

**FOR ALL SECURITIES BROKERS**

**APPROVED AMENDMENTS TO PAKISTAN STOCK EXCHANGE LIMITED  
(PSX) REGULATIONS IN RELATION TO ENHANCEMENT OF INVESTOR  
PROTECTION MEASURES**

This is with reference to PSX Notice No. PSX/N-1095 dated October 26, 2023, whereby, PSX notified proposed amendments to PSX Regulations in relation to various matters for seeking public comments.

In this regard, it is hereby informed to all securities brokers that the PSX, in exercise of powers conferred upon it under Section 7 of the Securities Act, 2015, has amended the relevant clauses of PSX Regulations with the approval of the Securities and Exchange Commission of Pakistan with an aim to strengthen investor protection measures as mentioned below:

1. **As per PSX Regulation 3.7.1A**, PSX shall inform the SECP and the relevant banks of the TRE Certificate Holder regarding suspension, cancellation or forfeiture of TRE Certificate of such TRE Certificate Holder. Further, in case of cancellation, forfeiture or declaration of a securities broker as defaulter, PSX, while referring the case to the SECP, shall request it to take further appropriate action(s).
2. **As per PSX Regulation 3.16.8**, PSX is empowered to obtain account balance confirmation of any one or more of the client-titled bank accounts maintained by the securities broker with its written authority. For this purpose, PSX may require the securities broker to authorize on its letterhead the relevant officials of PSX for obtaining such information from the relevant branch of the concerned bank.
3. **As per PSX Regulation 4.17.1A**, the securities brokers shall be required to submit to PSX the details of all business bank account(s) opened for holding funds as and when required by PSX. The securities broker shall be required to inform PSX within five (05) working days of opening of new bank account or closure of existing bank account. Such information shall be submitted in the manner to be notified by the PSX.
4. **As per PSX Regulation 4.23.3**, cash withdrawals from the client-titled bank accounts maintained by the securities brokers shall be prohibited and all payments to customers must be made through the banking channels.
5. **As per PSX Regulation 20.16.6 (g) and 21.6.1 (e)**, the funds available in the proprietary and client-titled bank account(s) of the defaulted securities broker shall vest with PSX for settlement of verified claims against the concerned defaulted broker.

In addition to the above, PSX has also introduced a new Clause 4.9A in PSX Regulations which stipulates that a TRE Certificate Holder may pass members' resolution for voluntary winding-up subject to mandatory compliance with the procedures prescribed therein. Where a TRE Certificate Holder passes members' resolution for voluntary winding-up without complying with the prescribed procedures, PSX shall suspend the trading terminals of such TRE Certificate Holder until further notice. Consequently, the earlier abrupt action of declaring such non-compliant TRE Certificate Holder as defaulter ipso facto under Clause 21.4 has been removed.



The above approved amendments have become applicable with effect from June 12, 2024. The updated version of PSX Regulations is available under Legal Framework section of PSX website.

All securities brokers are advised to note the above for information and compliance as and when due.



**AJEET KUMAR**

Chief Regulatory Officer

**Cc:**

1. The Executive Director/HOD (PRDD), SMD, SECP
2. The Chief Executive Officer, PSX
3. The Chief Executive Officer, CDC
4. The Chief Executive Officer, NCCPL
5. The Chief Executive Officer, PMEX
6. The Chief Executive Officer, ECLear
7. The Chief Executive Officer, IFMP
8. The President and Chief Executive Officer, PICG
9. The Secretary General, PSBA