



# FINANCIAL MARKETS ASSOCIATION OF PAKISTAN

City Financial Markets & Country Treasury  
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Affiliated with ACI

March 30, 2004

FMAP/GS/SBP/KIBOR-0008/2004

**President**

**SALMAN A. USMANI**

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

**General Secretary**

**ASAD QURESHI**

Head of Financial Markets & Treasurer  
American Express Bank Ltd.

**Assistant Secretary**

**ARIF RAZA**

Chief Dealer MMFX  
Soneri Bank Ltd.

**Treasurer**

**MASOOD A. S. WAHEDNA**

SVP & Chief Dealer Treasury  
Saudi Pak Commercial Bank Ltd.

**MEMBERS EXECUTIVE COMMITTEE**

**ASAD ALI MULJI**

AVP & Treasurer  
First Standard Investment Bank Ltd.

**MUHAMMAD RIZWAN MALIK**

Dealer Money Market  
Habib Bank Ltd.

**PERVEZ SHAHBAZ KHAN**

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

**ZAFAR HUSSAIN**

Senior Dealer FX  
Prime Commercial Bank Ltd.

**ZAFAR MOORAJ**

Head of ALM & Senior Dealer MM  
Union Bank Ltd.

To  
Treasurers / Chief Dealers and  
Head of Money Market Desks of  
All KIBOR Contributing Banks  
Karachi.

**Subject: Master Communiqué: KIBOR "Rule & Regulations"**

Please refer to the earlier communiqués referenced FMAP/GS/SBP/KIBOR-0001/2004 & FMAP/GS/SBP/KIBOR-0007/2004 on the subject of KIBOR.

The following points are reiterated to All KIBOR Contributor Banks for strict compliance effective from Wednesday, March 31, 2004.

- 1. Minimum lot size to be dealt in KIBOR is PKR 100million.**  
All KIBOR Contributor Banks would be required to quote their two-way prices for minimum PKR 100million, within the allowable maximum Bid/Offer spreads for the relevant tenor. These prices would remain valid between 11:30AM-11:45AM. If the bank is hit on its KIBOR price once, it can then change the next price. This requirement has been imposed to ensure that banks do not quote out-of-market prices.
- 2. Maximum Allowable Bid/Offer Spread by Tenors at ALL Times**

i. 1 Week	100BP (Basis Points)
ii. 2 Weeks	50BP (Basis Points)
iii. 1, 3, 6, 9 and 12 months	50BP (Basis Points)
- 3. KIBOR Contributor Banks should have Call Limits Available for at least 25% of other Contributing Banks. Banks are expected to show their professional responsibility.**
- 4. Banks which fail to submit KIBOR Rates to Reuters for maximum 4 Days during a month would be deleted from KIBOR Page.**
- 5. Other Miscellaneous Guidelines**
  - i. All KIBOR Contributor Banks to submit their rates to Reuters latest by 11:20AM.
  - ii. To calculate Average KIBOR Bid/Offer Rates the Highest & the Lowest 3 Rates would be classified as Outliers and struck out from calculations by Reuters.
  - iii. All KIBOR related deals should be mentioned properly in Money Market CRS to SBP.

Any KIBOR Contributor Bank failing to comply with the above stated guidelines will be asked to leave the KIBOR Contributors' Page. Adherence to above guidelines would be monitored regularly by FMAP.

Thank you for your cooperation,

**Asad Qureshi**  
Secretary

**Salman A. Usmani**  
President

Cc: Zafar M. Shaikh, Head of Treasury - SBP  
Naved A. Khan, Vice Chairman - PBA