration Date/ Last Trading Day**	Last Friday of the expiry calendar month (or the immediately preceding trading day if last Friday is a non-trading)
15	**Daily Options Settlement Price**	As proposed in Annexure A attached hereto (Chapter 19 of PSX Regulations)
16	**Exercise Price Interval**	As notified and updated by PSX from time to time
17	**Daily Price Limits**	As determined and notified by PSX with the prior approval of the Commission (SECP)
18	**Corporate Action Adjustment**	The contracts shall be adjusted in accordance with the standard ratio method
19	**Types of Orders**	All order types, minimum/maximum quantity rule applicable as in NTS for the DFC Market
20	**Trading Hours**	As notified by PSX from time to time
21	**Commission (Charged by Brokers)**	Same as presently prescribed for Ready and DFC markets
22	**Trading Fee (Charged by PSX)**	PKR 7.00 per PKR 100,000 of the value traded
23	**Regulatory Fee (Collected by PSX)**	PKR 0.88809 per PKR 100,000 of value traded (consistent with DFC and CSF markets)
24	**SECP Levy**	PKR 0.65 per PKR 100,000 of value traded (consistent with DFC and CSF markets)

Pursuant to the above, PSX has proposed necessary amendments to the **PSX Regulations** and the **Schedule of Charges**, attached hereto as **Annexures A** and **B**, respectively.

INVITATION OF PUBLIC COMMENTS

In accordance with Section 7(3) of the Securities Act, 2015, all market participants and interested parties are invited to submit written feedback and comments on the 'proposed regulatory changes' and the 'Schedule of Charges.

The comments must be submitted by **November 05, 2026**, following the submission methods and guidelines detailed in **Exhibit A.**

AJEET KUMAR
Chief Regulatory Officer

Cc:

1. The Divisional Head, (SMD), SECP
2. The Head of Department (PRDD, SMD), SECP
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 CEO & Secretary General, PSBA
8. The Chief Executive Officer, E-Clear
9. The Chief Executive Officer, IFMP
10. The Chief Executive Officer, MUFAP
11. The President and CEO, PICG

"ANNEXURE A"

PROPOSED AMENDMENTS TO PSX REGULATIONS IN RELATION TO SINGLE STOCK OPTIONS CONTRACTS MARKET REGULATIONS

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
CHAPTER 2: INTERPRETATION AND DEFINITIONS		
2.4. GENERAL DEFINITIONS: In these Regulations, unless there is anything repugnant in the subject or context:	No Change	
i. All Markets means the different markets provided by the Exchange and are governed under these Regulations which include Ready Delivery Contract Market, Deliverable Futures Contract Market, Single Stock Cash-Settled Futures Contract Market, Stock Indices Futures Contract Market, Options Market, Debt Securities Market and any other market which the Board may provide for with the prior approval of the Commission and individually referred to as a "Market";	No Change	
xxix.A. Contract Specifications for Futures Market and Options Market mean the specifications of a Contract such as the name and code of Contract, Contract Multiplier or Contract Size, mode of settlement, dates of opening, closing and settlement, trading hours, price interval, moneyness, option styles or exercise styles and other relevant specifications and terms and conditions of each Contract, notified by the Exchange from time to time, on its website and upon opening of such Contract by the Exchange.	No Change	
xxiii. Derivative Contracts means Deliverable Futures Contract, Single Stock Cash Settled Futures Contract, Stock Index Futures Contract and Options Contract;	**xxiii. Derivative Contracts** means Deliverable Futures Contract, Single Stock Cash Settled Futures Contract, Stock Index Futures Contract**, Index Options Contract** and **Single Stock** Options Contract;	It is proposed to add clarity for different types of Options Contracts.
lxx.A. Options Market means Index Option Contracts Market, as stipulated in Chapter 15 of these Regulations and Single Stock Options Contracts Market, as stipulated in Chapter 15A of these PSX Regulations;	No Change	

<table>
<tr><th>EXISTING PSX REGULATIONS</th><th>PROPOSED AMENDMENTS</th><th>RATIONALE</th></tr>
<tr><td>xciii. Theoretical Price
For Deliverable Futures Contract and/or Cash-Settled Futures Contracts Markets, the Theoretical Price will be the Closing Price of a Security. If there is no trading in such Security in the respective Market during whole trading day, then the Theoretical Price to be determined as per methodology prescribed under Chapter 19 of these Regulations.

For Options Market, the Theoretical Price will be calculated based on Black Scholes Model.</td><td>xciii. Theoretical Price
For Deliverable Futures Contract and/or Cash-Settled Futures Contracts Markets, the Theoretical Price will be the Closing Price of a Security. If there is no trading in such Security in the respective Market during whole trading day, then the Theoretical Price to be determined as per methodology prescribed under Chapter 19 of these Regulations.

For Options Market, the Theoretical Price will be calculated <s>based on Black Scholes Model</s> <u>as per methodology prescribed under Chapter 19 of these Regulations</u>.</td><td>Theoretical price methodology for Single Stock Options Contracts is proposed to be defined in Chapter 19 of PSX Regulations.</td></tr>
<tr><td colspan="3">Chapter 4: TRADING RIGHTS ENTITLEMENT (TRE) CERTIFICATE</td></tr>
<tr><td>4.28. STANDARD RANGE/ SCALE OF BROKERAGE COMMISSION:

The Securities Brokers shall charge and collect the brokerage commission from their customers upon the execution of orders for the purchase or sale on their accounts as per the standard range/ scale of brokerage commission prescribed in Annexure-III to this chapter.

