



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

International Affairs, Communication & Coordination (IACC) Department

PRESS RELEASE

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SECP okays measures for derivatives and leverage segments

ISLAMABAD, July 19: In a move to facilitate market participants and in the interest of the capital market, the SECP has approved various regulatory measures.

In order to support enhanced trading activity in the deliverable futures market and facilitating market participants, the condition of basic deposit of Rs500,000 by brokers has been waived. Also, exposure margins requirement in the said market has been changed to permit 50% to be deposited in cash and 50% in the form of eligible securities, whereas marked-to market losses will continue to be deposited in the form of cash. Earlier, all margins in this market were required to be deposited in cash only which encumbered the intermediaries. The SECP has also agreed to allow roll-over facility in the deliverable futures from one contract to another during the overlapping period subject to the consent of both parties to the contract.

Further, in order to encourage and boost activity in other market segments, a revised criteria has been approved for eligible securities to be traded in the margin trading market, deliverable futures, and cash-settled futures market. As a result of the new criteria, the list of eligible securities in these market segments has been considerably enhanced which will help increase the daily trading volumes with wider participation from all particularly by retail investors. The lists of eligible securities will be separately notified by the Karachi Stock Exchange.

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