



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Press Release
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SECP approves paddy rice futures contracts for listing on PMEX

ISLAMABAD, November 2: To further its endeavor to promote electronic trading of agricultural commodities through the platform of Pakistan Mercantile Exchange (PMEX), and to protect the interests of participants in the agriculture value chain (farmers in particular), the Securities and Exchange Commission of Pakistan has approved Super Basmati Paddy Rice futures contracts for listing on PMEX.

In August 2015, the SECP had approved Red Chilli futures contract, which after a successful pilot, was subsequently rolled out on a full scale. In the current season, over 1000 tons of red chilli has been traded through the electronic platform of PMEX. Benefits of using PMEX platform include quality-tested product, swift payment within 24-48 hours, price transparency and guaranteed delivery and settlement through the exchange's mechanism.

The SECP is fully geared to bringing about reforms in agricultural commodity trading by encouraging traders to make use of PMEX platform as a modernized route for buying and selling agricultural commodities in Pakistan. For this purpose, the SECP has incorporated the concept of agriculture promotion companies in the Draft Companies Bill, 2016, which includes producer and collateral management companies and formulated draft collateral management and warehousing framework to facilitate formation of collateral management company and registration of accredited warehouses. The said framework shall be put forth for public consultation next week.