NOTE: The aforesaid range/ scale of brokerage commission is prescribed by the Exchange after seeking the exemption from the application of Section 4 of the Competition Act, 2010 granted by the Competition Commission of Pakistan in pursuance of the powers conferred to it by Section 5 read with Section 9 of the Competition Act, 2010.

Provided that brokerage commission for CDS eligible GDS trades shall be charged in accordance with Annexure-IV.</td><td>No Change</td><td></td></tr>
<tr><td>Annexure-III

STANDARD RANGE/ SCALE OF BROKERAGE COMMISSION ON DIFFERENT TYPES OF TRANSACTIONS

<table>
<tr><th>Sr. #</th><th>Transaction Type</th><th>* Minimum Rate</th><th>Explanation</th></tr>
<tr><td>7</td><td>Deliverable Futures Contract Market</td><td>3p or 0.15% whichever is higher</td><td>Minimum commission on every buy and sell transaction which is not squared</td></tr>
</table></td><td>Annexure-III

STANDARD RANGE/ SCALE OF BROKERAGE COMMISSION ON DIFFERENT TYPES OF TRANSACTIONS

<table>
<tr><th>Sr. #</th><th>Transaction Type</th><th>* Minimum Rate</th><th>Explanation</th></tr>
<tr><td>7</td><td>Deliverable Futures Contract Market</td><td>3p or 0.15% whichever is higher</td><td>Minimum commission on every buy and sell transaction which is</td></tr>
</table></td><td></td></tr>
</table>

EXISTING PSX REGULATIONS				PROPOSED AMENDMENTS				RATIONALE
			during the contract period				not squared during the contract period	
8	Deliverable Futures Contract Market – Squared Transaction	3p or 0.15% whichever is higher	Minimum commission on one side – if transaction is squared-up in Deliverable Futures Contract Market either through offsetting transaction or rollover.	8	Deliverable Futures Contract Market – Squared Transaction	3p or 0.15% whichever is higher	Minimum commission on one side – if transaction is squared-up in Deliverable Futures Contract Market either through offsetting transaction or rollover.	
New Insertion				9	Single Stock Options Contracts Market	3p or 0.15% whichever is higher	Minimum commission on every buy and sell transaction which is not squared during the contract period	Same brokerage commission, as for DFC and CSF markets, is proposed.
New Insertion				10	Single Stock Options Contracts Market – Squared Transaction	3p or 0.15% whichever is higher	Minimum commission on one side – if transaction is squared-up in Single Stock Options Contract Market either through offsetting transaction or rollover.	
* The prescribed range is from minimum brokerage commission, as mentioned above, up to 2.5% of the transaction value in the above mentioned transactions.				No Change				
** Immediate family member means spouse, children and parents.				No Change				
CHAPTER 19: RISK MANAGEMENT REGULATIONS								
19.1 METHODOLOGIES: New Insertion				**19.1 METHODOLOGIES:** (d) The Daily Option Settlement Price of a Single Stock Options Contract shall be determined as per the following methodology: (i) If the cumulative volume in an options contract does not meet the threshold (volume or value and number of trades), then the closing price of that Option Contract shall be determined as Volume Weighted Average (VWA) price of all trades executed in last few					Daily Option Settlement Price in the context of SSOC is proposed to be made part of PSX Regulations. Existing sub-clauses 19.1 (e) and (f) shall be

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	minutes before closing of the market as specified by the Exchange. **(ii) If the threshold is not met during last few minutes, then the closing price of the Option Contract shall be determined as VWA price of all the trades executed during the last few hours / entire trading day as specified by the Exchange.** **(iii) If the closing price is determined using VWAP as mentioned in (1) and (2), it should be greater than the Intrinsic Value, else the closing price is invalid and the theoretical price shall be calculated based on Black Scholes model.** **(iv) If the threshold is not met, the closing price of the options contract shall be determined as per the Black Scholes model.** **(v) For Option Contract of the same contract class with the same expiration month and contract type, the settlement prices shall satisfy the following requirements: the higher the exercise price of a call option, the lower its closing price; and the higher the exercise price of a put option, the higher its closing price.** **Note: Thresholds and review hours/minutes shall remain configurable.** **Theoretical Price for Single Stock Options Contract is determined using the Black Scholes Model as follows:** • $C_0 = S_t N(d_1) - Ke^{-rT} N(d_2)$ • $P_0 = Ke^{-rT} N(-d_2) - S_t N(-d_1)$ • $d_1 = \ln (S_t/K) + (r + \sigma^2/2)\, T\, \sigma \sqrt{T}$ • $d_2 = d_1 - \sigma \sqrt{T}$ • $-d_1 = 1 - d_1$ • $-d_2 = 1 - d_2$ **where;** **C_0 = Call Option Price** **P_0= Put Option Price**	renumbered as (f) and (g), respectively.

