



Unified Trading System Regulations (April 9, 2007)

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1 Preamble, Short Title, Commencement, & Overriding Nature

1.1 Preamble

Whereas the Lahore Stock Exchange (Guarantee) Limited (LSE) and the Islamabad Stock Exchange (Guarantee) Limited (ISE) have agreed to establish a Unified Trading System (as defined hereinafter and referred to as UTS) pursuant to their agreement dated August 26, 2006, for the execution of Orders (as defined hereinafter) by their Members. And whereas to protect the investors' interest and improve the operational efficiency of stock market it is essential to (i) improve transparency in trades executed by the member of one stock exchange on behalf of the member of the other stock exchange and (ii) strengthen the control over the custody of investors' securities and funds. And whereas it is desirable that in order to regulate trading on the UTS, new, consolidated and uniform regulations be made which apply to all such Members who are eligible to trade on UTS.

Now, therefore, [LSE/ISE], in exercise of the powers conferred by Section 34(1) of the Securities & Exchange Ordinance, 1969 and with the prior approval of the Securities and Exchange Commission of Pakistan, hereby make these regulations.

1.2 Short Title

These Regulations shall be called the "UTS Regulations".

1.3 Commencement

UTS Regulations shall come into force on publication in the official Gazette of Pakistan.

1.4 Over riding Nature of UTS Regulations

UTS Regulations shall override existing regulations of LSE and ISE inasmuch as the same are inconsistent with UTS Regulations.

2 Definitions and Interpretation

2.1 Definitions

When used in UTS Regulations and, where applicable, in the UTS Procedures, the following expressions shall, unless the context otherwise requires, have the meanings specified as follows:

1. "Board" means the Board of Directors of LSE or the Board of Directors of ISE, as the case may be, and "Boards" means collectively the Board of Directors of LSE and the Board of Directors of ISE;
2. "Broker" shall have the same meaning as assigned under the Securities and Exchange Ordinance, 1969 and includes a person registered as a broker under the Brokers and Agents Registration Rules, 2001;
3. "CDC Regulations" means the regulations of a central depository company registered with the Commission under the Central Depository Companies (Establishment and Regulation) Rules, 1996;
4. "CDC" means Central Depository Company of Pakistan Limited;
5. "CDS" means Central Depository System established and operated by the CDC;
6. CDS Participant shall have the same meaning as assigned in the CDS Regulations;
7. "Chief Technology Officer" or "CTO" means the person in charge of all technological matters pertaining to establishment, ongoing operations, and development of UTS;
8. "Clearing Member of NCSS" shall have the same meaning as assigned in the NCSS Regulations;
9. "Clearinghouse" means a clearing house as defined in clause (f) of section 2 of the Securities and Exchange Commission of Pakistan Act, 1997

10. "Client" means a person dealing in Securities through a Member;
11. "Commission" means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997;
12. "CFS" shall have the same meaning as referred to in CFS Regulations;
13. "Electronic Trade Ticket" means the unique number assigned to a Trade executed on UTS;
14. "Eligible Trades" means such trades/transactions executed on UTS where on one side is a Member of LSE and on the other a Member of ISE and against which Market Access Fee is payable by the Member of ISE;
15. "Equity Security" shall have the same meaning as assigned in Securities and Exchange Ordinance 1969;
16. "Error Trades" means trades/transactions that are executed in error due to malfunction of UTS;
17. "Exchange" means LSE or ISE and "Exchanges" shall mean LSE and ISE;
18. "Exposure" means, "at any point in time, scrip-wise, client wise unsettled amount of net purchases and sales, of a member, under Ready, Futures or CFS Counter";
19. "Failing Member" means a Member who fails to meet any money obligations, arising out of settlement of Trades executed on UTS and Non-exchange NCSS Transactions, with the NCCPL or Clearinghouse of the Exchange;
20. "Futures Contract" shall have the same meaning as assigned in Regulations Governing Futures Contracts;
21. "ISE" means the Islamabad Stock Exchange (Guarantee) Limited;
22. "Joint Steering Committee" or "JSC" means the joint committee of LSE and ISE constituted in accordance with Regulation 4 of these Regulations;
23. "LSE" means the Lahore Stock Exchange (Guarantee) Limited;
24. "Margins -against-Exposure" refers to any or all margins and any or all losses payable by a Member against his Exposure;
25. "Mark-to-Market Loss in any scrip" means, "amount payable by the member on account of his clients, as well as member's proprietary unsettled net position for a day, to the Clearing House due to difference between volume weighted average price of the unsettled position in each scrip and the "closing price" of that scrip at end of each day.

26. "Market Access Fee" means the fee as agreed between the LSE and ISE and payable by Members of ISE to Members of LSE on Eligible Trades;

27. "Marketable Lot" means minimum size of an Order and/or a Trade in terms of number of Securities in /Ready segment;

28. "Market Administrator" means an official of an Exchange designated by the Managing Director as Market Administrator to exercise specified controls relating to operations of UTS.

29. "Managing Director" means the Managing Director of an Exchange as appointed under the Articles of Association of the Exchange;

30. "Member" means any individual or firm or a body corporate duly entered in the register of Members of ISE or LSE;

31. "NCCPL" means the National Clearing Company of Pakistan Limited;

32. "NCSS" means the National Clearing and Settlement System;

33. NCSS Regulations means the National Clearing and Settlement System Regulations, 2003

34. "Net Capital" shall have the same meaning as given in clause (d) of Rule 2 of the Securities & Exchange Rules, 1971;

35. "Non-Exchange NCSS Transactions" means such transactions that pertain to Broker to Broker Module, Institutional Delivery System Module, and Margin Financing Module and are carried out through the NCSS as specified in NCSS Regulations;

36. "Odd Lot" means any lot other than a Marketable lot;

37. "Off-UTS Trade" means a trade or transaction in a Security or Futures Contract which is not executed on UTS, whether or not the concerned Security or Futures Contract was available for trading on UTS, provided that Off-UTS Trade exclude Non-Exchange NCSS Transactions;

38. "Order" means a bid or an offer entered into UTS;

39. "Provisional Segment" shall have the same meaning as defined in Regulations for Trading in Provisionally Listed Companies;

40. "Regular, Cash, or Ready Segment" shall have the same meaning as defined in Regulations for Ready Delivery Contracts;

41. "Security" shall have the same meaning as ascribed in the Securities and Exchange Ordinance 1969;

42. "Settlement Protection Trust" means the Trust, howsoever named, established by an Exchange to meet any settlement shortfalls caused due to the failure of its Member to settle his payment obligations with the NCCPL or Clearinghouse of the concerned Exchange; provided that the Investor Protection Funds of the Exchanges shall not be considered as Settlement Protection Trust;

43. "specified" means specified by the concerned authority including the Board, Managing Director, JSC, and CTO, as may be provided for from time to time in the First Schedule to these Regulations, subject to the approval of the Commission wherever the approval of the Commission is required under the Securities and Exchange Ordinance, 1969 or any rules made there under;

44. "Spot Trade" means a Trade in Regular segment which is to be settled on T+1 basis or on such earlier basis, as may be specified from time to time;

45. "Trade" means an Order which has been matched, partly or fully, with another Order and an electronic trade ticket has been issued for the same;

46. "TWS" means the trading work station comprising the computer hardware, software, and ancillaries used to access UTS for execution of Orders;

47. "UIN" means "Unique Identification Number" as specified in Regulation 6.7 of UTS Regulations;

48. "UTS Procedures" means the operating procedures for UTS made from time to time under UTS Regulations;

49. "UTS" means the unified trading system based on a common trading platform established by LSE and ISE for the execution of Orders by their Members and for providing such information as is generally associated with a trading system of a stock exchange, including market quotes, traded volume, and traded value for each Security or derivative traded on the trading system;

50. "Working Day" means a day on which the UTS is open for trading.

