

i.	<b>Act</b>	means the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012;
ii.	<b>Agent or Accredited Agent</b>	means a person appointed by a Broker to act on his behalf for the purposes recognized by the Exchange and registered with the Commission under the Brokers and Agents Registration Rules, 2001;
iii.	<b>All Markets</b>	means the different markets provided by the Exchange and are governed under these Regulations which include Ready Delivery Contract Market which includes ODD Lots market, Deliverable Futures Contract Market, Cash-Settled Futures Contract Market, Stock Indices Futures Contract Market, Futures Trading in Provisionally Listed Companies Market, Index Options Market, Debt Securities Market and any other market which the Board may provide for with the prior approval of the Commission and individually referred to as a "Market";
iv.	<b>Articles</b>	means the Articles of Association of the Exchange;
v.	<b>Asset Management Company (AMC)</b>	shall have the same meaning as ascribed thereto under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
vi.	<b>Authorized Participant (AP)</b>	means a Market Maker as defined under chapter 12 of these Regulations, appointed by the AMC under the Authorized Participant Agreement and obligations and responsibilities of whom are also specified in the Constitutive Documents;
vii.	<b>Authorized Participant Agreement (APA)</b>	means an agreement entered into between the Authorized Participant, Trustee and the Asset Management Company setting out the roles and responsibilities of each party and includes, among other things, the terms and procedures to be adopted by the AMC and AP for the issuance and redemption of creation units. Minimum contents of the Authorized Participant Agreement are specified in Annexure-A attached to chapter 16 relating to ETFs of these Regulations;
vii.a.	<b>Bank Guarantee</b>	<p>means a Guarantee issued by a bank as mentioned below and deposited by the Brokers in the form acceptable to the Exchange in order to fulfill their BMC requirements, provided that such Guarantees are issued by such banks which meets the following criteria for this purpose.</p> <p>The Bank:</p> <p>(i) is duly licensed to carry on banking business in Pakistan under the Banking Companies Ordinance, 1962 (LVII of 1962), or, being a statutory corporation, it is otherwise entitled to carry on banking business under the law it is created;</p> <p>(ii) has been allocated minimum credit rating of 'A'. Provided that, where a bank has been allocated credit rating of 'A', the maximum amount of such Guarantee per Broker is limited up to Rs.400 million, whereas in case of 'AA' or above credit rated bank, the maximum amount of such Guarantee per Broker is limited up to Rs.1.0 billion; and</p> <p>The Exchange shall maintain a list of banks which satisfy the aforementioned eligibility criteria for issuing the Bank Guarantees acceptable to the Exchange for satisfying BMC requirements.</p>
viii.	<b>Base Minimum Capital (BMC)</b>	means the collateral deposited and/or maintained by the Broker with the Exchange for its eligibility to trade through the Exchange Trading Systems to be calculated/prescribed as per Schedule-I annexed to chapter 19 of PSX Regulations;
ix.	<b>Blank Sale</b>	means a sale by a Broker on his proprietary account or on client's account when the Broker or client does not own shares or the sale does not constitute a sale with pre-existing interest or is a sale without entering into a Securities Lending and Borrowing Contract to meet delivery requirements on settlement date;
x.	<b>Blocked Account</b>	means a CDC account opened and maintained by the Exchange in accordance with clause (c) of sub-section (1) of section 5 of the Act;
xi.	<b>Board</b>	means the Board of Directors of the Exchange;
xi.a.	<b>Book Building</b>	means a process of eliciting demand for shares offered for sale as prescribed under Book Building Regulations, 2015 framed by the Commission and as amended from time to time;
xii.	<b>Book Entry Security</b>	shall have the same meaning as ascribed thereto in the Central Depository Act, 1997 and the CDC Regulations made thereunder;
xiii.	<b>Broker</b>	means a TRE Certificate Holder of the Exchange engaged in the business of executing transactions in Securities for his own account or on account of his clients and is registered with the Commission as a Broker under the Brokers and Agents Registration Rules, 2001;
