



Trading System Update – Intraday Margin

All brokers are hereby informed that the Exchange has introduced **Intraday Margin** for trading account(s) marked as **Intraday Trader** in PMEX trading system.

Brokers can provide their clients intraday margin facility by enabling Intraday Trader option in TAMS against their trading accounts.

TAMS Menu Path>Trader Management>Intraday Trader >Add / Remove (Trading Account)

Trading Rules - Intraday Margin Trading Accounts

The following rules have been defined in the trading system for trading accounts opting for intraday margin facility;

1. Trading account(s) subject to intraday margin, will be allowed to trade in liquid contracts only;
2. Total grossed margin requirements will be reduced to half-day VaR or as notified by the Exchange;
3. The trading accounts will be subject to compulsory auto-liquidation threshold. The threshold value will be set at 30% of reduced margins of grossed open positions or as notified by the Exchange;
4. All working orders of the trading accounts will be considered as **Day Orders** and will be cancelled before start of auto squaring-off process.
5. The Exchange will temporarily suspend all the trading accounts before start of auto squaring-off process in order to restrict client(s) trading activities.
6. The Exchange will start **auto squaring-off process at least 30 minutes before the market closes** or as notified by the Exchange.
7. Brokers should square-off their house or clients' open positions before auto squaring-off process starts. In case of failure, Exchange will start process to square-off all such open positions **at market price**. If market remains illiquid during squaring-off period then the Exchange will close out all intraday account positions at the daily settlement price as determined before start of next trading session. The Exchange will not be responsible for any losses incurred by the client during the square off process.



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Important Note:

- Use of Intraday Margin facility indicates that brokers and their clients have understood and accepted the risks associated thereto and the PMEX Electronic Trading System in general.
- Please note that the Exchange has arranged auto squaring off functionality to facilitate the brokers for management of risk of open positions of intraday trading accounts. It is pertinent to mention here that the Exchange is not giving any surety that this functionality will liquidate the position which is purely dependent upon market conditions and internal and external factors. Moreover, the Exchange shall not take any responsibility to compensate any trader on account of any loss which may result while using this facility.
- All brokers shall provide implied indemnification to the Exchange, its officers, board of directors etc. at all risk areas and shall not hold any of them responsible in any such event in which they may be exposed to certain risks. Providing such indemnification by the brokers is one of the condition precedents before opting to avail this functionality. In case any broker has any issue or lack of understanding about the potential risk areas in auto liquidation, please consult us before exercising this option so that they may accordingly convey the same understanding to their clients.
- Brokers shall be responsible for ensuring fulfillment of all margin calls and debit balances in client accounts.
- Brokers are advised to get written consent from their clients exercising intraday margin facility and give them in-depth understanding about this functionality and risks related thereto.
- The Exchange reserves the rights to change the reduced margins %, auto-liquidation threshold values, timings of auto squaring-off process and any other parameters related thereto.

Brokers are requested to inform the Exchange if any malfunctioning or other issues arise during live trading. Please take snapshot of the said error and send to support@pmex.com.pk for its resolution.

For and on behalf of
Pakistan Mercantile Exchange Limited - PMEX

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