

Frequently asked questions:

What is your role as a broker?

The broker has a very important role in the capital markets. He is acting as a buyer/seller on your behalf or in his own capacity and is guaranteeing the settlement of the buy/sell trade.

What Does a Broker Do?

In order to buy & sell shares of stock, you need a stockbroker to help you with the transactions. A stock broker is the link between you and the stock exchange.

How do I start Trading?

Download our account opening form or you can also acquire this form our Head or Branch office. After filling out the form (instructions included), please submit it to our Head office or branch office where you want to operate your account.

What is the minimum amount by which I can open an account with MGM Securities (Pvt.) Ltd.?

The minimum account size should be PKR 50,000 (Fifty Thousand Only)

Where do my funds go?

Your funds are with MGM Securities (Pvt.) Ltd. and reflected in your account ledger statements.

Can I authorize someone else to operate my account in case of my absence?

Yes. You may authorize someone else. This is covered in our account opening form.

When I can Begin trading?

As soon as your UIN is activated and CDC Sub Account opened along with cash or Cheque deposited is credited to your account, you may start

trading. A relationship manager will be assigned to take care of your orders.

How to Place an Order?

In general, and in keeping with our overall long-term buy-and-hold philosophy, there are only two terms you need to know: "buy" and "sell." Sound simple enough? It is, and it really need not be any more complex than that. You buy a stock because you think it's a great long-term prospect, and you only sell it when you either need the money or feel that there is a better place to put that money or there is capital gain.

Buy order. The order you place when, obviously enough, you want to buy shares. Simply tell your relationship manager how many shares you want to purchase. There are several types of buy orders.

Buy at market. You instruct the broker to buy a specified number of shares at the prevailing market price.

Buy at a limit. You instruct the broker to buy a specified number of shares, but only at a specified price or lower. For example, you might say: "Buy 1000 shares of National Bank Limited at a limit of Rs.223". In this case, you are only willing to purchase shares of National Bank Limited if you can do so at Rs.223 or less.

Sell order. An order you place when you want to sell shares.

Sell at market. An order to sell your shares at the prevailing market price.

Sell at a limit. An order to sell your shares only at the price that you specify or higher.

Sell at a stop loss. You instruct your broker to sell your stock if it falls to a certain price. For example, you buy Lucky Cement at Rs.108 and you instruct your broker to sell if it falls to Rs.104. This would be a Stop Loss at Rs.104.

How are trades settled?

a. Your Payments to Us

You are advised to send us payment against your delivery by the end of the market session on the same day or at maximum by 11 AM the next day.

b. Our Payment to You

According to the T + 2 system PSX is liable to pay us on the second day after the transaction takes place. Since we get paid on the third day, payment to the client will be made on the fourth day.

What is the Role of Risk in Investing?

Risk is part of investment. It is the price you pay for a potential reward. The greater the risk, the greater the potential reward should be. Every investor needs to find the level of risk that is comfortable, but is enough of a reach to achieve their goals. Investors need to correctly identify the risk of a particular stock so they can determine if the potential reward is worth the chance of loss. You will need to be in constant touch with your relationship manager so that he or she can advise you about your risk management techniques.

What are Payouts?

A company may distribute its profit earnings amongst its share holders and this can be done in a number of ways”

Right shares

A rights share is an issuance of new shares to existing shareholders. These are not free however they are usually below the current market price. Issuance of these new shares to existing shareholders is known as Right shares

Bonus Shares

Bonus shares are free shares of stock given to current shareholders, based upon the number of shares that a shareholder owns.

Dividends

Dividends are the distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. The dividend is most often quoted in terms of the currency amount each share receives (dividends per share). It can also be quoted in terms of a percent of the current market price, referred to as dividend yield.

Are there any hidden charges / fees other than the commission that you will charge me?

No, there are no hidden charges or fees other than commission, however CVT, WHT and other department charges at actual are reflected in confirmation / ledger statements.

What is the method of cash withdrawal/deposit in account?

You can only deposit cash up to Rs. 25,000 in your account. We do not pay cash to our clients. Clients will only be provided a payee account Cheque.

How much can you reduce commission rates if these are negotiable?

We offer special discounts for large volume clients.

How to deposit funds in account?

Either through on line fund transfer in any of our bank accounts or through cross cheque payee only account to MGM Securities (Pvt.) Ltd.

What is spot date ?

Right before the book closure of a company the PSX announces a spot date. This signifies that the all the trades falling on and after this date will be settled within 24 hours and will not be included in the t+2 settlement cycle.

What is X- date?

Whenever there is an action (eg. dividend, right , bonus, AGM, EOGM Directors election.etc) the company announces a book closure date. For example a company announces 10% bonus shares. And book closure dates are 15 March to 18 March. The PSX will put the company on spot

from 5th to the 14th and all the people in whose names the shares belong by the 15 March will be entitled to the 10% Bonus. So the x-date will be 15th. If you buy on the 15th you will not be entitled for the said bonus.

Are there any annual charges?

Annual Charges: NCSS Charges Rs. 300/- , CDC Charges Rs. 450/-

What are your commission charges?

Our Commissions are based on share price or fixed as a percentage of value. Further, we provide discounts on large volume deals and same day trading transactions. The detail of Commission slab is an integrated part of our Standardized Account Opening Form (SAOF).

How to transfer shares from sub-account to CDC investor account?

You can request our CDC department to transfer your specific shares to your CDC investors account or sign and send us your “standing instructions” to transfer all your holdings current and future to your CDC investor account.

Who is a nominee?

In case of death of account holder, the nominee will be authorized to handle the deceased client’s account. MGM is bound to follow the instructions given by the nominee. If there is no nominee of the account than only a valid succession certificate will be considered as valid instructions. Further a nominee is the authority until the succession certificate is produced which states otherwise.

How can I ensure that my shares are safe with you?

You will receive a SMS/email alert every time there is movement in your account. Also you can visit your web account anytime and from anywhere to view your status. Our system generated account holding should match the CDC system generated share holding report. You should periodically match this with the print out of your CDC sub account

if you any other queries, Please feel free to contact us!