

Guidelines for PMEX Brokers

The commodity futures market in Pakistan has witnessed rapid growth since 2007. During the last 10 years, there have been regulatory, structural and operational changes in the commodity futures market. The objective of these changes is to bring efficiency, enhancing transparency, preventing unfair trade practices and aligning Pakistan's commodity futures market with international best practices.

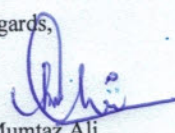
PMEX being a Self-Regulatory Organization (SRO) would like to prescribe the following guidelines for its Brokers to achieve the above objective:

DO'S	DON'TS
<ol style="list-style-type: none"> 1. Always enter correct registration details of clients on Exchange Trading System 2. Issue confirmations for trades executed on behalf of clients within 24 hours and obtain acknowledgment thereof 3. Ensure that all requisite signed documents have been received from clients including Account Opening Form, Risk Disclosure Document and Discretionary Trading Authority (where applicable) 4. Maintain proper records of registered offices, authorized persons, branches and clients 5. Ensure that investor grievance redressal mechanism is in place at all dealing locations such as head office and branches 6. Ensure that all authorized persons and branches are registered with the Exchange 7. Ensure that a list of commodity futures contracts that are permitted & traded at the Exchange has been prominently displayed at the head/branch offices 8. Ensure that the authorized persons/branches are following and complying with all the relevant provisions of the rules, regulations, circulars or directives issued by the Exchange and Securities & Exchange Commission of Pakistan (SECP) 9. Ensure that employees/authorized person only receive payments in the form of banking instruments in the name of the broker 10. Ensure that name of broker, registration number and certificate of registration of authorized person along with terms and conditions of branch dealing has been displayed at the registered branches 11. Always include the disclaimer specified by the Exchange while making any advertisement 12. Ensure that advertisement made by the branch/authorized person should have the approval of the broker 13. Notify change of the authorized person to the Exchange at least 15 days before the change 14. Conduct periodic inspection of the authorized persons/branches 15. Upon noticing any irregularities in the branch operations, immediately correct or deregister the authorized person or branch 16. Be vigilant about any fraudulent activity of employees and authorized persons 17. Approach PMEX in case of any clarification required on compliance related issues 	<ol style="list-style-type: none"> 1. Do not execute trade in client's account without explicit written authority or instructions as per Exchange or SECP provided guidelines 2. Do not alter or change terms and conditions of Standardized Account Opening Form (SAOF). Any additional terms and conditions shall not contradict with the terms and conditions of SAOF 3. Do not utilize or invest funds of clients beyond the scope of PMEX and related activities 4. Do not obtain any blank document or blank cheque from client 5. Do not deal in cash with clients over and above the prescribed limit of Rs. 25,000. Moreover, cash dealing is only permitted in exceptional circumstances 6. Do not enter any wrong, contradictory or incomplete information on Exchange Trading System 7. Do not attract clients by alluring advertisements, rumors, hot tips or the promise of assured returns 8. Do not misuse discretionary authority given by the clients for churning / generating commission 9. Do not obtain client's personal id and password. In case of discretionary authority, always trade through member login credentials

Please note that the above guidelines are not exhaustive and members are requested to ensure strict compliance with the regulatory framework of the Exchange.

For further information and assistance, please feel free to contact our Customer Support Services by phone on 021-111-623-623, 0300-8213-324 and 0321-8756-623 or by email at support@pmex.com.pk.

Best regards,


Syed Mumtaz Ali
Chief Compliance Officer