2.2 Interpretation

1. In UTS Regulations, unless the context otherwise requires:

- I. a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any statutory instrument issued under, that legislation or legislative provision;
 - II. a reference to Regulations and Procedures is a reference to UTS Regulations and UTS Procedures made under UTS Regulations, as modified or amended from time to time;
 - III. if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning;
 - IV. a reference to power includes a reference to authority and discretion;
 - V. unless the context otherwise requires, the words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender, words importing possessive nouns shall include it or its, and words importing persons shall include companies or other bodies corporate, firms, institutions, authorities, commissions or governments.
 - VI. In UTS Regulations, headings are for convenience of reference only and do not affect interpretation.
2. In UTS Regulations, a reference to conduct or engaging in conduct includes a reference to doing or refusing to do any act, including the making of, or the giving effect to a provision of, an agreement. Conduct engaged in or on behalf of a person:
- I. by an officer, employee, or authorized agent of the person within the scope of the actual or apparent authority of the officer, employee, or authorized agent; or
 - II. by any other person at the direction or with the consent or agreement (whether express or implied) of an officer, employee, or authorized agent of the person, where

the giving of the direction, consent or agreement is within the scope of the actual authority of the officer, employee, or authorized agent,

is taken to have been engaged in also by the person.

3. In UTS Regulations, unless the contrary intention appears, a reference to doing any act or thing includes a reference to causing, permitting or authorizing the act or thing to be done.
4. In the interpretation of a UTS Regulation, a construction that would promote the purpose or object underlying the UTS Regulation as stated in the preamble to the UTS Regulations is to be preferred to a construction that would not promote that purpose or object.
5. If UTS Regulations or UTS Procedures include an example of the operation of a Regulation or a Procedure:
 - I. the example is not to be taken to be exhaustive; and
 - II. if the example is inconsistent with the UTS Regulation or UTS Procedure, the UTS Regulation or UTS Procedure shall prevail.
6. All other words or terms not defined in these Regulations shall have the same meaning as assigned to them in the Securities and Exchange Ordinance, 1969, Securities and Exchange Act, 1997, Securities and Exchange Rules, 1971 and the Companies Ordinance, 1984.

3 Front Line Regulation

3.1 Front Line Regulation by the Concerned Exchange

1. LSE shall, in accordance with applicable laws, rules and regulations, act as the front line regulator in relation to its Members and the companies/Securities listed on LSE.
2. ISE shall, in accordance with applicable laws, rules and regulations, act as the front line regulator with respect to its Members and the companies/Securities listed on ISE.
3. Powers to implement or enforce UTS Regulations shall be exercised by the designated person/authority as specified in the First Schedule to UTS Regulation.
4. In regulating their Members, both LSE and ISE shall recognize only a Member as the party to a Trade executed on UTS.
5. A Member shall be liable to meet all his obligations arising out of his dealings on UTS, whether on his own account or on the account of his Client.

3.2 Provision of Information to the Commission

The Exchanges shall provide the Commission accurate information pertaining to dealings of their respective Members on UTS, as and when the same is requested by the Commission, and within such time-frame as desired by the Commission.

4 Joint Steering Committee (JSC)

4.1 Constitution of JSC

1. The JSC shall comprise of:

- I. Three (3) Members of LSE who are eligible to trade on UTS to be appointed by Board of LSE;
 - II. Three (3) Members of ISE eligible to trade on UTS to be appointed by Board of ISE;
 - III. The Managing Directors of the LSE and ISE; and
 - IV. CTO, by virtue of his office, who shall be a technical advisor to the JSC.
2. A Member appointed as a member of the JSC shall continue to serve unless he resigns from the JSC or ceases to be a Member of the Exchanges or the Board of the concerned Exchange replaces him with another Member. The appointment of the Members on the JSC shall be at the discretion of the respective Boards of LSE and ISE. A Board may replace any Member appointed by it on the JSC at any time with another member of the same Exchange.

4.2 Powers, Functions and Term of JSC

1. JSC shall perform such functions and exercise such powers as may be delegated to it by the Boards of LSE and ISE to deal with and recommend operational, regulatory, technological and other related matters pertaining to UTS. With the implementation of UTS Regulations, the functions and powers of JSC as set out in the First Schedule shall be deemed to have been delegated to JSC by the respective Boards of LSE and ISE. The Exchanges shall inform the Commission about the composition, functions, and powers of JSC, in such time-frame as may be specified by the Commission.

2. JSC shall remain in operation through out the life of UTS. In case of termination of UTS, JSC shall continue till such time as is necessary for resolution of issues pertaining to the termination of UTS.

4.3 Dispute Resolution

1. Any dispute between a Member and his Client shall be resolved by the concerned Exchange in accordance with the relevant with the Articles of Association, general regulations and/or other rules and regulations of the Exchange, applicable to the dispute on hand.
2. Any dispute involving one or more Members of the same Exchange shall be resolved by that Exchange in accordance with the Articles of Association, general regulations and/or other rules and regulations of the Exchange, applicable to the dispute on hand.
3. Any dispute, arising out of a Trade executed on UTS, between the Members of LSE and ISE shall first be resolved by the JSC through reconciliation and mediation within fifteen (15) days, failing which the dispute shall be referred to (a sole) arbitrator for arbitration under the Arbitration Act, 1940. The arbitrator shall be selected by JSC from among a panel of arbitrators which is to be appointed and/or maintained by JSC with the approval of the Boards of LSE and ISE. The arbitration proceedings shall be conducted in an expeditious manner and the award given by the arbitrator shall be final and binding on the parties in dispute. In case a Member against whom an award has been passed fails to comply with the same within fifteen (15) days, the concerned Exchange may suspend his trading rights and initiate default proceedings against him.
4. JSC may develop procedures for the selection of arbitrators and the conduct of arbitration.

5 Market Segments on UTS

A market segment on UTS shall be governed by the regulations concerning that segment.

