



## SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

**ISLAMABAD, September 15:** The Securities and Exchange Commission of Pakistan (SECP) in its Commission meeting held today approved the concept of Margin Trading System (MTS) with additional risk mitigating measures.

The concept of MTS was earlier proposed by the Karachi Stock Exchange (KSE). It was reviewed by an Independent Committee of Professionals constituted by the SECP. The Committee submitted its report in July 2010. The Report of the Committee was approved by the Board of Directors of the three stock exchanges and the National Clearing Company in their subsequent meetings. The recommendations of the Committee in relation to the MTS were reviewed in detail by the SECP in the Commission meeting. The SECP approved MTS with certain amendments to further strengthen risk management and provide for measures to curtail systemic risk, in the interest of the market.

The above approval of the Commission will be followed by carrying out necessary amendments to the draft Securities (Margin Financing, Securities Lending and Borrowing and Pledging) Rules, 2010. Thereafter, the same will be forwarded to the Government for promulgation.

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