

Listing of PMEX HSD Contract at PMEX Shariah Compliant Trading Platform

This is in continuation to our earlier Circular No. PMEX/MKT, BD&CSS/2017/22 dated November 7, 2017. All market participants are hereby informed that PMEX has launched Shariah Compliant Trading Platform (SCTP) with effect from Friday, December 22, 2017. The first commodity being listed on this platform is High Speed Diesel (HSD). This platform will enable the market participants to execute Commodity Murabaha transactions in accordance with terms and condition specified by State Bank of Pakistan.

Commodity Contract	Trading Timings
PMEX HSD EFP Contract	10:00 am till 12:00 pm

Note: For Contract Specifications please refer to Annexure "A".

PMEX SCTP URL

<https://murabaha.pmem.com.pk/murabaha>

Transaction Charges

Trading Fee	Nil
Commodity Ownership Transfer Fee	0.053% per annum on the value of commodity for the tenor of Murabaha Transaction to be paid by transferor and transferee

Note: PMEX will invoice the fee on monthly basis to the market participants.

PMEX Clearing Banks

PMEX has designated all Islamic and Conventional Banks as PMEX Clearing Banks.

Trading Rules

The following rules shall be applied on transactions executed at PMEX SCTP and shall be binding on each market participant:

- All participants who wish to execute transaction on PMEX SCTP are required to open an account with a PMEX Broker. The Broker will submit the specified account opening form to PMEX along with necessary documents.
- All Buying orders shall be subject to pre-trade check to validate funds in Buying Participant account maintained at PMEX Clearing House.
- All Buyers shall deposit funds directly into PMEX bank accounts maintained at designated clearing bank(s).
- Oil Marketing Company (OMC) selling orders shall be ranked at lower priority for execution over other market participant selling orders.
- The minimum order size is 15,000 liters.
- The Exchange may initiate delivery process during trading session, if the Buyer(s) / Owner(s) other than OMC of underlying commodity have not placed transfer or sell orders within 30 minutes from transfer of commodity ownership.
- At the end of the trading timings, OMC as an agent of its distributors will buy all outstanding sell orders.
- The HSD Contract will remain closed on a day or earlier when Regulatory / Competent Authority announces petroleum prices.
- On the advice of PMEX, all designated clearing banks shall disburse funds separately for each Commodity Murabaha transactions executed at PMEX SCTP to the counterparty bank account(s).

Commodity Delivery Process

- The Buyer, who intends to take physical delivery of the commodity, will notify the Exchange in writing by email at murabaha@pmex.com.pk during the trading session.

- Upon receipt of such intention, the Exchange will notify OMC to issue delivery advice in favor of the Buyer.
- The Exchange will handover such delivery documents along with the PMEX ETS certificate(s) to the Buyer to take the physical delivery from the designated OMC location(s).
- The Buyer may be required to pay additional charges such as government levies, taxes and other related charges as required by OMC for physical delivery.
- The Buyer shall comply with all operational, financial and regulatory requirements related with physical delivery.
- OMC will charge overnight custodial charges (off- Exchange) as mutually agreed between OMC and the Buyer. The charges will be settled outside the ambit 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,



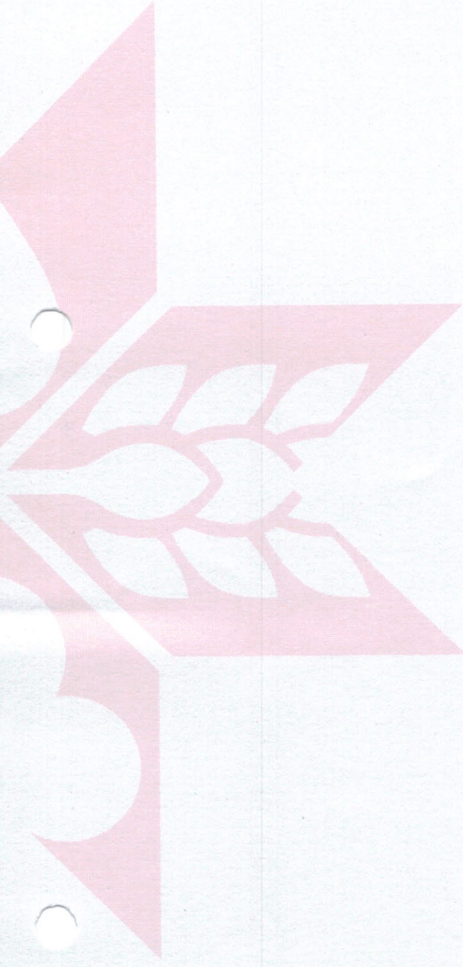
Nauman Lakhani
Head of Marketing, Business Development
& Customer Support Services

Annexure "A"

Contract Specifications of PMEX HSD EFP Contract		
1	Trading Hours	Hours of Trading in the PMEX High Speed Diesel (Petroleum Products) EFP 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: 10:00 am to 12:00 pm
2	Underlying Commodity	High Speed Diesel (HSD)
3	Unit of Trading	One liter (trade can be done in multiple of one liter above 15,000 liters, however minimum trading quantity will remain 15,000 liters) or as specified by the Exchange
4	Price Quotation	Price quoted shall be in PKR per liter ex- OMC price or as specified by the Exchange
5	Trading System	PMEX Trading System
6	Tick Size	Fixed Price i.e. single price market
7	Delivery Unit	Minimum 500 liters, or as specified by the Exchange from time to time.
8	Quality Specifications	As per OMC applicable standards as per industry practice.
9	Opening Date	Each contract will be available for trading only for one business day during trading session as specified by the Exchange.
10	Last Trading Day (Contract Expiry Day)	Each contract will expire daily after end of trading session.
11	Daily and Final Settlement Price	As per fixed price i.e. single market price.
12	Delivery Location	As specified by the exchange from time to time as per OMC arrangement.
13	Sales Pre-Requisite	Short Selling is strictly prohibited. Seller must have the inventory available in his account with PMEX with identification details.
14	Delivery Mode	Through issuance of ETS Certificate at the end of the trading session day or through issuance of ETS certificate immediately/real-time in case of EFP.
15	Pay-in and Pay-out of Funds	Payments will be based on the trade price.
16	Quality Certification	The seller has to ensure that the commodity delivered under this contract must meet the quality requirements as per industry practice. The buyer has a right to raise objection on the quality of commodity before lifting from OMC location. In such a case, buyer has to arrange a quality certification from the industry recognized analyzers. The seller shall fully assist in the certification process. In case the test report is not in accordance with the industry applicable standards/specifications, the OMC needs to tender the commodity again and also pay the certification charges.
17	Margin Requirement	Buyer shall deposit 100 % cash or equivalent amount with the Exchange before buying a contract or as specified by the Exchange. Sellers must have inventory balance in their account with PMEX as Short selling is prohibited.



18	Further Regulation	This contract shall be subject, where applicable, to the PMEX General Regulations and PMEX Murabaha Regulations in so far this comply with the guidelines of Shari'ah as determined by the Shari'ah Advisor of PMEX.
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