



National Clearing Company of Pakistan Limited

8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/February-10/03

February 11, 2010

IDS on Provisionally Listed Companies Market Trades (“PLCMT”) of Non-Broker Clearing Members

Dear Clearing Members,

Presently, National Clearing Company of Pakistan Limited (“NCCPL”) facilitates Non-Broker Clearing Members (“NBCM”) to directly settle their Ready and Deliverable Future Contracts (“DFC”) market trades along with its margining requirement through Institutional Delivery System (“IDS”) module of the National Clearing & Settlement System (“NCSS”). Similarly, such IDS facility has now been extended for trading in the **Provisional Listed Companies Market Trades** as well.

In this respect, we would like to inform you that effective from **February 15, 2010**, trades executed by BCMS on behalf of their Institutional Clients (NBCMs) for security **M/s. Fatima Fertilizer Company Limited (“FATIMA”)** will be **auto-initiated** in NCSS **on daily basis** and made available to respective NBCMs for **affirmation**. Accordingly, after due verification, such NBCMs will affirm such **auto-initiated** transactions through existing IDS module of NCSS. Upon affirmation, such transactions will be settled directly by NBCMs through NCSS on respective settlement date along with its necessary margining requirements. However, un-affirmed/rejected transactions shall be settled by concerned BCMS.

Accordingly, NCCPL will also manage risk arising out of such affirmed IDS transactions by NBCMs through its Financial Institution Margining System (“FIRMS”) whereby, exposure margins and Mark-to-Market (MtM) Losses will be computed in accordance with the NCCPL Regulations and Procedures. The collateral requirements against Exposure margins across affirmed IDS transactions based on PMT shall be deposited by respective NBCMs in the form of cash, bank guarantees and/or irrevocable undertakings, whichever is applicable under NCCPL Regulations. However, **MtM Losses** shall be collected in the form of **cash only**.

Upon collection of margins, NCCPL shall provide information of such affirmed IDS transactions to the respective stock exchanges for adjustment of exposure of respective BCMS. However, in respect of transactions rejected/not accepted by NBCMs, the margins of the respective BCMS, held by the exchanges, shall remain applicable till settlement.

For any further queries or concerns and hands on training of the said system, if required, please feel free to contact the **Customer Support Department** of your respective locations.

City	Telephone Number	Fax Number	Email
Karachi	021-32460811-19	021-32460827	helpdesk@nccpl.pk
Lahore	042-36280815-7	042-36280818	helpdesk@nccpl.pk
Islamabad	051-2804244-46	051-2804243	helpdesk@nccpl.pk

Regards,

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Badiuddin Akber
Head of Operations

Cc:

Securities and Exchange Commission of Pakistan (SMD Islamabad / Karachi)
Karachi Stock Exchange (Guarantee) Limited
Lahore Stock Exchange (Guarantee) Limited
Islamabad Stock Exchange (Guarantee) Limited
Mutual Fund Association of Pakistan
Pakistan Banking Association
Central Depository Company of Pakistan Limited