6 Trading on UTS

6.1 Eligibility of a Member to Trade on UTS

1. A Member shall become eligible to trade on UTS if he:

- I. is registered as a Broker;
- II. is a CDS Participant;
- III. is a Clearing Member of NCSS;
- IV. is a member of Clearinghouse of Exchange and has deposited security deposit to the Clearinghouse as specified by the Board from time to time, provided that security deposit payable by Members of ISE shall not be less than that payable by Members of LSE;
- V. has a minimum Net Capital of Rupees four (4) million or such higher amount as may be specified from time to time; and

has met any other criteria that may be specified from time to time

2. Save as provided for, a Member shall immediately cease to trade on UTS if at any time he fails to meet the criteria under Regulation 6.1.1 hereof or if the Member is suspended by either the Exchange or the Commission.

3. To trade in a market segment on UTS, a Member shall first submit to the concerned Exchange the relevant security deposit for that market segment and fulfill such additional conditions, if any, as may be specified from time to time.

6.2 Trading subject to Principles built into the UTS Trading Software

1. Trading on UTS in all market segments shall be according to the principles and functions built into the UTS trading software, and any modifications thereof, including those pertaining to the following:
 - I. priority of Orders for the purpose of execution;
 - II. different types of Orders;
 - III. maximum size of Orders;
 - IV. tick size or the smallest permissible upward or downward movement in price of a Security in terms of Rupees/Security; and
 - V. marketable lot.

JSC/CTO shall give a reasonable notice to the Members before implementing any amendment to the principles or functions built in the UTS trading software.

2. Marketable lots for trading in Regular segment shall be determined by the Exchanges or NCCPL.

Security	Marketable Lot to be determined by
Eligible for NCSS	NCCPL
Not eligible for NCSS and listed at both LSE and ISE	LSE and ISE
Not eligible for NCSS and listed at either LSE or ISE	Concerned Exchange

6.3 Permissible Securities & Order Matching

1. In Regular, CFS, Odd lot and Provisional segments, a Member of LSE shall only be allowed to trade in such Securities that are listed or provisionally listed at LSE.

2. In Regular, CFS, Odd lot and Provisional segments, a Member of ISE shall only be allowed to trade in such Securities that are listed or provisionally listed at ISE.

3. UTS shall allow the matching of Orders by Members of one Exchange with Orders by Members of the other Exchange in Securities which are:
 - I. listed or provisionally listed on both LSE and ISE;

 - II. eligible for CDS, as specified by CDC; and

 - III. eligible for NCSS, as specified by NCCPL, provided that the same shall not apply in case of provisionally listed Securities.

In all other Securities that are listed (or provisionally listed) at either LSE or ISE or at both LSE and ISE, UTS shall only allow matching of Orders by Members of the same Exchange.

4. In all Futures Contracts, UTS shall allow matching of Orders by Members of one Exchange with Orders by Members of the other Exchange.

6.4 Trading Work Stations (TWS) for Members

Each Exchange shall provide TWS connections to its own Members for trading on UTS subject to:

- I. TWS policy specified by JSC; and
- II. Terms and conditions specified by concerned Exchange

6.5 Trading Days & Hours for UTS

Trading on UTS shall take place on Working Days and during such hours as may be specified from time to time.

6.6 Trading to be Anonymous

1. All trading on UTS shall be anonymous without disclosure of Members' identity at any stage, unless directed otherwise by the Commission.
2. LSE and ISE shall make necessary arrangements to protect the confidentiality of the information related to trading, clearing, and settlement of their Members that is in the possession of the Exchanges and is not publicly available. However, the Exchanges shall provide all such information to the Commission as per Regulation 3.2 of these regulations.

6.7 Trading to be subject to UIN System

1. All Trades executed on UTS shall be subject to UIN system on pre-Order verification basis.

2. UIN means:
 - a. in case of individual Pakistani client of a Member- Computerized National Identity Card Number (CNIC);
 - b. in case of individual foreigner / Overseas Pakistani citizens (without CNIC) client of a Member– Passport number;
 - c. in case of legal entity (whether local or foreign, natural or legal) client of a Member– its Registration number;
 - d. in case of an individual broker - broker registration number issued by the Commission, for proprietary trades;
 - e. in case of inter-exchange trading by an individual broker- broker registration number with suffix 1 for trading on behalf of clients;
 - f. in case of corporate broker- company registration, for proprietary trades;
 - g. in case of inter-exchange trading by corporate broker- company registration number with suffix 1 for trading on behalf of clients;
 - h. in case of mutual funds, where registration number is not available – the Commission will issue UIN based on the Asset Management Company's (AMC) registration number and a suffix of one onwards for the number of funds that the AMC has floated. For example, if AMC registration number is 5645675 and the AMC has floated 5 funds the number given will be: 5645675/1 for the first fund, 5645675/2 for the second fund and so on;
 - i. In case of foreign institutional investor - UIN will be of the international broker dealer

Explanation: For the purpose of UIN, the term “client” shall mean the client of a Member and the Member himself if he trades on its own account.

3. Every Member while inserting a bid and offer through UTS for each of his clients, shall insert unique client codes for those client which are maintained by them in their back office system and registered with NCCPL. The unique client code must be duly linked /mapped to the relevant UIN through the interface of NCSS as per the procedure specified by the NCCPL. The unique client code assigned by a Member to one client shall not be re-assigned to another client even after the closure of a client's account.
4. A Member shall ensure that at the time of settlement, Securities purchased or sold against a client code are delivered to the Sub Account and/or Investor Account of that particular client.
5. If a Member violates or fails to comply with any provision of Regulation 6.7, the concerned Exchange may impose a maximum fine of Rupees five hundred thousand (500,000) and/or suspend trading rights of the Member for upto three (3) months, provided that in case of second and third incident of violation or non-compliance by the Member, the concerned Exchange may suspend his trading rights for a maximum of one (1) and two (2) years respectively.

6.8 Position Limits on UTS

1. Trading on UTS shall be subject to such position limits as may be specified from time to time, including the following:
 - I. position limit for a Member;
 - II. position limit for a client of a Member;
 - III. position limit for a Security;
 - IV. position limit for a Futures Contract or any other derivative;
 - V. position limit for a market segment.

6.9 Suspension of Trading on UTS by CTO

1. CTO may temporarily suspend availability of UTS to all Members of LSE and ISE for up to one (1) Working Day if collectively the total number of the active Members of LSE and ISE having full access to UTS for execution of their Orders is less than eighty percent (80%) of the total Members of the Exchanges who are eligible to trade on UTS. Provided that CTO shall (or shall not) suspend availability of UTS to the Members of the Exchanges if the Managing Directors of LSE and ISE jointly advise CTO to do (or not to do) the same.

