

RULES FOR READY DELIVERY CONTRACTS

RULE 2 - MARKET LOT

At the end of Rule 2(b), a proviso shall be added as under:-

"However once a security is declared to be an eligible security by the CDG, the Exchange will not allow any physical settlement of trades taking place on or after the eligibility date in such security."

Attachment to letter No. HSE/Govt-1730 dated March 31, 1998 addressed to the Manager of Publication Central Publication Branch, Karachi.

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## PART VI

Advertisements and Notices issued by Corporate Bodies and Private Individuals on payment

**KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**  
NOTIFICATION

Karachi, the 26th September, 2000

In exercise of the powers conferred by sub-section (1) of Section 34 of the Securities and Exchange Ordinance, 1969, with the approval of Securities and Exchange Commission of Pakistan, following amendments are made in the "Rules 26(a)-Rules for Ready-Delivery Contracts".

Rule 26(a) shall be substituted, as follows:

### Regularity and Genuineness of Documents

26(a) A member who has received payment against delivery of necessary documents, either on his own account or on behalf of his constituent, shall be personally responsible to the member to whom the same are delivered for their, title, regularity and genuineness;

PROVIDED THAT the documents are lodged with the company for registration by or on behalf of the purchaser or any subsequent purchaser within two years from the date of the receipt of such documents, or if the books of the company are closed earlier for any entitlement then, upto said period of book closure. If within the said period of two years, or within two months after the date of the book closure for the purpose of entitlement, the company returns the shares, either with or without objections or refuses to register any transfer for any reason whatsoever the selling member shall on receipt of a notice, which shall be served not later than one month from the date of refusal, from the buying member whether of return of the shares or refusal of registration as the case may be, replace the shares within seven days of the receipt of such notice. If the documents are not lodged within the prescribed period of two years or upto the closure of transfer books, if closed earlier for the purpose of any entitlement, then except in case of fraud or bad faith on the part of the selling member or of his constituent the liability of the selling member to both the buying member and his constituent as also the liability of the buying member to his constituent shall cease in all respects.

PROVIDED FURTHER THAT the liability of a member who has delivered shares in case of those companies which have been declared eligible securities for the Central Depository System (CDS) by the Central Depository Company of Pakistan Limited (CDCPL), shall be upto 12 months from the date of notification of this amendment or from the date the shares have been declared to be eligible securities except in the case of fraud or bad faith on the part of the selling member or his constituent.

PROVIDED FURTHER THAT the date of lodgment of claim with the Exchange for replacement of shares from the buying member shall be deemed to be the date for determining the liability of the selling member.

**MOHAMMAD FAROOQUE**  
Joint Secretary,  
Karachi Stock Exchange (Guarantee) Ltd