



PAKISTAN  
MERCANTILE  
EXCHANGE

March 14, 2013

Circular # CRO/10/2013

**All Brokers of**  
**Pakistan Mercantile Exchange Limited**

Dear Sir/Madam,

Subject:- Discretionary trade facility/option

In persistence to provide awareness among brokers and their traders on discretionary trade facility option available under Standardized Account Opening form and various risk associated thereto the Exchange has decided to issue some guidelines by seeking information on the subject from brokers so that this facility/option may be exercised judiciously with greater sense of responsibility. PMEX efforts in this respect would help in following areas:-

1. Eliminate possible conflict of interest which may arise between brokers and their traders;
2. Avert various potential risks associated with this option,
3. Dispute resolution
4. Bringing more transparency in business dealing.

In order to issue guidelines, we hereby request the brokers to provide following information in case any of their traders are using/exercising discretionary trade option:-

- a. Provide us complete list of traders/clients who have given explicit authorization to trade on their behalf either to broker/authorized persons or anyone connected directly or indirectly with the broker or trader as the case may be (vide clause 27 of the standardized account opening form of the Exchange).
- b. Client/Trader detail shall be comprised of;
  - Complete Name of Trader/Client with E-mail/mailing address and cell number
  - Trader ID
  - Name of Authorized person
  - User ID(s) of Authorized person(s)
  - Scanned copy of complete page where clause 27 (as per Exchange format or relevant clause in case broker has changed the numbers) is written in standardized account opening form and authority letter given by trader in compliance with requirements of Account opening form.

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Pakistan Mercantile Exchange Ltd.,

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We hereby request you to submit the aforesaid information by March 31, 2013 through email at [compliance.reporting@pmex.com.pk](mailto:compliance.reporting@pmex.com.pk). New Account holder details in respect of discretionary trading facility shall require to be submitted within next 24 hours of the registration of Account holder with the Broker on aforesaid email address.

Please note that the Exchange after receiving the details from the broker shall provide guidelines to the brokers as well as their traders so that we may achieve aforesaid results. Brokers failure to provide the requisite information within stipulated time shall be considered as violation of General Regulations 2007 and such non-compliance may go against broker in case of their dispute with traders over exercising subject option.

For & on behalf of the Exchange

A handwritten signature in black ink, appearing to read 'Aamir Zareef Khan', written in a cursive style.

Aamir Zareef Khan  
Chief Regulatory Officer