2. In case of an emergency situation requiring immediate action, CTO may with the prior approval of the Managing Directors of the Exchange, for up to one Working Day:

- I. extend or reduce working hours for UTS for all Members;
- II. suspend and revoke suspension in trading in any one or more Security or Futures Contracts or market segment by any one or more Members of Exchange; or
- III. suspend and revoke suspension of the entire UTS.

6.10 Suspension of Trading on UTS by Exchanges

1.. The Managing Director of the Exchange, with the prior approval of the Board of Directors of the Exchange, may suspend trading in UTS for that Exchange.

2. To ensure safe operational work and risk management, trading in a Security or Futures Contract on UTS may be suspended for a period not exceeding sixty (60) days, and such suspension may be revoked, as deemed appropriate by the concerned person/authority as set out in the First Schedule of UTS Regulations.

6.11 Fees to be determined by Concerned Exchange

1. Each Exchange shall determine the fees or any other charges that are payable by its Members to the Exchange in relation to UTS including the following; provided however that in no case any fee, other than the Market Access Fee, shall be payable by the Members of ISE on account of UTS access or use of technology:

- I. Trading fee or Service Charges

- II. Contribution to Settlement Protection Trust

- III. Contribution to Investor Protection Fund

- IV. Annual Membership fee

- V. Any other fee/charges levied by the Exchange on its own Members.

6.12 Market Access Fee

1. Members of ISE shall pay Market Access Fee to the Members of LSE at the agreed rate traded in all Eligible Trades; provided however that no Market Access Fee shall be applicable on the following:
 - I. CFS Trades;

 - II. Trades of presently traded Single Stock Futures Contracts for the first six (6) months after the commencement of UTS; and

 - III. Any such future Eligible Tradable Securities whether an Exchange or third party proprietary products, against which any service/royalty fee is payable to any or both of the Parties to any other third Party.

2. A Member of ISE shall pay, and the counter Member of LSE shall be entitled to receive, Market Access Fee in respect of his Eligible Trades on UTS. Market Access Fee shall be collected by the Clearinghouse of Exchanges or NCCPL from the Members of ISE and paid to the Members of LSE on the basis of the UTS trading record/data.

6.13 Cancellation of Error Trades

Subject to applicable UTS Procedure,

- I. LSE may cancel any such Error Trade executed on UTS by its Members in which on both sides to such Trade are Members of LSE.
- II. ISE may cancel any such Error Trade executed on UTS by its Members in which on both sides to such Trade are Members of ISE.
- III. Managing Directors of LSE and ISE may jointly after consultation order the cancellation of any such Error Trade executed on UTS in which on one side is a Member of LSE and on the other is a Member of ISE.

7 Clearing & Settlement

1. All Trades executed on UTS shall be cleared and settled through NCSS; however, if for any reason any Trade executed on UTS cannot be settled through the NCSS, it shall be settled through the respective Clearinghouses of the Exchanges.
2. Trades in listed Securities in Regular segment, other than Spot trades, shall be settled in T+3 rolling settlement cycle, unless the same are carried over through CFS financing.
3. Trading in Odd Lots segment shall be cleared and settled in the same rolling settlement cycle as in the Regular segment.

4. All Trades in Odd Lots segment shall be cleared and settled by the Clearinghouse of the Exchanges till such time that the same become eligible for clearance and settlement through the NCSS.

5. To ensure timely settlement of Spot Trades in Regular and Odd Lots segments on the last day of Spot trading in a Security in which (i) clearing and settlement would not be carried out through the NCSS, and (ii) UTS may match Orders by Members of one Exchange with the Orders by Members of the other Exchange, trading shall be suspended on 12 p.m., or by such other time as may be specified from time to time. Spot Trades on the last day of Spot trading in a Security shall be cleared and settled on T+0 basis, after netting of purchase and sale quantities of each Member at Member-level and on the Exchange-level.

6. Any amount payable by a Member to the Exchange, other than that pertaining to settlement obligations arising out of Trades executed on UTS, shall be cleared and settled in such time cycles as may be specified from time to time, including the following:
 - I. Trading Fees of Exchange

 - II. Contribution to Settlement Protection Fund

 - III. Contribution to Investor Protection Fund

 - IV. Market Access Fee

 - V. Commission's levy

 - VI. Fee of NCCPL

 - VII. Capital Value Tax (CVT) and any other taxes, which are to be collected by Exchange from its Members

8 Management of Settlement Risk

8.1 Capital Adequacy for Members

1. A Member shall submit half yearly and quarterly Net Capital certificate to his/its Exchange as follows:

Half Yearly Certificate	
As of	Date of Submission
June 30	by September 30
December 31	by March 31

Quarterly Certificate	
As of	Date of Submission
March 31	Within next ten (10) Working Days
September 30	Within next ten (10) Working Days

2. A Member shall submit Net Capital certificate to his Exchange in the format as may be specified from time to time.
3. Half yearly Net Capital certificate shall be subject to the following conditions:
 - I. It shall only be given by an auditor that has "Satisfactory Quality Control Review Rating" given by Institute of Chartered Accountants of Pakistan.

II. Accounts underlying the Net Capital have been duly audited.

4. To increase his maximum permissible Exposure, a Member may submit a Net Capital certificate, in addition to half yearly and quarterly certificates, provided that any additional Net Capital certificate shall be subject to the same requirements as those applicable to a half yearly certificate.
5. Where a Member is a Member of more than one stock exchange, he shall submit an allocation of Net Capital for each stock exchange of which he is a member and in the format specified under the UTS Procedures.
6. Internal auditor of the concerned Exchange shall confirm that each Net Capital certificate submitted by a Member complies with the requirements of UTS Regulations and UTS Procedures. Any certificate that does not comply with the same shall be returned to the Member provided that Internal Auditor shall specify in writing the apparent reasons for non-compliance.
7. In case a Member fails to submit by the specified due date any half yearly or quarterly Net Capital certificate that fully complies with UTS Regulations and UTS Procedures, he may be fined Rupees five thousand (5,000) per calendar day for each day the Net Capital certificate remains overdue up to thirty (30) calendar days. Subject to a final notice of twenty four (24) hours, the Exchange shall square up such Member's outstanding positions and suspend his trading rights after the said thirty (30) calendar days. The Exchange shall revoke the suspension once the said Member provides the required Net Capital certificate and pays the applicable fine; provided that during this period that Member has not been suspended by the Exchange for any other reason.
8. Based on a Member's Net Capital, his maximum permissible Exposure in each market segment separately and/or in all market segments collectively shall be as may be specified from time to time.
9. The maximum permissible Exposure of a Member shall be subject to automated pre-Order verification.

