



**CARRY-OVER TRANSACTION REGULATIONS
OF
THE LAHORE STOCK EXCHANGE
(GUARANTEE) LIMITED**

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BACK GROUND:

Whereas carry-over transactions, is an integral part of our trading activity and these transactions are unavoidable for enhancing the market liquidity.

And whereas, there are no regulations governing such transaction as a result thereof, making it rather impossible for the Exchange to resolve the disputes arising out of such transactions leading to a crises situation for the market as well as undue losses and sufferings for the members and the investors at large.

And whereas, in the absence of any regulation one part of the simultaneous deal which is registered with the Exchange on the working days following the transaction date carries the risk of non-completion of that deal due to non opening of the market or the cessation of the membership of the involved member on the following working day.

In order to give legal protection to carry-over transactions, the Board of Directors of the Lahore Stock Exchange (Guarantee) Ltd, with the prior approval of the Corporate Law Authority has approved the following regulation which shall come into force at once.

1. Preliminary:

These Regulations shall be called “Carry Over Transaction Regulations” and shall form part of the Ready Clearing Regulations. The Ready Clearing Regulations shall continue to be applicable to Carry Over Transaction insofar as those are not inconsistent with these Regulations, provided however, in the event of any conflict or inconsistency, the related provision of these regulations shall prevail.

2. Definitions

In these Regulations:

- (a) **“Exchange”** Means the Lahore Stock Exchange (Guarantee) Ltd.
- (b) **“Member”** Means a Member of the Lahore Stock Exchange (Guarantee) Ltd;
- (c) **“Current Clearing”** Means clearing date applicable to the transaction date;
- (d) **“Next Clearing”** Means clearing date following the current clearing

(e) “Carry Over Transaction” “Carry Over Transaction means two inter-related transaction taking place simultaneously, recorded at the Exchange, whereby a member carries forward the existing outstanding buy position with respect to the listed securities from the existing clearing period to a subsequent clearing period by paying forthwith a premium to the financier following the procedure, terms and conditions as notified by the Exchange from time to time.

(f) “Approved” Means approved by the Board of Directors of the Lahore Stock Exchange (Guarantee) Limited.

3. Eligibility of Shares.

Carry over transaction shall not be transacted in Shares of Companies other than the approved companies. All companies already listed and also companies to whom listing is granted after the effective date of these Regulations, shall be deemed to be on the Approved List, unless notified otherwise from time to time by the Board.

4. Contract Ticket.

- (i) The Carry Over Contract Ticket shall be in the form to be specified by the Exchange.
- (ii) No transaction shall be admitted as Carry Over transaction, unless it is carried on a Carry Over Contract Ticket, and are executed on the last day of the current clearing.
- (iii) All such contract tickets shall be prepared by the buyer of current clearing period and seller of immediate next clearing period on the date of transaction and shall be submitted to the Clearing House of the Exchange after getting signature of the seller of current clearing period and buyer of immediate next clearing period.
- (iv) The Clearing House of the Exchange shall process the transactions as per Carry Over Contract Ticket and settle these transactions along with the normal transaction according to Rules and Regulations of the Exchange.

5. Claims.

No claim shall be entertained against Seller/Buyer, if Carry Over transaction is not reported to the Clearing House on the date of the transaction, or in exceptional circumstances, of which the Lahore Stock Exchange shall be the sole judge, on the next working day of the Lahore Stock Exchange following the day of the transaction.