

Listing of PMEX Milli Tola Gold Futures Contract

We are pleased to announce that the Securities & Exchange Commission of Pakistan by exercising its powers conferred under Commodity Exchange and Futures Contract Rules 2005 has allowed Pakistan Mercantile Exchange Limited (PMEX), to list **PMEX Milli Tola Gold Futures Contract** at Electronic Trading System ("ETS") of the Exchange.

In view of the above, PMEX will list the following Milli Tola Gold contracts with effect from Monday, December 16, 2013.

- MTOLAGOLD-MON
- MTOLAGOLD-TUE
- MTOLAGOLD-WED
- MTOLAGOLD-THU
- MTOLAGOLD-FRI

Milli Tola Gold Futures Market Timings: 05:00 am to 02:00 am (On the date of expiry, contract shall be closed at 04:00 pm). Any change in the timing will be communicated through the trading terminal.

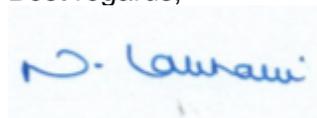
The following fee and margin structure on Milli Tola Gold Futures contract will be observed:

PMEX Transaction Fee	Re. 1 inclusive of Investor Protection Fund (IPF) (charged to both buyers and sellers)
Insurance and Custody Fee	PMEX will not charge any fee for Insurance and Custody. Any change to the fee structure will be communicated through a circular
Margins	PMEX shall charge margins @ 105%

The detailed contract specifications are attached in Annexure "A", which will be binding on all brokers of the Exchange and constituents trading through them.

Brokers are requested to take note of the above.

Best regards,



Nauman Lakhani
Head of Marketing & Business Development

Pakistan Mercantile Exchange Ltd.,

PMEX Milli Tola Gold Futures Contract Specifications

Trading Hours	Hours of Trading in the PMEX Milli Tola Gold Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time: Normal Trading Session: 5 am to 2 am PST On the last trading day of a contract normal trading will end at 4 pm.
Unit of Trading	Milli Tola (Milli Tola=0.001 Tola and 1Tola=11.664 grams)
Delivery Unit	Milli Tola of Gold assaying not less than 999.0 fineness.
Physical Withdrawal Unit	10 Tola Bar or multiples thereof.
Trading System	PMEX Trading System
Tick Size	Re. 1
Contract Grade & Quality	Gold assaying not less than 999.0 fineness cast in 10 Tola Bars. Only deliveries from exchange approved refineries brands, meeting the ‘Good Delivery’ criteria approved by the Exchange will be accepted. The quantities of physical Gold held by the selling Brokers at the Exchange designated vault will be commingled and credited to their margin account with PMEX.
Price Quotation	Price quoted shall be in rupees per Tola of Gold with 999.0 fineness, ex-Karachi inclusive of all taxes, duties etc applicable at the import stage and without any sales tax if applicable.
Days Traded In	The days listed for trading are Monday - Friday, excluding Exchange Holidays and at the discretion of the Exchange.
No. of Active Contracts	A maximum of 5 contracts may be made available for trading. The final settlement of each contract will be at least one week from its commencement. i.e a contract listed on Monday will be available for trading till Friday and will be settled on the following Monday.

Pre-trade Check	All Buyers' and Sellers' orders will be subject to a pre-trade check.
Initial Margin for Buyers	Minimum Initial Margin will be 25% in cash only.
Maintenance Margin for Buyers	Maintenance Margin will be 15% in cash only.
Initial Margin for Sellers	Sellers must have an equivalent credit of Gold in their margin account maintained with PMEX. Short selling is not allowed.
Daily Settlement Price	<p>All open positions will be marked-to-market using daily settlement price. Exchange can determine the daily settlement price using one of the methods described herein or in such other manner as may be determined by the Exchange and notified at the time of opening Contract:</p> <ul style="list-style-type: none"> - Average of best bid/offer price at the closing time. - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the international spot price of Gold and PKR /USD exchange rate that have been obtained in the manner notified by the Exchange.
Final Settlement Price	Final settlement price will be the daily settlement price of the last trading day of the contract.
Final Settlement Day	The final settlement of all open positions at expiration, will take place on the next business day by 11.00 am, Monday to Friday. Delivery will be accomplished by the debit and credit of the Sellers and Buyers Margin accounts, respectively, maintained with PMEX.
Delivery Logic	Compulsory.
Holiday Convention	<p>In case the first trading day of a contract falls on an Exchange holiday, the contract will start trading from the following Exchange trading day with a shorter maturity.</p> <p>In case the final settlement day of a contract falls on a holiday, the contract will be settled on the following Exchange trading day.</p>

Collection of Gold

Buyers must have a minimum credit balance of 10 Tola or multiples thereof in their account with PMEX to be eligible to withdraw physical Gold from the Exchange designated Vault. Holdings not complying to lot sizes eligible for physically withdrawal will remain in the buyer's account. However they can sell at the prevailing market prices at the Exchange.

A minimum of 5 working days Notice to PMEX will be required for the collection of Gold from the Exchange designated Vault. All charges associated with physical delivery will be fully borne by the Buyers.

Exchange Approved Vault

Physical Gold will be held at an Exchange Approved Vault.

Depositing Physical Gold

Exchange at its sole discretion will authorize members and their clients to deposit physical gold from an Exchange approved refinery/brand and meeting other procedures laid down by the Exchange.

Charges & Costs related to Physical Gold

All charges and costs associated with holding and physical withdrawal of Gold including withdrawal, storage, handling, insurance, custody etc, from the date of final settlement till the time Gold is sold or physically withdrawn from the Exchange's vault will be borne by the Buyers. Physical delivery of Gold for withdrawal requests from the Exchange's vault will be made at the safe deposit locations of the Exchange.

All charges and costs associated with holding and physical deposit of Gold including delivery, storage, handling, insurance, custody etc, till the time of final settlement will be borne by the Selling Broker or their Clients.

Vault and custody related charges will also apply to holdings not complying to lot sizes eligible for physically withdrawal.

Default Penalties

Default by Buyers in settling their obligations on final settlement will result in imposition of a default penalty and initiation of disciplinary action against the defaulting Broker. Settlement default will result in a 15% penalty calculated using the Final Settlement Price, basis Karachi, and will be deducted from the Buyers initial Margin account, of which 90% will be paid to the corresponding counterparty and 10% will be held by the Exchange.

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Arbitration	Disputes between Exchange members will be settled through arbitration. The arbitration proceedings and appointment of arbitrators will be governed by the Regulations of the Exchange.
Position Limits	1,000,000 contracts per Broker (including proprietary and all its clients) and 250,000 contracts per Client.
Further Regulation	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange Limited.

Pakistan Mercantile Exchange Ltd.,

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