8.2 Intra Day Price Limits

1. Price of a UTS eligible Security or Futures Contract shall be subject to intra day upper and lower limits of five percent (5%) or Rupees one (1), whichever is higher in absolute terms, or as may be specified from time to time, provided that:
 - I. no price limit shall apply on a Security on the first day of its provisional trading;
 - II. no price limit shall apply on a letter of right on the first trading day after the letter of right becomes listed; and
 - III. no price limit shall apply on a Security on its first trading day in Regular segment where that Security was not traded in Provisional segment.
2. Intra day price limits shall be based on the closing price in the concerned market segment on the previous day provided that:
 - I. where a Security is not traded on UTS but traded on another stock exchange, the price limits shall be based on the closing price of the Security on such other stock exchange; and
 - II. where due to a corporate action including dividend, right shares, bonus shares, split, reverse split, merger or restructuring, a Security is to be traded on the following day on ex-basis, price limits shall be based on the price derived from the relevant formula specified in UTS Procedures.

8.3 Margins-against-Exposure

A Member shall submit to his Exchange all Margins-against-Exposure as may be specified by the Board of the respective exchange in the relevant regulations.

8.4 Securities Eligible for Submission as Margins-against-Exposure

Securities eligible for submission as Margins-against-Exposure shall be specified by the Board of the respective exchange, in the relevant regulations .

8.5 Monitoring of UTS Activity by Exchanges

1. The Exchanges shall make necessary arrangements which inter-alia include installation of surveillance and monitoring software and hardware, for real time monitoring of their respective Members' trading activity on UTS in order to prevent, detect and penalize:
 - I. any violation by a Member of the UTS Regulations, UTS Procedures and other applicable rules, regulations, directions, notices governing trading on UTS;
 - II. any threat to efficient settlement of Trades executed on UTS.

8.6 Review and Audit of Management of Settlement Risk

1. To update and to strengthen measure to manage settlement risk, JSC shall review all risk management regulations and procedures at least once in every quarter and make recommendations to the Boards of LSE and ISE.
2. To strengthen procedures to deal with failure of a Member to meet required Margins-against-Exposure and failure of a Member to meet his settlement obligations with the NCCPL or Clearinghouse of Exchange, concerned officials of LSE and ISE shall at least once in every six (6) months carry out necessary mock exercises for the same and report their findings and recommendations to JSC.
3. LSE and ISE shall arrange a periodic audit by a third party to determine whether and to what extent practices employed by LSE and ISE to manage settlement risk are in

accordance with UTS Regulations and UTS Procedures. The third party and its terms of reference for audit shall be decided by the JSC. Any report and findings of the third party shall be made available to JSC, Boards of LSE and ISE, and the Commission. Periodic audit under this Regulation shall take place every six (6) months after the commencement of UTS.

8.7 Settlement Protection Trust

1. Each Exchange shall establish a Settlement Protection Trust within three months of the inception of UTS to safeguard against any settlement shortfalls caused by a failure of its Members to meet its settlement obligations with the NCCPL or Clearinghouse of the Exchange.
2. It shall be ensured that an initial balance of Rupees two hundred million (200,000,000) for LSE and Rupees fifty million (50,000,000) for ISE is available from the date of inception of UTS to safeguard against any settlement shortfalls of their respective Members. These funds shall be transferred to the respective Settlement protection Trust on their establishment. The Exchanges shall ensure that the ratio of funds in the Settlement Protection Trusts to aggregate Exposure of their respective Members is maintained at a level which is uniform for both the Exchanges.
3. Exchanges shall endeavor to gradually increase funds available in their respective Settlement Protection Trusts up to ten percent (10%) of aggregate Exposure, excluding Exposure in cash settled derivative instruments, of their respective Members within a reasonable time,
4. To increase funds available with the Settlement Protection Trust, an Exchange may make and/or direct its Members to make any refundable or non-refundable contribution to its Settlement Protection Trust, in any combination of cash and Securities as it may specify.
5. In case a Member fails to meet his settlement obligations to the NCCPL or Clearinghouse of the Exchange, the Managing Director of the Exchange may release up to twenty percent (20%) of funds available with the Settlement Protection Trust per Failing Member to the NCCPL or Clearinghouse of the Exchange to meet the settlement shortfalls.

8.8 Settlement Failure in terms of Delivery

1. If a Member fails to meet any delivery obligations to the NCCPL arising out of Trades executed on UTS, and such failure is not accompanied by a failure to meet any money obligations, such delivery failure shall be dealt with in accordance with the NCSS Regulations.
2. If a Member fails to meet any delivery obligations to the Clearinghouse of the concerned Exchange in respect of Securities which are not eligible for CDS and NCSS, and such failure is not accompanied by a failure to meet any money obligations, the Exchange shall deal with such delivery failure using the same procedure as used in case of a delivery failure in the NCSS or directly close-out the delivery failure if the delivery failure pertained to the last day of Spot trading in the concerned Security.

8.9 Settlement Failure in terms of Money

1. Where a Failing Member fails to meet any money obligations with the NCCPL arising out of Trades executed on UTS and Non-exchange NCSS Transactions, and such failure may or may not be accompanied by a delivery failure, the same shall be dealt with in accordance with the UTS Regulations and UTS Procedures and regulations and procedures of NCSS.
2. An Exchange shall meet in full any shortfall that may be caused to Members of the other exchange due to a settlement failure by its Failing Member in respect of his Trades executed on UTS and Non-Exchange NCSS Transactions.
3. In case NCCPL suspends a Failing Member due to his failure to meet money obligations with NCCPL, whether the money obligations pertain to UTS Trades or Non-exchange NCSS Transactions, such Failing Member shall also be suspended by the concerned Exchange and the process of squaring-up his positions shall be initiated in accordance with the rules and regulations of the concerned Exchange.
4. Settlement risk of Non-exchange NCSS Transactions entered into by the Failing Member with any Clearing Member shall be on counter party basis between the initiating and affirming Clearing Members. If the affirming Clearing Member fails to settle his obligations arising out of Non-Exchange NCSS Transactions, the same shall have to be settled by the initiating Clearing Member. If the initiating Clearing Member also fails to settle the same,

then NCCPL and the concerned Exchange shall proceed against the initiating Member in the same manner as if he had failed to settle obligations arising out of Trades executed on UTS.

5. Concerned Exchange shall immediately obtain from NCCPL the detailed information regarding the payment and delivery obligations of the Failing Member for that day and for the following days pertaining to Trades executed on UTS and Non-Exchange NCSS Transactions.
6. If shortfalls caused by settlement failure of Failing Member cannot be met by NCCPL through utilization of fifty percent (50%) of security deposits of Members of the concerned Exchange maintained with the NCCPL in accordance with NCSS Regulations, Managing Director of the concerned Exchange shall immediately provide to NCCPL up to twenty percent (20%) of funds available with the Settlement Protection Fund on that day per Failing Member to meet the remaining shortfall. The Board of the concerned Exchange may also authorize release of such additional funds, as it deems fit, from the Settlement Protection Fund to the NCCPL to meet the balance settlement shortfall.
7. Funds provided by an Exchange to NCCPL out of its Settlement Protection Fund shall be utilized to meet the shortfalls caused to the Members of the other Exchange in proportion of their receivables from NCCPL on that settlement day. Once such settlement shortfalls have been met in full, the remaining funds shall be used to settle obligations of the Members of the concerned Exchange in proportion to the amount payable to them by NCCPL.
8. To meet settlement shortfalls caused to Members of the other Exchange due to settlement failure of its Failing Member, the concerned Exchange may provide NCCPL with additional funds from its own resources or through borrowing on its own account; provided that funds provided by the concerned Exchange on its own account shall only be used to meet settlement shortfalls caused to Members of the other Exchange.
9. Any funds provided to NCCPL out of the Settlement Protection Fund of the concerned Exchange or by the concerned Exchange out of its own resources shall only be used to meet settlement obligations of Failing Member arising out of Trades executed on UTS and Non-Exchange NCSS Transactions.