<table>
<tr><th>EXISTING PSX REGULATIONS</th><th>PROPOSED AMENDMENTS</th><th>RATIONALE</th></tr>
<tr><td></td><td><u>S_t = Exercise Settlement Price (Stock's Closing Price)</u>
<u>K = Exercise Price or Strike Price ()</u>
<u>r = KIBOR + X%</u>
<u>T = Time to Maturity</u>
<u>N = Normal Distribution</u>
<u>σ = Underlying's historical volatility</u></td><td></td></tr>
<tr><td>19.3. SCRIP-BASED CIRCUIT BREAKER:

(e) In case of Single Stock Options Contracts Market, circuit breaker shall be specified by the Exchange with approval of the Commission.</td><td>No Change</td><td></td></tr>
<tr><td colspan="3">Chapter 24: CENTRALIZED CUSTOMERS PROTECTION COMPENSATION FUND (CCPF) REGULATIONS</td></tr>
<tr><td>24.2. ESTABLISHMENT OF CCPF:

24.2.3. The contribution stipulated in Regulation 5(iii)(a) of the Compensation Fund Regulations shall be paid by the securities broker in accordance with Schedule I of this Chapter.</td><td>No Change</td><td></td></tr>
<tr><td>Schedule-I
LEVY COLLECTED FROM SECURITIES BROKERS AS CONTRIBUTION TO THE CCPF
<table>
<tr><th>Market Name</th><th>Rate In Rupee</th><th>Basis</th><th>Mode</th><th>Collection Date</th></tr>
<tr><td>Ready Market Trade</td><td>0.05</td><td rowspan="6">Per Rs. 100,000 value</td><td rowspan="6">Through Payment Order</td><td rowspan="6">On Every Settlement Date</td></tr>
<tr><td>Deliverable Futures Contract Market-contract</td><td>0.05</td></tr>
<tr><td>Single Stock Cash-Settled Futures Contract Market-contract</td><td>0.05</td></tr>
<tr><td colspan="2"><u>New Insertion</u></td></tr>
<tr><td>Stock Index Futures Contract Market-contract</td><td>0.05</td></tr>
<tr><td>Squaring-Up Market-trade</td><td>0.05</td></tr>
</table></td><td>Schedule-I
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<tr><th>Market Name</th><th>Rate In Rupee</th><th>Basis</th><th>Mode</th><th>Collection Date</th></tr>
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<tr><td>Single Stock Cash-Settled Futures Contract Market-contract</td><td>0.05</td></tr>
<tr><td><u>Single Stock Options Contract Market-contract</u></td><td><u>0.05</u></td></tr>
<tr><td>Stock Index Futures Contract Market-contract</td><td>0.05</td></tr>
<tr><td>Squaring-Up Market-trade</td><td>0.05</td></tr>
</table></td><td>It is proposed that same rate of CCPF levy, as presently prescribed for Derivatives and Futures Markets, be collected from brokers from the Single Stock Options Contract Market.</td></tr>
</table>

EXISTING PSX REGULATIONS					PROPOSED AMENDMENTS					RATIONALE
Negotiated Deals Market-transaction	0.05				Negotiated Deals Market-transaction	0.05				
Debt Market – Trades	Nil				Debt Market – Trades	Nil				

Provided that with effect from August 29, 2025 or such date as specified by SECP, or in the case of balance of Customer Compensation Fund falling below the amount specified by the SECP, whichever comes first, the following shall be applicable:

No Change

Market Name	Rate In Rupee	Basis	Mode	Collection Date
Ready Market Trade	0.67084	Per Rs. 100,000 value	Through Payment Order	On Every Settlement Date
Deliverable Futures Contract Market-contract	0.93809			
Single Stock Cash-Settled Futures Contract Market-contract	0.93809			
New Insertion				
Stock Index Futures Contract Market-contract	0.93809			
Squaring-Up Market-trade	0.93809			
Negotiated Deals Market-transaction	0.93809			
Debt Market – Trades	Nil			

Market Name	Rate In Rupee	Basis	Mode	Collection Date
Ready Market Trade	0.67084	Per Rs. 100,000 value	Through Payment Order	On Every Settlement Date
Deliverable Futures Contract Market-contract	0.93809			
Single Stock Cash-Settled Futures Contract Market-contract	0.93809			
Single Stock Options Contract Market-contract	**0.93809**			
Stock Index Futures Contract Market-contract	0.93809			
Squaring-Up Market-trade	0.93809			
Negotiated Deals Market-transaction	0.93809			
Debt Market – Trades	Nil			

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Chapter 15A: Single Stock Options Contracts Market Regulations		
15A.1. DEFINITIONS: In this chapter, unless the subject or context otherwise requires:	**15A.1. DEFINITIONS:** In this chapter, unless the subject or context otherwise requires:	
(a) "At-The-Money" shall mean when the Exercise Price of the Option Contract is at the same level as the Exercise Settlement Price of Underlying Security;	(a) "At-The-Money" shall mean when the Exercise Price of the Option Contract is at the same level as the **Theoretical Price (future value) of the previous day's** Exercise Settlement Price **or at the same level as the Exercise Settlement Price** of Underlying Security;	Change in methodology to determine At-The-Money strike is proposed.
(b) "Call Option" shall mean, the Option Contract which gives the buyer/holder a right to buy the Underlying Security at the Exercise Price at the Expiration as per the terms of these Regulations;	(b) "Call Option" shall mean, the Option Contract which gives the ~~buyer/holder~~ **Option Buyer** a right to buy the Underlying Security at the Exercise Price at the Expiration as per the terms of these Regulations;	Definition of Option Buyer is proposed to be inserted below.
(c) "Contract Multiplier" shall mean 500 shares or any other quantity, as may be prescribed and notified by the Exchange from time to time;	(c) "Contract Multiplier" shall mean ~~500 shares or any other quantity, as may be prescribed and notified by the Exchange from time to time~~ **the number of underlying Securities in the Single Stock Options Contract as notified by the Exchange in the Contract Specifications. The Single Stock Options contract multiplier is subject to change when adjustments are made with respect to corporate actions in accordance with the Corporate Action Adjustment Methodology**	Corporate action shall be adjusted as per the Ratio Method, which will lead to adjustment in contract multiplier for non-standardized contracts.
New Insertion	**(d) "Daily Option Settlement Price" shall mean the Closing Price in the Single Stock Options Contract Market;**	Definition of DOSP is proposed to be inserted.
(d) "European Style Option Contract" shall mean, an Option Contract, which shall only be exercised on the Expiration Day;	No Change	
(e) "Exercise Price Interval" shall mean, the gap to be maintained between any two successive Exercise Prices as specified in the contract specifications of each Option	No Change	

