

# **BROKER CLIENT RELATIONSHIP AND ARBITRATION PROCEDURE IN CASE OF ANY DISPUTE**

## **Arbitration**

An arbitration is a setting in which two parties submit their differences to an impartial third party to determine a solution or negotiation to a problem.

PSX provides mechanism to resolve their disputes under the supervision of the sole Arbitrator and sub-panel nominated by PSX.

## **Types of Disputes Could be referred to Arbitration**

- Unauthorized Trading (Sale/Purchase)
- Unauthorized Transfer / Movement of Shares
- Non-supply of Statements of Account
- Non-supply of Trade Confirmations within 24 hours
- Overcharged Commission
- Miscellaneous charges in ledger account
- Failure to Execute Investor's Instructions/orders
- Suspension of Payment
- Non-Delivery of Securities within brokers or clients

## **Disputes Referred to Arbitration**

When ever any disputes arises between brokers or between any of the brokers and their clients, or between any of the broker and their authorized agents or between Authorized agents and their clients in connection with any trade or transaction. It will be referred to arbitration and will deal with according to procedures.

## Arbitration Process

1. Scrutiny of application
2. Acceptance and rejection of application
3. Referred the dispute to sole arbitrator or sub-panel according to claims Amount
4. Hearing notice to both parties
5. Equal opportunities to both parties to present before the sole arbitrator or sub-panel
6. Decision by Majority Arbitrators will be the final decision or “Award” and decision will be finalized within 90 days of the acceptance of the application
7. Appeal to Regulatory Affair Committee (RAC) against Award within fifteen days of receipt of the Award by any party