

PSX and Meezan Bank Sign an Agreement to Offer Shariah-Compliant Trading Platform for RDA Clients

Karachi, July 27, 2022: Pakistan Stock Exchange (PSX) and Meezan Bank Limited, Pakistan's leading Islamic bank, signed an Agreement whereby PSX, in collaboration with the Bank, will provide a dedicated shariah-compliant trading platform for Roshan Digital Account (RDA) clients. This will facilitate investors who are focused on investing in shariah approved securities. The Agreement was signed by the MD & CEO PSX, Mr. Farrukh H. Khan, and the Founding President & CEO Meezan Bank, Mr. Irfan Siddiqui, amidst the presence of Chairperson PSX, Dr. Shamshad Akhtar, and senior management of both the organisations.

This trading platform will be available through the online trading system provided by PSX called KiTS or Karachi Internet Trading System. Any RDA client of an Islamic bank can now avail this platform for investing in PSX through the services offered by more than a 100 securities brokers using KiTS as an Order Management System (OMS).

The purpose of this platform is to enable Non-Resident Pakistanis (NRPs) to securely invest in their homeland's capital market in a shariah-compliant manner. Moreover, with this development in KiTS, shariah-compliant investing capability can be offered virtually by many TREC-Holders to their RDA customers. Hence, providing clients a broader suite of securities brokers to select from for their shariah-compliant investment needs.

The criteria for investing on shariah-compliant platform has been developed by Meezan Bank and vetted by the PSX Shariah Advisor. The specifications of the shariah-compliant trading platform include investing in KMI-All Share securities, shariah-compliant IPOs and shariah-compliant ETFs. Trading option is available only for Ready and Odd Lot markets. The recently bought shares can be sold on T+2 basis, i.e, when shares purchased are available in CDS account.

Speaking at the launch of the shariah-compliant trading platform for RDA clients, the MD PSX, Mr. Farrukh Khan, stated, "Pakistan Stock Exchange is at the forefront of using technology to enhance the experience of market participants including investors. The demand for shariah-compliant offerings is consistently rising and PSX has continued to grow its suite of Islamic capital market products. In recognition of this, PSX won the Best Islamic Stock Exchange award by Global Islamic Awards (GIFA). This new & innovative platform offered by PSX to facilitate Non-Resident Pakistanis interested in investing in shariah-compliant securities, in a shariah-compliant manner, through the RDA platform, is another example that PSX is fully cognizant of the interests and demands of market participants."

He further stated, "I congratulate Meezan Bank and the PSX teams on this achievement to enhance investor experience and choice. I would specially like to appreciate Zahid Latif Khan (ZLK) Securities for being the first brokerage house to integrate and enable this offering for their RDA clients. I hope that this will generate interest and confidence among Non-Resident Pakistanis to securely invest in the capital market in a shariah-compliant manner. With this development in KiTS, all TREC-Holders can now offer shariah-compliant products to RDA clients, creating new business opportunities for them."

The Founding President & CEO of Meezan Bank, Mr. Irfan Siddiqui, while speaking at the occasion, said, "Meezan Bank is leading the industry with the highest share in RDA accounts and investment in equity market. The Bank's advisory role in the extension of this service aims to improve the transparency and compliance of this solution with shariah principles. "

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“The Bank is already offering a shariah-compliant Trading Platform for Non Resident Pakistanis through 22 brokers which are on-boarded through their own systems. With the launch of this shariah-compliant Trading Platform, brokers who are using KITS will also be on-boarded with Meezan Bank to further extend these services to RDA customers. We are hopeful that this service will help tap into a wider RDA investor base that is seeking shariah permissible investment options”, he further added.