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Contract which the Exchange may notify and prescribe from time to time;		
(f) "Exercise Price" shall mean a fixed price of the Underlying Security at which the buyer/holder of Option Contract have right (not obligation) to buy (in case of Call Option), or sell (in case of Put Option) as per these Regulations;	(f) "Exercise Price" shall mean a fixed price of the Underlying Security at which the ~~buyer/holder of~~ Option **Buyer** ~~Contract have~~ **has a** right (not obligation) to buy (in case of Call Option), or sell (in case of Put Option) as per these Regulations;	
(g) "Exercise Settlement Price" shall mean, the Closing Price of Underlying Security in Ready Market;	No Change	
(h) "Expiration Day" shall mean the day on which the final settlement obligations are determined in the Option Contract;	No Change	
(i) "In-The-Money" shall mean: i. in case of Call Option, when the Exercise Price of the Option Contract is less than Exercise Settlement Price; and ii. in case of Put Option, when the Exercise Price of the Option Contract is higher than the Exercise Settlement Price.	No Change	
(j) "Intrinsic Value" shall mean the value any option would have if it were exercised today. For Call Options, it is the maximum of Zero or Exercise Settlement Price minus Exercise Price. For Put Options, it is the maximum of Zero or Exercise Price minus Exercise Settlement Price;	No Change	
(k) "Open Interest" shall mean the total value and number of Option Contracts of a Securities Broker and its clients in a particular Underlying Security which have not been subject of offsetting transactions nor reached Expiration Day. For calculation of Open Interest only one side of the Option Contract is counted;	No Change	
New Insertion	**(l) "Option Buyer" shall mean a Securities Broker that: (A) purchases/ buys a new Call or Put Option position, either for its**	Definition of Option Buyer

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
	proprietary account or on behalf of its clients; or (B) purchases a Call or Put Option to offset or square off an existing open position in the same Stock Option Series. An Option Buyer shall be required to pay the Premium to the seller of the relevant Option Contract.	is proposed to be added.
(l) "Option Contract" shall mean, a standardized Option Contract which gives the buyer/holder of the Option Contract the right (but not the obligation) to buy and/or sell the Underlying Security at the Exercise Price subject to these Regulations and as per the contract specifications provided in Annexure-A;	(l) "Option Contract" shall mean, a standardized Option Contract which gives the ~~buyer/holder of the~~ Option **Buyer** ~~Contract~~ the right (but not the obligation) to buy and/or sell the Underlying Security at the Exercise Price subject to these Regulations and as per the contract specifications ~~provided in Annexure-A~~;	The Contract Specifications shall be prescribed out of PSX Regulations, as the same for DFC and CSFC are also prescribed out of PSX Regulations. Therefore, all references of Annexure A are proposed to be deleted from Chapter 15A.
(m) "Option Seller" shall mean a Securities Broker that (A) writes/sells a new options position (Call or Put) either for its proprietary account or on behalf of the clients; or (B) sells a Call or Put Option to offset/ squares off an existing open position in the same Option Series. Option seller shall be entitled to collect Premium payment from the buyer of respective Option Contract. The options sold can be covered or uncovered, as per the applicable limits;	(m) "Option Seller" shall mean a Securities Broker that (A) writes/sells a new options position (Call or Put) either for its proprietary account or on behalf of the clients; or (B) sells a Call or Put Option to offset/ squares off an existing open position in the same **Stock** Option Series. Option seller shall be entitled to collect Premium payment from the ~~buyer of respective~~ Option **Buyer** ~~Contract~~. The options sold can be covered or uncovered, as per the applicable limits;	
(n) "Option Series" shall mean, all Option Contracts of a particular Underlying Security having same Exercise Price and Expiration Day;	(n) "**Stock** Option Series" shall mean, **a group of stock options contracts** ~~all Option Contracts~~ of a particular Underlying Security having same Exercise Price**, Contract Type (Call or Put), Style** and Expiration Day;	Editorial changes are proposed here.
(o) "Option Type" shall mean the classification of an option as either a Put or a Call;	No Change	
(p) "Out-Of-The-Money" shall mean: i. in case of Call Option, when Exercise Price of the Option Contract is higher than the Exercise Settlement Price; and	No Change	

