



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

FOR IMMEDIATE RELEASE

SECP Promulgates Securities (Leveraged Markets and Pledging) Rules, 2011

ISLAMABAD- February 18: The federal government has accorded its approval for promulgation of the Securities (Leveraged Markets and Pledging) Rules, 2011, which have been notified by the Securities and Exchange Commission of Pakistan (SECP) in the official gazette.

While realizing the significance of liquidity in trading for a vibrant stock market, last year the SECP had drafted these rules after detailed consultations with the relevant stakeholders including the State Bank of Pakistan, Mutual Funds Association of Pakistan, Pakistan Banks Association, Leasing Association of Pakistan, Modaraba Association of Pakistan, the three stock exchanges, the National Clearing Company and the Central Depository Company of Pakistan Limited.

The rules have been developed considering best international practices and provide a regulatory framework for Margin Financing, Margin Trading, Securities Lending and Borrowing and Pledging of clients' securities. The promulgation of these rules is not only expected to introduce effective disclosure requirements to ensure greater transparency but also to cater for the financing needs of capital markets while providing retail investors with an easy access to financing against shares and an automated mechanism for securities lending and borrowing. This in turn is expected to assist in escalating trading activity at the stock exchanges, provide depth to the market and facilitate overall growth and development of the capital markets.

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