10. If funds provided to NCCPL by the concerned Exchange through its Settlement Protection Fund and its own resources do not suffice in meeting the settlement shortfall caused to Members of the other Exchange, NCCPL shall make up for the remaining shortfall by withholding any amounts payable by NCCPL on that settlement day to other Clearing Members who are Members of the concerned Exchange and to those Clearing Members who were involved in Non-Exchange NCSS Transactions with the Failing Member in proportion of the amounts payable by NCCPL to these Members on that settlement day. Any such amount withheld by NCCPL shall be paid to the concerned Clearing Members after proceeds from square-up process or any other relevant funds become available to NCCPL.

11. If despite the measures already stated above, settlement shortfall caused to the Members of the other Exchange persists, then such remaining shortfall shall first be temporarily met by NCCPL from its Clearing and Settlement Trust Fund and if any shortfall persists then the same shall be passed to the Members of the other Exchange in proportion of amounts payable to them by NCCPL on that settlement day. However, NCCPL shall recover this amount by reducing amounts payable to Members of the concerned Exchange on the following settlement days till such time that any shortfall passed to Members of the other Exchange is fully recovered.

12. Following suspension of the Failing Member, the concerned Exchange shall expeditiously square-up the settlement obligations and all other outstanding Trades of the Failing Member and shall, as soon as possible, determine the total and security-wise loss, if any, generated by the square-up process after utilizing/selling all Margins-against-Exposure submitted by such Failing Member to the concerned Exchange.

Provided that to protect the clients/investors of the Failing Member who may be willing and able to settle their outstanding positions; and all other investors who could be affected by any adverse impact of the square-up process, prior to squaring-up the outstanding positions of the Failing Member, the concerned Exchange may, in its sole discretion,

- I. give an opportunity to the Failing Member for shifting his unsettled Trades to other Members of the concerned Exchange that may be willing to accept these Trades as part of their Exposure and be able to meet all obligations arising out of such acceptance, in accordance with relevant UTS Procedure. Failing Member may only request shifting those unsettled trades which have not been cleared for settlement

and which are incurring losses on Mark-to-Market basis. The concerned Exchange may, in its sole discretion, decline any request for shifting positions.

- II. request CDC to provide controlled access of CDS to the Failing Member so that the Failing Member may deliver Securities to NCCPL or the concerned Exchange to meet any delivery obligations by moving Securities from his house account or from a sub-account with the authorization of the concerned sub-account holder(s).

13. Any proceeds of the square-up process pertaining to Securities retrieved from the Failing Member by NCCPL shall be first used by the NCCPL to recover security deposit maintained by Members of the concerned Exchange with the NCCPL and then to reverse any settlement shortfall caused to the Members of the other Exchange, if any. Once shortfalls caused to the Members of the other Exchange have been met in full, any remaining proceeds from the square-up process shall be used to reimburse the concerned Settlement Protection Fund.

If the concerned Settlement Protection Fund is not reimbursed in full, the balance amount shall become a claim of the Settlement Protection Fund against the Failing Member.

If the concerned Settlement Protection Fund is reimbursed in full, the remaining proceeds from the square-up process shall be used to pay/reimburse the concerned Exchange for the following:

- I. any amount provided by the Exchange and NCCPL to meet settlement shortfall;
- II. trading fees (or laga) payable by the Failing Member to the Exchange;
- III. any transaction taxes levied by the Federal Government of Pakistan that the Exchange had to collect from the Failing Member; and
- IV. any other amount owed by the Failing Member to the Exchange.

14. If the Exchange is not reimbursed or paid in full, the remaining amount provided by the Exchange to meet settlement shortfall shall become a claim of the concerned Exchange against the Failing Member and against all Members of that Exchange eligible to trade on UTS. Any other amount payable by the Failing Member to the concerned Exchange shall become a claim of the concerned Exchange against the Failing Member.

15. Following the square-up process, the Failing Member shall be served a final Notice for meeting any obligations owed by the Failing Member to NCCPL or the concerned Exchange, as the case may be. If the Failing Member fails to meet in full the obligations set out in the final Notice within twenty four (24) hours, the Failing Member may be declared a defaulter by the Board of Directors of the concerned Exchange in accordance with its applicable rules and regulations.

16. If the Failing Member meets in full the obligations set out in the final Notice by the time specified in the final Notice, suspension of Failing Member may be revoked by the concerned Exchange with or without any fine. However, the concerned Exchange shall take the following actions:
 - I. increase the rate of initial margin payable by Failing Member in all market segments by one-third ($1/3^{\text{rd}}$) for thirty (30) calendar days.

 - II. reduce Failing Member's overall permissible Exposure by $1/3^{\text{rd}}$ across all segments for thirty (30) calendar days. During these thirty (30) days, the concerned Exchange shall not increase such Member's Net Capital for Exposure purpose, compared to what it was at the time of suspension, even though such Member shall have to meet all requirements pertaining to Net Capital as set out in UTS Regulations and UTS Procedures.

In case the Failing Member is suspended for a second time due to a settlement failure within twelve (12) months of the first failure, then after revocation of his suspension, the concerned Exchange shall take the following actions:

- I. levy a fine of Rupees one hundred thousand (100,000);

- II. increase the rate of Initial Margin payable by such Member in all market segments by one-third (1/3rd) for ninety (90) calendar days; and
- III. reduce such Member's permissible Exposure by one third (1/3rd) for ninety (90) calendar days. During these ninety (90) days, the concerned Exchange shall not increase his Net Capital for Exposure purpose, compared to what it was at the time of suspension, even though the Member shall have to meet all requirements pertaining to Net Capital as set out in UTS Regulations and UTS Procedures.

In case the Failing Member is suspended for the third time due to a settlement failure within twelve (12) months of the second failure, the concerned Exchange shall take the following actions:

- I. keep that Member suspended for a minimum of thirty (30) days
- II. levy a fine of Rupees one hundred thousand (100,000).
- III. Following the payment of the fine under (ii) above and expiry of the thirty (30) day suspension, the concerned Exchange shall:
 - (a) increase rate of initial margin payable by Failing Member in all market segments by one-third (1/3) for ninety (90) calendar days.
 - (b) reduce his permissible Exposure by one third (1/3) for ninety (90) calendar days. During these ninety (90) days, the concerned Exchange shall not increase his Net Capital for Exposure purpose, compared to what it was at the time of suspension, even though the Member shall have to meet all requirements pertaining to Net Capital as set out in UTS Regulations and UTS Procedures.