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
ii. in case of Put Option, when Exercise Price of the Option Contract is less than the Exercise Settlement Price.		
(q) "Premium" shall mean the price obtained by the Option Seller from the buyer of Option Contract for the rights conveyed by the Option Contract. Premium shall be quoted in Pakistani rupees on per share basis;	(q) "Premium" shall mean the price obtained by the Option Seller from the ~~buyer of Option Contract~~ **Option Buyer** for the rights conveyed by the Option Contract. Premium shall be quoted in Pakistani rupees on per share basis;	
(r) "Put Option" shall mean the Option Contract which gives the buyer/holder a right to sell the Underlying Security at an Exercise Price at the Expiration Day as per the terms of these Regulations;	(r) "Put Option" shall mean the Option Contract which gives the ~~buyer/holder~~ **Option Buyer** a right to sell the Underlying Security at an Exercise Price at the Expiration Day as per the terms of these Regulations;	
(s) "Underlying Security" shall mean, the Securities selected on the basis of Futures Eligibility Criteria for selection of securities eligible for trading in Deliverable Futures Contract Market and Cash-Settled Futures Contract Market or any other basis as may be devised by the Exchange for the purpose of trading in Single Stock Options Contract Market.	No Change	*Note: With insertion of 2 new definitions in this Clause, all the definitions shall be renumbered in alphabetical order.*
15A.2. TRADING:	**15A.2. TRADING:**	
15A.2.1. Trading in Option Contracts shall take place only through the Trading System.	15A.2.1. ~~Trading in Option Contracts shall take place only through the Trading System.~~ **The Exchange shall provide a market for trading in Single Stock Options Contracts by issuing a notice containing the relevant Contract Specifications.**	This clause is proposed to be aligned with 13.2.1 and 14.2.1 which pertain to DFC and CSFC Markets, respectively.
15A.2.2. Any Securities Broker may enter into Option Contracts under these Regulations subject to prior notification in writing and payment of basic deposit of the requisite amount as may be specified in the Schedule of Charges. This deposit along with any return earned on it is to be kept separate by the	~~15A.2.2. Any Securities Broker may enter into Option Contracts under these Regulations subject to prior notification in writing and payment of basic deposit of the requisite amount as may be specified in the Schedule of Charges. This deposit along with any return earned on it is to be kept separate by the~~	This clause is redundant, hence proposed to be deleted.

EXISTING PSX REGULATIONS		PROPOSED AMENDMENTS		RATIONALE
	Exchange and cannot be used for purposes other than to meet any obligations of the Securities Broker to the Exchange arising from the such market. Provided further that in case of default of a Securities Broker, this deposit shall be utilized in accordance with the Chapter 21 of these Regulations.		~~Exchange and cannot be used for purposes other than to meet any obligations of the Securities Broker to the Exchange arising from the such market~~. ~~Provided further that in case of default of a Securities Broker, this deposit shall be utilized in accordance with the Chapter 21 of these Regulations.~~	
15A.2.3.	All Option Contracts shall be on standard terms as per the format attached as Annexure-A with this chapter.	15A.2.~~3~~2.	~~All Option Contracts shall be on standard terms as per the format attached as Annexure-A with this chapter~~ **The Contract Specifications for Option Contracts shall be as determined by the Board and approved by the Commission**.	The Contract Specifications shall be prescribed out of PSX Regulations.
15A.2.4.	The Option Contract as specified in these Regulations shall be deemed to have been executed into when a buyer/seller accepts a bid/offer in the Single Stock Options Contracts Market.	15A.2.~~4~~3.	The Option Contract as specified in these Regulations shall be deemed to have been executed into when a ~~buyer/seller~~ **Option Buyer/ option Seller** accepts a bid/offer in the Single Stock Options Contracts Market.	
15A.2.5.	All offers/bids made may be accepted for or up to the limit of the offer/bid as prescribed by the Exchange from time to time and the Securities Broker making an offer/bid shall be bound by the terms of the Option Contract.	15A.2.~~5~~4.	All offers/bids made may be accepted for or up to the limit of the offer/bid as prescribed by the Exchange from time to time and the Securities Broker making an offer/bid shall be bound by the terms of the Option Contract.	
15A.2.6.	Upon opening of any Option Contract, the Exchange shall notify the name of the Option Contract, the date of opening and closing of such Option Contract, the date of settlement and other relevant details governing such Option Contract as mentioned in Annexure-A to this chapter.	15A.2.~~6~~5.	Upon opening of any Option Contract, the Exchange shall notify the name of the Option Contract, the date of opening and closing of such Option Contract, the date of settlement and other relevant details governing such Option Contract ~~as mentioned in Annexure-A to this chapter~~.	