xiv.	<b>Broker Clearing Member (BCM)</b>	shall have the same meaning as ascribed thereto in the NCCPL Regulations 2003;
xv.	<b>CDC</b>	means the Central Depository Company of Pakistan Limited and its successors in interest;
xvi.	<b>CDC Regulations</b>	means Central Depository Company of Pakistan Limited Regulations for the time being in force;

xvii.	<b>CDS</b>	means the Central Depository Systems established and operated by the CDC;
xviii.	<b>Central Depository</b>	shall have the same meaning as ascribed thereto under the Securities and Exchange Ordinance, 1969 (XVII of 1969);
xix.	<b>CHPF</b>	means the Clearing House Protection Fund of the Exchange governed and operated by the Trustees of CHPF Trust under its Trust Deed and regulations, if any;
xx.	<b>Clearing Day</b>	means the clearing day fixed by the Exchange from time to time;
xxi.	<b>Clearing House</b>	means the Clearing House established and operated by the Exchange;
xxii.	<b>Closing Price</b>	Closing Price: means the price determined as per methodology prescribed under Chapter 19 of PSX Regulations;
xxiii.	<b>Commission</b>	means the Securities and Exchange Commission of Pakistan;
xxiv.	<b>Connected Person</b>	means in relation to a natural person, a spouse, real, step or half sibling, lineal ascendant or descendant of such person, a partner, promoter or substantial shareholder of an undertaking, company or body corporate of which such person is also a partner, promoter, substantial shareholder or any undertaking, company or body corporate in which such person is a partner, promoter, substantial shareholder or director, in relation to a legal person a Connected Person means an undertaking, company or body corporate which is a holding, subsidiary or associated company of such legal person;
xxv.	<b>Contract</b>	means standardized contract eligible for trading as a single or multiple thereof in the respective Markets on the terms and conditions defined under the relevant chapters of these Regulations as amended from time to time;
xxvi.	<b>Corporate Brokerage House</b>	means the TRE Certificate Holder being a private or a public company incorporated under the Ordinance and registered as a Broker with the Commission;
xxvii.	<b>Corporatization</b>	means the conversion of the Exchange from a company limited by guarantee to a company limited by shares;
xxviii.	<b>CRO</b>	means Chief Regulatory Officer of the Exchange;
xxix.	<b>Cross Trade</b>	means the trade executed either between the two clients of the same Broker or a client and his Broker's proprietary account through the Trading Systems;
xxx.	<b>Debt Securities or Debt Market Securities</b>	Include Corporate Debt Securities such as Term Finance Certificates (TFCs), SUKUK Certificates Sharia Compliant Bonds, Registered Bonds, Corporate Bonds, Commercial Papers, Participation Term Certificates (PTCs), collateralized Securities and all kinds of debt instruments issued by any Pakistani or foreign company or corporation registered in Pakistan;
xxxi.	<b>Defaulter</b>	means a TRE Certificate Holder declared as a defaulter by the Exchange under chapter 21 of these Regulations;
xxxii.a.	<b>Deliverable Futures Contract Market</b>	means a market made available by the Exchange for trading in Deliverable Futures Contracts as stipulated in Chapter 13 Governing Deliverable Futures Contract Market Regulations;
xxxiii.	<b>Demutualization Regulations</b>	means Stock Exchanges (Corporatisation, Demutualization and Integration) Regulations, 2012 framed by the Commission under Section 23 of the Act;
xxxiiii.	<b>Derivative Contracts</b>	means Deliverable Futures Contract, Cash Settled Futures Contract, Stock Index Futures Contract and Index Options Contract;
xxxv.	<b>Downtick</b>	means the price of a security below the last executed price of that security transacted through the Exchange Trading System;
xxxvi.	<b>ETF</b>	means Exchange Traded Fund, which is a listed index-tracking open-ended fund structured as a Collective Investment Scheme. The primary objective of the ETF is to mimic the return of a particular benchmark index by investing substantially all of its assets in the constitution securities of the Benchmark Index. ETF issues and redeems creation units in kind through APs only;