Any action taken against a Failing Member under Regulation **8.9(16)** of these Regulations shall not bar the Commission to take any action against the Failing Member under the provision of the Securities and Exchange Ordinance, 1969 or any rules made there under.

17. Any Security-wise losses, in the concerned market segment, incurred in squaring-up of settlement obligations and other outstanding positions of Failing Member which could not be recovered by utilizing the Margins-against-Exposure submitted by the Failing Member in the concerned market segment shall be allocated to other Members of concerned Exchange in proportion of their gross turnover in the concerned market segment on the twenty two (22) Working Days immediately preceding the first day of settlement failure, provided that losses arising out of squaring-up of CFS trades of Failing Member in his capacity as a CFS financee shall be allocated in full to the counter CFS financier, if such CFS financier is a Member of the concerned Exchange.

18. After recovering the square-up losses incurred in the concerned segment through Margins-against-Exposure submitted by the Failing Member against his Exposure in that segment, the concerned Exchange may utilize any remaining Margins-against-Exposure to recover losses incurred by the Failing Member in any other market segment. If there remains any loss recoverable from the Failing Member after the above squaring up, the concerned Exchange shall immediately declare him a defaulter.

19. Following the declaration of Failing Member as a defaulter, the concerned Exchange shall expeditiously auction all assets, including the membership, of Failing Member under the control of the concerned Exchange. Any claims against the defaulter shall be met in accordance with the relevant regulations of the concerned Exchange in the following order of priority:
 - I. claims of Settlement Protection Fund;

 - II. claims of the concerned Exchange;

 - III. claims of Members and clients of the defaulter/Failing Member, to be met in proportion of size of claims

 - IV. claims of CFS financiers, to be met in proportion of size of claims

Provided that no claim that pertains to any off-UTS Trade by any person shall be entertained by the concerned Exchange.

20. Where a Member fails to meet any money obligations owed to the Clearinghouse of his Exchange, any such obligation may or may not be accompanied by a delivery failure, the concerned Exchange shall deal with such settlement failure in the same manner under the UTS Regulations and UTS Procedures as if such settlement failure had taken place with NCCPL.

8.10 Risk Management Standards by LSE

Notwithstanding anything contained in UTS Regulations, the Board of LSE may amend any existing measure pertaining to management of settlement risk or introduce any new measure, which shall become uniformly applicable to Members of both the Exchanges who are eligible to trade on UTS, provided that prior to the implementation of such amendment or measure:

- I. LSE shall submit the same to the JSC for information;
- II. LSE shall take prior written approval of the Commission, as required under these Regulations or the Securities and Exchange Ordinance, 1969 or any Rules made there under; and
- III. LSE shall give reasonable notice for their implementation to Members of the Exchanges

9 UTS Procedures

The JSC may, with the prior approval of the Boards of LSE and ISE, make such UTS Procedures as may be necessary for efficient implementation of the UTS Regulations and operations of UTS.

10 Notice, Notification and Service of Documents

1. In UTS Regulations or UTS Procedures, a reference to notifying a person of any matter includes a reference to transmitting a message containing that matter to the person.
2. For the purposes of UTS Regulations and UTS Procedures, a Notice which is transmitted by the Exchange to a Member shall be taken to be received by the Member when matters comprised in the Notice are shown up on the TWS that is linked to the UTS.
3. Subject to Regulation **10.2**, if any UTS Regulation requires or permits the giving of Notice of any matter to a person, such Notice shall be given in writing.
4. For the purposes of any UTS Regulation, or any provision of UTS Procedure, that requires or permits a notice or document to be given to a person, whether the expression "serve", "give" or "send" or any other similar expression is used, the notice or document may be given:
 - a. to a natural person:
 - I. by delivering it to the person personally;
 - II. by leaving it at, or by sending it by courier or registered post to, the address of the place of residence or business of the person last known to the person serving the notice or document; or
 - III. by sending it by facsimile to the person's facsimile number last known to the person giving the notice or document; or

IV. by sending it by email to the person's email address that the Exchange has established for the giving of notices or documents to such person.

b. to a company or other body corporate:

I. by leaving it at, or sending it by courier or registered post to, in the case of a company, its registered office and, in the case of any other body corporate, its head office;

II. by sending it by facsimile to company's or body corporate's facsimile number last known to the person giving the notice or document; or

III. by sending it by email to such company or body corporate on its email address that the Exchange has established for the giving of notices or documents to such company or body corporate.

c. to others:

I. by leaving it at, or by sending it by courier or registered post to, the address of the place of business of the addressee last known to the person serving the notice or document; or

II. by sending it by facsimile to the facsimile number of the addressee last known to the person giving the notice or document; or by sending it by email to such addressee's email address that the Exchange has established for the giving of notices or documents to such addressee.

5. For the purposes of UTS Regulation **10.4**:

I. a notice or document sent by courier shall be taken to be received at the time of delivery to the correct address; a notice or document if sent by registered post shall be taken to be received on the 5th Working Day after the notice or document, in a

correctly addressed and stamped envelope or other covering, is put in the registered post;

- II. a notice or document sent by facsimile shall be taken to be received when the sender's facsimile machine indicates a successful transmission to the correct facsimile number;
- III. a notice or document sent by email shall be taken to be received when the sender's computer indicates a successful transmission;
- IV. notwithstanding any thing to the contrary contained in UTS Regulations, if a notice or document is sent by courier or registered post, as provided in Regulation **10.4**, and is returned undelivered because:
 - of the unavailability of the addressee at the address to which the notice or document was sent, or
 - the place of business, the registered or the head office, as the case may be, to which the notice or the document was sent was found to be closed or found to be not the place of business, the registered or the head office, as the case may be, of the addressee.

such notice or document shall nevertheless be deemed to have been received by the addressee for the purposes of these Regulations.

6. Nothing in UTS Regulation **10.4** shall prevent notices or documents being sent or given to, or served on, a person in any other manner required or permitted by law or custom.

7. If under the UTS Regulations, Exchange is to give any Notice or document to a Member, an accidental omission by the Exchange to give Notice or document to one or more Members does not affect the validity and enforceability of any resolution, decision, proceedings or act in connection with which the Notice or document was to have been given.