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
15A.2.7. There shall be a minimum of fourteen standardized 90 days Option Contracts which shall be issued each month on the first Trading Day following last Friday of each calendar month for each Underlying Security.	15A.2.~~7~~6. ~~There shall be a minimum of fourteen standardized 90 days Option Contracts which shall be issued each month on the first Trading Day following last Friday of each calendar month for each Underlying Security.~~ **The Exchange shall have discretionary powers to introduce minimum number of In-The-Money, Out-of-The-Money and At-The-Money contracts of 90 days' maturity each month and / or any contracts of any other maturity period. At the time of listing of contract, the Exchange shall notify the details of the Contract Specifications, including the maturity period, in line with clause 15A.2.2.**	After consultation with market participants, it is proposed to offer Options with monthly maturity in first phase. Further, PSX shall have the discretion to offer Contracts of longer or shorter periods.
15A.2.8. The Exchange shall ensure that three In-The-Money, three Out-Of-The-Money and one At-The-Money Option Contracts in each Option Type shall remain available for trading at all times.	15A.2.~~8~~7. The Exchange shall ensure that **minimum number of** ~~three~~ In-The-Money, ~~three~~ Out-Of-The-Money and ~~one~~ At-The-Money Option Contracts in each Option Type shall remain available for trading at all times. **However, the Exchange may impose a limit on the maximum number of In-The-Money and Out-of-The-Money Option Contracts. The number of minimum and maximum contracts shall remain at the discretion of the Exchange. The minimum and maximum number of In-The-Money, At-The-Money and Out-Of-The-Money contracts shall be specified by the Exchange in Contract Specifications.**	PSX to set limit on the maximum number of option contracts.
15A.2.9. All At-The-Money Option Contracts shall, for the purpose of exercise be considered the same as Out-Of-The-Money Option Contracts and expire without getting exercised at the end of the Option Contract. All Out-Of-The-Money	15A.2.~~9~~8. ~~All At-The-Money Option Contracts shall, for the purpose of exercise be considered the same as Out-Of-The-Money Option Contracts and expire without getting exercised at the end of the Option Contract.~~ All Out-Of-The-Money Option Contracts shall	Sometimes, ATM options might be exercisable as the strike price is not exactly equal

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
Option Contracts shall expire without getting exercised at the end of the Option Contracts.	expire without getting exercised at the end of the Option Contracts. **Remaining In-The-Money Option Contracts shall be automatically exercised until assignment is not exercised by the Option Buyer in accordance with the assignment procedures of NCCPL.** **Explanation: Assignment is the process where an Option Seller is required to fulfil the terms of an Option Contract because the Option Buyer has chosen to exercise their right to buy or sell the underlying security.**	to the stock price, hence the discretion to exercise ATM options and ITM options (which are very narrow ITM) shall rest with the securities broker.
15A.2.10. The Expiration Day for the 90 days Option Contracts shall be the last Friday of the expiry month of the Option Contract. If the last Friday is a trading holiday the Option Contract shall expire on the preceding Trading Day.	15A.2.~~10~~9. The Expiration Day for the 90 days Option Contracts shall be the last Friday of the expiry month of the Option Contract. If the last Friday is a trading holiday the Option Contract shall expire on the preceding Trading Day.	
15A.2.11. The Exchange shall issue Single Stock Options Contracts of same Expiration Day at new Exercise Prices on real-time basis using Exercise Price Intervals as notified by the Exchange from time to time.	15A.2.1~~1~~0. The Exchange shall issue Single Stock Options Contracts of same Expiration Day at new Exercise Prices on real-time basis using Exercise Price Intervals as notified by the Exchange from time to time.	
15A.2.12. Trading shall be permitted only in available Option Series and opening of new Option Series shall not affect other Option Series opened previously.	15A.2.1~~2~~1. Trading shall be permitted only in available **Stock** Option Series and opening of new **Stock** Option Series shall not affect other **Stock** Option Series opened previously.	
15A.2.13. Option Contract shall be adjusted in case of corporate actions in the manner prescribed by the Exchange.	15A.2.1~~3~~2. Option Contract shall be adjusted ~~in case of corporate actions~~ in **accordance with the Corporate Action Adjustment Methodology** ~~the manner~~ prescribed by the Exchange.	Corporate action adjustment methodology for single stock options shall be published on PSX website.

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
15A.2.14. The Exchange shall specify the methodology for determining Daily Option Settlement Price with prior approval of the Commission. 15A.2.15. The Exchange shall place on its website necessary and relevant information with respect to Open Interest and other ancillary trading information on daily basis along with any other report that the Exchange and/or the Commission intends to make available to the public.	~~15A.2.14. The Exchange shall specify the methodology for determining Daily Option Settlement Price with prior approval of the Commission.~~ 15A.2.1~~5~~**3**. The Exchange shall place on its website necessary and relevant information with respect to Open Interest and other ancillary trading information on daily basis along with any other report that the Exchange and/or the Commission intends to make available to the public.	DOSP is proposed to be made part of Chapter 19 of PSX Regulations, hence Clause 15A.2.14 is proposed to be deleted.
15A.3. CLEARING, SETTLEMENT AND RISK MANAGEMENT: 15A.3.1. The Option Seller would be subject to all applicable margins and MtM Losses as prescribed in NCCPL Regulations, as amended from time to time.	**15A.3. CLEARING, SETTLEMENT AND RISK MANAGEMENT:** No change	
15A.3.2. Margins shall be applicable on the buyer of the Option Contract in accordance with NCCPL Regulations, which shall be levied on real-time basis, till the completion of pay-in towards Premium settlement.	~~15A.3.2. Margins shall be applicable on the buyer of the Option Contract in accordance with NCCPL Regulations, which shall be levied on real-time basis, till the completion of pay-in towards Premium settlement~~.	Since premium will be charged upfront, there will not be any margin on the buyer.
15A.3.3. The Premium shall be payable by buyer/holder of the Option Contract in cash on T+0 basis and distributed onwards by NCCPL to the Option Seller in accordance with NCCPL Regulations.	15A.3.~~3~~**2**. The Premium shall be payable by ~~buyer/holder~~ **Option Buyer** ~~of the Option Contract~~ in cash on T+0 basis and distributed onwards by NCCPL to the Option Seller in accordance with NCCPL Regulations.	
15A.3.4. MtM Losses, determined by NCCPL at the end of a Trading Day, shall be collected by NCCPL in accordance with NCCPL Regulations.	15A.3.~~4~~**3**. MtM Losses, determined by NCCPL at the end of a Trading Day, shall be collected by NCCPL in accordance with NCCPL Regulations.	
15A.3.5. The treatment of MtM Profits shall be in the manner as prescribed under NCCPL Regulations.	15A.3.~~5~~**4**. The treatment of MtM Profits shall be in the manner as prescribed under NCCPL Regulations.	

