



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

PRESS RELEASE

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SECP grants approval for 90 days Deliverable Futures Contracts

ISLAMABAD, July 2: For the first time in Pakistan, The Securities and Exchange Commission of Pakistan (SECP) approves introduction of 90 days Deliverable Futures Contracts (DFC). This will allow investors to take positions in futures contracts with 30 days, 60 days and 90 days maturity, thereby providing market participants with multiple options and flexibility to suit their particular investment strategies.

Previously, investors could only roll over their positions during the last week of month, also known as the rollover week. As per the new features, investors would be able to rollover their positions at any time they desire, thus reducing the pressure in rollover week and curtailing risk in the market.

As a part of reform process in DFC, the eligibility criteria have also been refined to align the same with international best practices and bring more liquidity. The revision is carried out in a manner to strike a balance between providing market participants with more investment opportunities while also ensuring that only liquid scrips are part of DFC universe.

The changes are introduced with corresponding improvements in risk management regime to address any resultant risk and ensure smooth capital market operations. The new contracts will be opened for trading by Pakistan Stock Exchange in the last week of July 2021.

The aforementioned reforms have been approved after due consideration to any incremental risks and implementation of appropriate risk mitigating features, and were finalized as a result of comprehensive stakeholder consultation.