8. A decision, resolution, proceedings or act of Exchange, Board or Managing Director under UTS Regulations regarding its Member shall not be invalidated by any defect, irregularity, or deficiency of Notice or time unless:
 - I. Member concerned by the defect, irregularity or deficiency requests the Board of his Exchange to resolve that the decision, resolution, proceedings or act is invalid;

 - II. Board of the concerned Exchange reasonably believes that the defect, irregularity or deficiency has caused or may cause injustice which cannot reasonably be avoided; and

 - III. Board of the concerned Exchange accordingly resolves that the decision, resolution, proceedings or act is invalid.

11 Amendments in UTS Regulations & UTS Procedures

1. Save as otherwise provided for, no amendment shall be made in UTS Regulations unless it has been approved by the Board of LSE and Board of ISE with the prior approval of Commission.

2. Save as otherwise provided for, no amendment shall be made in UTS Procedures unless it has been approved by the Managing Directors of LSE and ISE.

First Schedule to UTS Regulations: Distribution of Powers concerning UTS Regulations and Procedures

In making/amending/enforcing/implementing UTS Regulations and UTS Procedures, powers shall be exercised as follows, provided that

- I. Board of an Exchange may delegate its powers stated in this schedule to the JSC or Managing Director of the Exchange

- II. JSC may delegate its powers stated in this schedule to the Managing Directors of LSE and ISE

- III. Managing Director of an Exchange may delegate his powers stated in this schedule to an official of the Exchange

- IV. CTO may delegate his powers stated in this schedule to an official of Exchange.

Power to	To be exercised by
1. Determine UTS eligibility criteria for a Member in addition to what has been specified in UTS Regulations and/or UTS Procedures	Board of concerned Exchange
2. Declare a Member defaulter	Board of concerned Exchange
3. Specify fees/contributions to be made by Members to Exchange, including trading fee, contribution to Settlement Protection Fund, and contribution to	Board of concerned Exchange

Investor Protection Fund	
4. Impose a fine under UTS Regulations	Board of concerned Exchange
5. Specify TWS connections policy for Members of Exchanges	JSC
6. Designate /Appoint CTO	Board of LSE
7. Amend UTS Regulations	Boards of Exchanges with the approval of Commission
8. Control states of trading symbols of Securities in which Orders by Members of one Exchange can be matched with Orders by Members of the other Exchange, including moving symbols to and from Spot and suspending them and revoking their suspension	CTO and/or Market Administrator from the Market Control Wing of LSE
9. Make/amend trading software and related systems to reflect changes in regulations, including UTS Regulations	CTO with the approval of Managing Director of LSE
10. Make/amend functions built into the trading software and related systems, which can have a material impact on UTS operations	CTO with the approval of Managing Director of LSE.
11. Halt trading up to one Working Day in a Security, Futures Contract, or Market Segment, due to technical problems requiring immediate action	CTO; provided that CTO shall provide written justification for the same to the Managing Directors of LSE and ISE
12. Cancel Orders by any Member in a Security, Futures Contract or Market segment, due to technical problems requiring immediate action	CTO; provided that CTO shall provide written justification for the same to the Managing Directors of LSE and ISE
13. Disable for up to one day any or all TWS of a Member, due to technical problems requiring immediate action	CTO; provided that CTO shall provide written justification for the same to the Managing Directors of LSE and ISE
14. Specify TWS connections policy for all Members of LSE and ISE	JSC

15. Suspend and revoke suspension of UTS for more than one day	JSC
16. Increase minimum Net Capital for a Member	Boards of LSE and ISE
17. Recommend contract specifications for a Futures Contract	JSC
18. Specify intra-day price limits	JSC with the prior written approval of the Boards of the exchanges
19. Initiate a special clearing in a Futures Contract	JSC
20. Specify additional margin on any Security, derivative, market segment, in which Orders by Members of one Exchange can be matched with Orders by Members of the other Exchange	JSC
21. Determine criteria to establish eligibility of a Security for CFS financing	JSC with the approval of Boards of LSE and ISE subject to approval of the Commission
22. Determine criteria to establish eligibility of a Security or a product for Futures Contracts trading	JSC with the approval of Boards of LSE and ISE subject to approval of the Commission
23. Specify netting methodology to calculate Exposure	JSC with the approval of Boards of LSE and ISE subject to approval of the Commission
24. Specify netting methodology to calculate Mark-to-Market Losses	JSC with the approval of Boards of LSE and ISE subject to approval of the Commission
25. Specify netting methodology to calculate Trading/Netting Losses	JSC with the approval of Boards of LSE and ISE subject to approval of the Commission
26. Make/amend UTS Procedures	JSC with the approval of the Boards
27. Specify positions limits with respect to a Security, Futures Contract, Member,	JSC with the approval of the Boards of LSE and ISE subject to approval of the

client of a Member, or market segment	Commission
28. Specify maximum permissible Exposure of a Member in all market segments collectively and/or each market segment separately based on Member's Net Capital	JSC with the approval of the Boards of LSE and ISE subject to approval of the Commission
29. Suspend (or revoke suspension) in trading of a Security or Futures Contract in which Orders by Members of one Exchange can only be matched with other Orders by Members of that Exchange	Managing Director of concerned Exchange
30. Suspend (or revoke suspension) a Member following his/its suspension (or revocation of suspension) by NCCPL or CDC or Commission	Managing Director of concerned Exchange
31. Initiate square-up of positions of a Member failing to meet requirements for Margins-against-Exposure	Managing Director of concerned Exchange
32. Initiate square-up of positions of a Failing Member	Managing Director of concerned Exchange
33. Determine number of TWS to be assigned to a Member in line with relevant policy of Exchange	Managing Director of concerned Exchange
34. Cancel Trades executed on UTS such that on both sides are Members of the same Exchange	Managing Director of concerned Exchange
35. Suspend and revoke suspension of a Member failing to meet requirements for Margins-against-Exposure	Managing Director of concerned Exchange
36. Suspend and revoke suspension of UTS for one day	Managing Directors of LSE and ISE
37. Cancel error Trades executed on UTS such that on one side is a Member of LSE and on the other a Member of ISE	Managing Directors of LSE and ISE

38. Specify Working Days and hours for UTS	Managing Directors of LSE and ISE
39. Specify time for suspending Spot trading in a Security on the last day of Spot trading in the Security to enable T+0 settlement	Managing Directors of LSE and ISE
40. Determine cap for the CFS financing rate	Managing Directors of LSE and ISE on behalf of the respective Boards of LSE and ISE
41. Generate reports pertaining to trading of Members	Market Administrator from the Market Control Wing of the concerned Exchange
42. Control states of TWS of UTS assigned to Members, including their suspension and revocation of suspension	Market Administrator from the Market Control Wing of the concerned Exchange
43. Control states of trading symbols of Securities in which Orders by Members of one Exchange can only be matched with Orders by other Members of the same Exchange (Symbol control includes moving symbols to and from Spot and suspending them and revoking their suspension)	Market Administrator from the Market Control Wing of the concerned Exchange
44. Control states of market segments, including their suspension and revocation of suspension	Market Administrator from the Market Control Wing of the LSE