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
15A.3.6. Exercise Settlement shall take place on T+2 after expiry of the Option Contract. The Option Contract shall be settled physically on the basis of Exercise Price. The collection and payment of profits or losses on Exercise Settlement to/from Securities Brokers shall be done by the NCCPL in the prescribed manner as per NCCPL Regulations.	15A.3.~~6~~5. Exercise Settlement shall take place on T+~~2~~1 after expiry of the Option Contract. The Option Contract shall be settled physically on the basis of Exercise Price. ~~The collection and payment of profits or losses on Exercise Settlement to/from Securities Brokers shall be done by the NCCPL in the prescribed manner as per NCCPL Regulations.~~	Change in settlement cycle from T+2 to T+1 is proposed. Moreover, single stock options are not cash-settled
15A.3.7. The position limits in the Options Market shall be in accordance with NCCPL Regulations.	15A.3.~~7~~6. The position limits in the Options Market shall be in accordance with NCCPL Regulations.	
15A.3.8. For the purpose of determining Securities Broker-level and client level Open Interest for calculation of Position Limits, netting shall be in the manner as prescribed under NCCPL Regulations.	15A.3.~~8~~7. For the purpose of determining Securities Broker-level and client level Open Interest for calculation of Position Limits, netting shall be in the manner as prescribed under NCCPL Regulations.	
15A.4. BLANK SALE AND COMPLIANCE:	**15A.4. BLANK SALE AND COMPLIANCE:**	
15A.4.1. A Securities Broker on its proprietary account or client's account in Options Market shall execute:	No Change	
(a) Short Call Option through normal sale order window in the Trading System if the Securities Broker or the client, as the case may be, either owns the securities or has a Pre-Existing Interest;	No Change	
(b) Short Call Option (whether covered or uncovered) through special order window designed in the Trading System for Blank Sale;	No Change	
(c) The combined quantum or value of short Call Option (whether covered or uncovered) executed through	No Change	

EXISTING PSX REGULATIONS	PROPOSED AMENDMENTS	RATIONALE
the special order window shall be subject to the maximum threshold. Explanation: Threshold for the purpose of this chapter shall mean "up to 0.5% of the Free-Float of a scrip or PKR 50 million, whichever is higher, in the Options Market by a Securities Broker on its proprietary or client's accounts on UIN basis subject to maximum of 3.0% of the Free-Float of a scrip by such Securities Broker for all its accounts including proprietary and clients' accounts at any given time during a Contract Period". 15A.4.2. Pre-Existing Interest in order to remain qualified for the purpose of Sale through normal sale order window shall continue to exist until the sale position in the Options Market is squared off or settled at the expiry of the Option Contract.	No Change	
New Insertion	**15A.5. SUSPENSION OR DISCONTINUATION OF SINGLE STOCK OPTIONS CONTRACT MARKET:** **15A.5.1. The Board may at any time, with the prior written approval of the Commission and on such conditions and manner if any as the Commission may specify, permanently discontinue the Single Stock Options Market, or temporarily suspend the operation of the said market for a specified period of time.** **15A.5.2. The Board shall, if instructed by the Commission to do so and on such conditions and manner as the Commission may specify, permanently discontinue the Single Stock Options Market or temporarily suspend the operation**	PXS's power to temporarily or permanently suspend operations or discontinue SSOC Market is proposed to be added, similar to the power to suspend or discontinue the DFC (Clause 13.7) and CSFC (Clause 14.4) markets.

<table>
<tr><th>EXISTING PSX REGULATIONS</th><th>PROPOSED AMENDMENTS</th><th>RATIONALE</th></tr>
<tr><td></td><td><u>of the said market for a specified period of time.</u></td><td></td></tr>
<tr><td>

Annexure A

<table>
<tr><td>Contract Multiplier</td><td>500 shares or any other quantity as may be determined by the Exchange from time to time.</td></tr>
<tr><td>Contract Description</td><td>European Style Call and Put</td></tr>
<tr><td>Minimum Fluctuation</td><td>PKR 0.01 (Premium per Underlying Security)</td></tr>
<tr><td>(Tick Size)</td><td>European</td></tr>
<tr><td>Option Style</td><td>Physical</td></tr>
<tr><td>Settlement</td><td>T+2</td></tr>
<tr><td>Delivery Date</td><td>Pakistan Rupee</td></tr>
<tr><td>Currency</td><td>As notified by the Exchange from time to time.</td></tr>
<tr><td>Exercise Price Interval</td><td>As provided under chapter 19 of these Regulations.</td></tr>
<tr><td>Daily Price Limit</td><td>90 days</td></tr>
<tr><td>Contract Maturity</td><td>First Trading Day following the last Friday of calendar month.</td></tr>
<tr><td>Opening of Contract</td><td>Last Friday of the expiry month.</td></tr>
<tr><td>Contract Expiry/</td><td>As may be notified by the Exchange from time to time.</td></tr>
<tr><td>Last Trading Day</td><td>Exposure Margin shall be in accordance with NCCPL Regulations governing Risk management, as amended from time to time.</td></tr>
</table>