xxxvii.	<b>ETF Unit</b>	means a unit of open-ended scheme that tracks a benchmark index and is listed on the stock exchange and may be traded like any other share on the stock exchange;
xxxviii.	<b>Exchange</b>	means the Pakistan Stock Exchange Limited including, where the context so permits, Board, any committee, sub-committee, employee or officer to whom any function of the Pakistan Stock Exchange Limited may for the time delegated;
xxxix.	<b>Exchange Trading Systems or Trading Systems</b>	means the Karachi Automated Trading System (KATS), Bonds Automated Trading System (BATS) and any other electronic trading system established from time to time which also include its allied computer applications and software established by the Exchange from time to time;
xl.	<b>Exposure</b>	means at any point in time, security-wise and client-wise cumulative net unsettled amount of purchases and sales, of a Broker (including proprietary trades) under each Markets determined in accordance with NCCPL Regulations;
xli.	<b>Free-Float</b>	means the number of ordinary shares readily available for trading through the Exchange which comprises of all outstanding ordinary shares excluding the shares held by the following categories/persons:

		<p>(a) <b>For Book-entry Security:</b></p> <p>(i) Government holdings;</p> <p>(ii) Directors and sponsors;</p> <p>(iii) In physical form;</p> <p>(iv) Associate companies;</p> <p>(v) Employee Share Schemes and not available for trading by employees;</p> <p>(vi) Strategic investors or any other category that are barred from selling at the review date.</p> <p>(b) <b>For physical form Security:</b></p> <p>Free-Float may be all physical shares excluding those issued to the Government, directors, sponsors, associate companies, employees under Employee Shares Schemes and not available for trading by employees and strategic investors, who are barred from selling at the review date.</p> <p>Free-Float of each Security allowed for trading shall be reviewed every six months and shall be disclosed to the public. However, in case of disinvestment by sponsors or public, Free-Float may be reviewed earlier by the Exchange;</p>
xli.	<b>Futures Trading in Provisionally Listed Companies Market</b>	means a market as envisaged under chapter 11 of these Regulations;
xli.a.	<b>Haircut</b>	means the percentage rates on which the eligible forms of collaterals are discounted for valuation purpose;
xlii.	<b>House Account</b>	means the house account as defined and prescribed under the CDC Regulations as amended from time to time;
xlii.a.	<b>Impact Cost (IC)</b>	represents the amount of adverse price movement in fulfilling an order size of Rs.500,000/- or any other amount as prescribed by the NCCPL with the prior approval of the Commission, during the last six months. The IC is calculated on a real time basis and is adjusted for every change in the order book due to an order size of Rs.500,000/- or any other amount prescribed in the above manner;
xlii.b.	<b>Index Options Market</b>	means a Market made available by the Exchange for trading in Option Contracts as stipulated in Chapter 15 of the PSX Regulations;
xliii.	<b>Initial Shareholder</b>	means the legal owner of the shares of the Exchange on the date of Corporatization, as defined under the Act;
xliv.	<b>Initial TRE Certificate Holder</b>	means any person who has been issued a TRE Certificate under section 5(1) (e) of the Act;
xlv.	<b>Investor</b>	means a person trading in the Securities on the Exchange Trading Systems through a Broker under the terms and conditions specified in these Regulations;
xlvi.	<b>IPF</b>	means the Investors Protection Fund of the Exchange governed and operated by the Trustees of IPF Trust under its Trust Deed and these Regulations;
xlvi.a.	<b>Issuer</b>	shall mean a public limited Company or a body corporate that has issued or intends to issue securities to the General Public under section 57 or 120 of the Ordinance;
xlvii.	<b>Deleted</b>	
xlviii.	<b>Leveraged Market</b>	means the market for offering any of the Leverage Market Contracts as defined under the Securities (Leveraged Markets and Pledging) Rules, 2011;
xlix.	<b>Listed Company</b>	means a company or a body corporate whose securities are listed at the Exchange and include a provisionally listed company under these Regulations;
