



FINANCIAL MARKETS ASSOCIATION OF PAKISTAN

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June 09, 2004

FMAP/GS/PKRV/Misc-0012/2004

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Senior Executive Vice President
Head of Treasury & FX Group
Muslim Commercial Bank Ltd.

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American Express Bank Ltd.

Assistant Secretary

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PERVEZ SHAHBAZ KHAN

VP & Senior Dealer Money Markets
ABN AMRO Bank N.V.

ZAFAR HUSSAIN

Senior Dealer FX
Prime Commercial Bank Ltd.

ZARAK MOORAJ

Head of ALM & Senior Dealer MM
Union Bank Ltd.

**To All Brokerage Houses
& All Treasurers/Chief Dealers of
Banks / DFIs and NBFs**

Dear All,

Subject : RE : Amendments/Clarifications in PKRV Rules

This is in continuation of FMA's Letter dated April 22, 2003 where by Base Price Calculations for Repo/Reverse Repos was implemented at the prevailing Market Prices of the underlying GoP securities as quoted on FMA's Reuters Page "**PKRV**"

A Sub-Committee meeting was held on May 29, 2004 to review the clarifications sought on the above subject by Interbank Money Market Dealers/Brokers. The issues related to PKRV Quotations were discussed. Following guidelines were agreed upon to streamline the practices and to bring uniformity in the revaluation rates quoted for holdings of GoP Securities (T-Bills/PIBs/FIBs);

1. The Tenor Buckets on PKRV Reuters Page will be as follows;

- 0 - 7 Days
- 8 - 15 Days
- 16 - 30 Days
- 31 - 60 Days
- 61 - 90 Days
- 91 - 120 Days
- 121 - 180 Days
- 181 - 270 Days
- 271 - 365 Days
- 2 - Years
- 3 - Years
- 4 - Years
- 5 - Years
- 6 - Years
- 7 - Years
- 8 - Years
- 9 - Years
- 10 - Years
- 15 - Years
- 20 - Years

2. Interpolated revaluation rates should be worked out for GoP Securities having maturities of broken period.



3. The panel of six Money Market Brokers quoting the Day-end Market Rates for the designated tenors would be;

- AMZ Securities (Pvt) Limited AMZ
- BMA Capital Management BMA
- FINEX Securities Limited FINEX
- Global Securities Pakistan Limited GSL
- Invest Capital & Securities (Pvt) Ltd. ICSL
- Jahangir Siddiqui Capital Markets (Pvt) Ltd JSCM

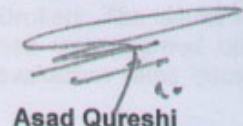
4. All Contributing Brokers should send the Closing Rates instead of Day's Average Rates for the revaluation benchmark.

5. Each of the above designated Brokerage House is requested to send the rates for the specified tenors as per amended guidelines to Citibank latest by 5:00PM.

The above changes are to be implemented with effect from June 14, 2004.

Thanking you for your usual cooperation,


Arif Raza
Assistant Secretary


Asad Qureshi
Secretary

Cc: **Farhat Saeed**, Executive Director – SBP
Zafar M. Shaikh, Head of Treasury – SBP
Faysal Abdullah, SRM – Reuters Pakistan