</td><td>

~~**Annexure A**~~

<table>
<tr><td>~~Contract Multiplier~~</td><td>~~500 shares or any other quantity as may be determined by the Exchange from time to time.~~</td></tr>
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<tr><td>~~Delivery Date~~</td><td>~~Pakistan Rupee~~</td></tr>
<tr><td>~~Currency~~</td><td>~~As notified by the Exchange from time to time.~~</td></tr>
<tr><td>~~Exercise Price Interval~~</td><td>~~As provided under chapter 19 of these Regulations.~~</td></tr>
<tr><td>~~Daily Price Limit~~</td><td>~~90 days~~</td></tr>
<tr><td>~~Contract Maturity~~</td><td>~~First Trading Day following the last Friday of calendar month.~~</td></tr>
<tr><td>~~Opening of Contract~~</td><td>~~Last Friday of the expiry month.~~</td></tr>
<tr><td>~~Contract Expiry/~~</td><td>~~As may be notified by the Exchange from time to time.~~</td></tr>
<tr><td>~~Last Trading Day~~</td><td>~~Exposure Margin shall be in accordance with NCCPL Regulations governing Risk management, as amended from time to time.~~</td></tr>
</table>

</td><td>The Contract Specifications shall be prescribed out of PSX Regulations, similar to the contract specifications for DFC and CSFC. Therefore, this annexure is proposed to be deleted.</td></tr>
</table>

*****END OF PROPOSED AMENDMENTS*****

"ANNEXURE B"

PROPOSED AMENDMENTS TO THE SCHEDULE OF CHARGES

SCHEDULE OF CHARGES

SCHEDULE FOR BASIC DEPOSITS

Market Name	Value in Rupees	Mode	Collection
Market Makers	25,000/-	Cheque/Pay Order/Demand Draft	On signing Market Making Agreement

SCHEDULE FOR TRADING FEE

Market Name	Rate in Rupees	Basis	Mode	Collection Date
Ready Market Trade	3.50	Rs. 100,000/- value traded	Through Payment Order	On Every Settlement Day
Deliverable Futures Contract Market- contract	3.90			
Single Stock Cash-Settled Futures Contract Market-contract	3.90			
Single Stock Options Contract Market-contract	**7.00**			
Stock Index Futures Contract Market-contract	3.90			
Squaring-Up Market-trade	3.50			
Negotiated Deals Market-transaction	3.50			
Trade Rectification-transaction	One side of fee applicable to Original Trade.			
Corporate Debt Securities Market	2.80	Rs. 100,000/- settlement value *		
Non CDS Eligible GDS Market	2.80			
CDS Eligible GDS Market	1.00			

* For instruments having Days-to-Maturity (DTM) of less than one (01) year, the trading fee shall be calculated as: trading fee rate x settlement value x (DTM/total days in a year)

For instruments having DTM of one year or greater than one (01) year, the trading fee shall be calculated as: trading fee rate x settlement value

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SCHEDULE FOR GOVERNMENT TAXES AND LEVIES

Market Name	Rate in %age		Rate in %age		Rate in %age		SECP Levy	Basis	Mode	Collection
	CVT	*Basis*	*Adv. Tax*	*Basis*	*Sales Tax*	*Basis*				
Ready Market Trade	0.00%	On Purchase Value	0.00%	On Purchase and Sale Value in lieu of Brokerage Commission	The applicable rate as notified from time to time	On the trading fee amount	PKR 0.65	Per Rs. 100,000/- value trade	Through Payment Order	On Every Settlement Day
Deliverable Futures Contract Market-contract										
Single Stock Cash-Settled Futures Contract Market-contract										
Single Stock Options Contract Market-contract										
Stock Index Futures Contract Market-contract										
Squaring-Up Market-trade										
Negotiated Deals Market- transaction										
Government Debt Securities (Other than GIS)										
Corporate Debt Securities										
CDS Eligible GDS							PKR 0.40	Per Rs. 100,000/- settlement		
Note: The Listing fees applicable under various markets and products in accordance with PSX Regulations shall be subject to relevant sales tax as notified from time to time.										

SCHEDULE FOR REGULATORY FEE

Market Name	Rate in Rupee	Basis	Mode	Collection Date
Ready Market Trade	0.62084	Per PKR 100,000/- value	Through Payment Order	On Every Settlement Day
Deliverable Futures Contract Market- contract	0.88809			
Single Stock Cash-Settled Futures Contract Market-contract	0.88809			
Single Stock Options Contract Market-contract	0.88809			
Stock Index Futures Contract Market-contract	0.88809			
Squaring-Up Market-trade	0.88809			
Negotiated Deals Market- transaction	Nil			
Debt Market – Trades	Nil			
Note: The regulatory fee shall be subject to application of relevant sales tax as notified from time to time.				

Provided that with effect from August 29, 2025 or such date as specified by the SECP, or in the case of balance of Customer Compensation Fund falling below the amount specified by the SECP, whichever comes first, the Regulatory Fee shall be discontinued.

NOTE: PSX reserves the right to alter or vary collection date of recoverable fees and charges, for a class of TRE Certificate Holders.

"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, 2nd 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 FILLED 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 be remain confidential: ☐ I wish to have my identity remain confidential. ☐ 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, after closure of public consultation session and obtaining approval of proposed amendments from the Securities and Exchange Commission of Pakistan (SECP) – the Apex Regulator, 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 SECP.

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.