xlix.a.	<b>Margin Eligible Security</b>	shall have the same meaning as ascribed thereto in the NCCPL Regulations;
I.	<b>Mark-to-Market Loss or MtM Loss</b>	<p>means an amount payable by a Broker at any point in time during a trading day on account of trades executed on behalf of its clients, as well as its proprietary unsettled position in any security, to the Clearing House or NCCPL due to the difference between the Transaction Price, on trade to trade basis, of the unsettled position in each security and the Closing Price of that security.</p> <p>In the case of Index Options Contracts, Mark to Market Loss shall mean an amount payable by a Broker at any point in time during a trading day on account of unsettled short positions of its clients, as well as its proprietary unsettled short positions in Options Contracts as Option Writer and/or Option Seller, due to the difference between the Exercise Price of the Option Contract and the corresponding Daily Settlement Price determined in accordance with the Regulations Governing Index Options Contracts;</p>

ii.	<b>Mark-to-Market Profit or MtM Profit</b>	means amount receivable by a Broker at the end of each day on account of contracts executed on behalf of its clients, as well as its proprietary unsettled position in any security, from Clearing House or NCCPL due to the difference between Transaction Price, on trade to trade basis, of the unsettled position in each security and the Daily Settlement Price of that Security.  In the case of Index Options Contracts, Mark to Mark Profit shall mean an amount receivable by a Broker at any point in time during a trading day on account of Option Contracts purchased on behalf of its clients, as well as its proprietary buy positions in the Option Contracts as an Option holder/ buyer, due to the difference between the Exercise Price of the Option Contract and the corresponding Daily Settlement Price determined in accordance with these Regulations governing Index Option Contracts;
iii.	<b>NCCPL</b>	means the National Clearing Company of Pakistan Limited;
liii.	<b>NCCPL Regulations</b>	means the Regulations framed by NCCPL from time to time with regard to its functions and operations of NCSS;
liv.	<b>NCSS</b>	means the National Clearing and Settlement System of the NCCPL established and operated by NCCPL under NCCPL Regulations and NCSS Procedures made thereunder;
lv.	<b>Negotiated Deal</b>	means a deal which has been negotiated between two parties outside the Exchange Trading Systems and reported through the interface provided by the Exchange, which may also be called as an Off Market Transaction;
lvi.	<b>Non-Broker Clearing Member</b>	shall have the same meaning as ascribed thereto in the NCCPL Regulations;
lvii.	<b>Ordinance</b>	means the Companies Ordinance, 1984 (XLVII of 1984);
lviii.	<b>PMEX</b>	means the Pakistan Mercantile Exchange Limited;
lix.	<b>Prescribed</b>	means as prescribed under these Regulations or any authority thereof;
lix.a.	<b>Pre-Trade Margin</b>	mean the initial margin payable in advance by a Broker at order entry level in the Exchange Trading System;
lx.	<b>Provisionally Listed Company</b>	means companies whose shares are provisionally listed on the Exchange under these Regulations subject to the final clearance by the Exchange;
lix.a.	<b>PSX Shareholder</b>	means the legal owner of the shares of the Exchange at any time;
lxi.	<b>Ready Delivery Contract Market</b>	means a market where Ready Delivery Contracts are traded;
lxii.	<b>Ready Delivery Contract or Ready Market Contract</b>	means trade/ transaction in a Security executed between a buyer and a seller in the Ready Delivery Contract Market or Odd Lots Market established under these Regulations and ready for settlement either on T+1 or T+2 Settlement Day as specified by the Exchange and shall not include Derivative Contracts;
lxiii.	<b>Regulatory Affairs Committee (RAC)</b>	means a committee constituted by the Board with prior approval of the Commission;
lxiv.	<b>Regulatory Affairs Department (RAD)</b>	means a department/division of the Exchange dealing with the regulatory functions of the Exchanges;
lxv.	<b>SECP Rules/ Regulations</b>	means and include all the regulations, notifications, SROs and circulars issued by the Commission from time to time;
