



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

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October 26, 2021

MR. AAMIR KHAN

Chairman

Securities and Exchange Commission of Pakistan
Islamabad.

Subject: **IMPLEMENTATION OF NEW TRADING SYSTEM**

Dear Sir,

We have been approached by our numerous members who are facing difficulties in consummating transactions in the recently introduced New Trading System (NTS) by the Pakistan Stock Exchange (PSX) on October 25, 2021.

As you are aware that the investors all over the world use various trading platforms, including but not limited to, KATS, KiTS, Online, and Internet Based Trading which connects them directly with the Trading Engine, provided by the Exchange. This essentially means that any financial loss, incurred by the investors at large due to usage of NTS will not be the responsibility of the Securities Brokers/Market Participants.

You are also aware that under Regulation 5 of the Securities Exchanges (Licensing and Operations) Regulations, 2016, it is a licensing condition for any Securities Exchange to deploy adequate infrastructure including modern technologies to enable it to provide trading platforms in accordance with international standards. Thus, the primary responsibility is of the Securities Exchange, itself. However, as a goodwill gesture, our members voluntarily provided all the required assistance to help the Exchange authorities to make this new system efficient, effective, and smooth to implement. In this process, 18 mock sessions were conducted and errors, flaws & imperfections could not be addressed/removed in their entirety. This has compelled us to state that the Exchange is being damaged by unprofessional decision making.

With deep regrets, NTS went live without fixing errors thereby investors' around the globe had to suffer and public money has been put at stake.

Volumes have been shrunk drastically due to hasty decisions based on the impractical system caused revenue loss not only to the Exchange, our members but also to the public at large. We fail to understand the logic behind its abrupt implementation during the rollover week

Furthermore, it is pertinent to mention that this NTS is missing important decision-making features which were available in the previous system namely Karachi Automated Trading System (KATS).

It may please be noted that the users are not willing to accept this incomplete and insufficient system, therefore, they all are of the considered view that in order to avoid further credibility and financial loss, the old system (KATS) be immediately restored without any further delay.

Any delay in acting on the above could result in serious losses to investors and may open PSX to face extreme reactions.

Your good self is the only hope therefore we are looking forward to a prompt action.

BILAL FAROOQ ZARDI

Secretary General

Cell# 0300 - 266 2516

Cc: **DR. SHAMSHAD AKHTER** - Chairperson - PSX
BOARD OF DIRECTORS - PSX.
MR. FARRUKH KHAN - Chief Executive Officer - PSX.