



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*International Affairs, Communication & Coordination (IACC) Department*

***PRESS RELEASE***

**FOR IMMEDIATE RELEASE**

## **KSE: SECP approves regulations for market makers**

ISLAMABAD, December 14: In line with international best practices, and to promote liquidity in the capital market, the SECP has approved the regulations for market makers for the Karachi Stock Exchange (G) Limited. The market makers play an important role in the capital market by promoting liquidity in relatively less liquid securities by buying and selling these securities in return for a bid/ask spread.

The regulations broadly cover qualification criteria to become a market maker, qualification criteria for products eligible for market making, enforcement actions and additional disclosure requirements coupled with the market making agreement, which is a key document agreed and signed between the market maker and the corresponding exchange on which the market maker undertakes to perform market making activities.

These regulations are expected to cater for reduced investor profits, volatility in the share prices and presence of unofficial market makers who may cause loss to the investors. Initially market making has been allowed in all markets except the ready market.

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