



PAKISTAN STOCK BROKERS ASSOCIATION

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

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Bilal Farooq Zardi
Secretary General

Ref: PSBA/S0321-01

March 04, 2021

MR. SHAUZAB ALI

Commissioner SMD

Securities and Exchange Commission of Pakistan

Islamabad.

Subject: **TIMELINES FOR IMPLEMENTATION OF NEW BROKER REGIME**

Dear Sir,

Furtherance to the notice SMD/SE/2(20)/2020 dated December 31, 2020, wherein, the extension in timelines of implementation of New Broker Regime (NBR) was notified considering the ongoing process of establishment of Professional Clearing Member (PCM) so that the market participants are facilitated accordingly.

Subsequent to the above, you are well aware that the testing of the New Trading System (NTS) at Pakistan Stock Exchange (PSX) is at its final stages and soon to be functional in place of the existing Trading System, hopefully by the end of the current month. Simultaneously, the establishment of PCM is also at its final stages and we believe that it will also be available for the Stock Brokers, desiring to transfer their settlement and custody functions with PCM, by the end of the current month.

It is important to mention here that the functionality of NTS is yet to be fully absorbed by the market participants. Therefore, we request your good office that the timeline for transferring of settlement and custody functions for Trading Only Brokers with PCM, may please be extended to at least one quarter after the implementation of NTS so that the latter is fully operative and ready to integrate with the PCM model.

The implementation of PCM at the earlier stage may become a hassle while integrating it with an existing system first and then the new one thereafter.

Looking forward to your positive response.

Regards,

Cc: Chief Executive Officer – PSX
Chief Executive Officer – CDC
Chief Executive Officer – NCCPL