lxvi.	<b>Securities Ordinance</b>	means the Securities & Exchange Ordinance, 1969 (XVII of 1969);
lxvii.	<b>Securities Rules</b>	means the rules framed under the Securities Ordinance by the Commission;
lxviii.	<b>Listed Security</b>	includes any security as defined under the Securities Ordinance and which is accepted for listing on the Exchange in accordance with these Regulations;
lix.	<b>Short Sale</b>	means a sale by a Broker, on his Proprietary Account or on Client's Account, not owning securities at the time of sale or the sale without constituting a Pre-Existing Interest, but having SLB Contract executed through SLB Market at NCCPL in accordance with its Regulations / Procedures to meet delivery requirements on the settlement date;
lxx.	<b>SIFC</b>	means Stock Index Futures Contract executed through the Trading Systems of the Exchange;
lxxi.	<b>SLB Contract</b>	means the Securities Lending and Borrowing Contract executed through NCSS as ascribed thereto in the NCCPL Regulations;
lxxii.	<b>SLB Market</b>	shall have the same meaning as ascribed thereto in the NCCPL Regulations in respect of SLB Market;
lxxiii.	<b>SLB Transactions</b>	have the same meaning as provided under the NCCPL Regulations;

Ixxiv.	<b>Stock Exchange</b>	means a stock exchange registered under the Securities Ordinance;
Ixxv.	<b>Stock Index Futures Contract</b>	means, a derivative contract executed through the Exchange Trading System subject to these Regulations;
Ixxv.a.	<b>Stock Index Futures Contract (SIFC) Market</b>	means a market made available by the Exchange for trading in Stock Index Futures Contracts as stipulated in Chapter 17 Governing Stock Index Futures Contract Market Regulations;
Ixxvi.	<b>Sub-Account</b>	means a sub -account as defined under the CDC Regulations, as amended from time to time;
Ixxvii.	<b>T+2 or T+1</b>	means the abbreviations that refer to the settlement date of Security transactions, where T stands for trade or transaction day on which it takes place. The numbers 1 and 2 denote the number of days after the transaction day at which the settlement will take place;
Ixxviii.	<b>Theoretical Price</b>	means the Closing Price of a Security for Deliverable Futures Contract and/or Cash-Settled Futures Contracts Markets, if there is no trading in such Security in the respective Market during whole trading day, to be determined as per methodology prescribed under Chapter 19 of PSX Regulations;
Ixxix.	<b>Tick Size</b>	means the minimum price increase or decrease at which trades can be made on the Trading System;
Ixxix.a.	<b>Transaction Price</b>	mean the price at which the trade is executed on the Exchange Trading System;
Ixxx.	<b>TRE Certificate</b>	means a Trading Right Entitlement Certificate issued by the Exchange including the certificate issued to the existing members on the date of corporatization; evidencing right of the TRE Certificate Holder to apply for registration as a Broker in accordance with the Brokers and Agents Registration Rules, 2001 as amended from time to time;
Ixxxi.	<b>TRE Certificate Holder</b>	means any person who is issued a TRE Certificate by the Exchange upon Corporatization under Section 5 of the Act, or purchases or acquires such TRE Certificate under Section 16 of the Act or is issued a fresh TRE Certificate in accordance with the provisions of the Act;
Ixxxii.	<b>Uniform Criteria</b>	means the eligibility criteria for selection of eligible securities for trading in the different trading segments as prescribed by the Exchange duly approved by the Commission;
Ixxxiii.	<b>Unique Identification Number (UIN)</b>	shall have the same meaning as ascribed thereto in the NCCPL Regulations;
Ixxxiv.	<b>Uptick</b>	means the price of a Security above the last executed price of that Security transacted through the Exchange Trading System;
Ixxxiv.a.	<b>VaR or Raw VaR</b>	mean the maximum amount of money that can be lost on a portfolio over a given period of time, with a given level of confidence as determined by the Risk Meter operated by NCCPL;
Ixxxv.	<b>Zero Tick</b>	means the price of a Security without any difference from the last executed price of that Security transacted through the Exchange Trading System;
Ixxxvi.	<b>Zero-Plus Tick</b>	means the price without any difference in the previous price of a transaction of a Security, which was an Uptick, executed through the Trading System.