

## Approved Amendments in NCCPL Regulations Pertaining to Provisionally Listed Companies Market

	<b>Existing Regulations</b>	<b>Approved Amendments</b>
<b>2.8</b>	<p><b>Market</b> means the Ready market, the Futures market, and the Debt Market. The Ready market and the Futures market, have the same meaning as defined in the relevant regulations of the stock exchanges.</p>	<p><b>Market</b> <b>Means all markets as defined in the relevant regulations of the stock exchanges.</b></p>
<b>2.8</b>	<p>Non Exchange Transaction means</p> <p>(i) a broker to broker transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange, based on an Exchange trade; or</p> <p>(ii) an institutional delivery system transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange, based on an Exchange trade and/or Exchange transaction; or</p> <p>(iii) a margin financing transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange, based on an Exchange trade and/or on an Exchange transaction; or</p> <p>(iv) a reversal of the margin financing transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange and/or by a Clearing Member who is not a member of Stock Exchange,</p> <p>and is recorded on NCSS in which the initiating Clearing Member notifies NCSS that the transaction shall be settled by an affirming Clearing Member on his behalf,</p>	<p>Non Exchange Transaction means</p> <p>(i) a broker to broker transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange, based on an Exchange trade; or</p> <p>(ii) an institutional delivery system transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange, based on an Exchange trade and/or Exchange transaction; or</p> <p>(iii) a margin financing transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange, based on an Exchange trade and/or on an Exchange transaction; or</p> <p>(iv) a reversal of the margin financing transaction, as per the Procedures, which is not effected on a Stock Exchange and is initiated by a Clearing Member, who is a member of a Stock Exchange and/or by a Clearing Member who is not a member of Stock Exchange,</p> <p>and is recorded on NCSS in which the initiating Clearing Member notifies NCSS that the transaction shall be and is recorded on NCSS in which the initiating Clearing</p>

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	<p>provided that such affirmation is made by a Clearing Member (who may be a member or a non-member of a Stock Exchange), provided further that notwithstanding the foregoing in case of reversal of margin financing transaction the transaction shall be settled by the Clearing Member who had initiated the original margin financing transaction as referred to in (iii) above</p>	<p>Member notifies NCSS that the transaction shall be settled by an affirming Clearing Member on his behalf, provided that such affirmation is made by a Clearing Member (who may be a member or a non-member of a Stock Exchange), provided further that notwithstanding the foregoing in case of reversal of margin financing transaction the transaction shall be settled by the Clearing Member who had initiated the original margin financing transaction as referred to in (iii) above. <b>Moreover, institutional delivery system transaction based on provisionally listed companies market shall stand null and void in the event of formal listing of such companies being refused by the relevant Stock Exchange.</b></p>
9.8	<p>Entries in the Money Account in respect of Non-Deliverable Future Contracts and/or Deliverable Future Contracts.</p>	<p>Entries in the Money Account in respect of Non-Deliverable Future Contracts, Deliverable Future Contracts <b>and/or futures trading in provisionally listed companies market.</b></p>
9.8.1	<p>Data in respect of marked-to-market amount of loss to be collected from a Clearing Member and/or the amount of profit to be disbursed to a Clearing Member in respect of Non Deliverable Futures Contracts and/or Deliverable Future Contracts representing the daily variation margin or the margin determined upon closing of any such contracts may be Transmitted by a Stock Exchange to the Company by the Designated Time on a Trade Date, and the Company shall, before the End of Day on such Trade Date:</p> <p>(a) debit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non Deliverable Futures Contracts and/or Deliverable Future Contracts to be collected from such Clearing Member; and</p>	<p>Data in respect of marked-to-market amount of loss to be collected from a Clearing Member and/or the amount of profit to be disbursed to a Clearing Member in respect of Non Deliverable Futures Contracts and/or Deliverable Future Contracts <b>and/or futures trading in provisionally listed companies market</b> representing the daily variation margin or the margin determined upon closing of any such contracts may be Transmitted by a Stock Exchange to the Company by the Designated Time on a Trade Date, and the Company shall, before the End of Day on such Trade Date:</p> <p>(a) debit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non Deliverable Futures Contracts and/or Deliverable Future Contracts <b>and/or futures trading in provisionally listed companies market</b> to be collected from such Clearing Member</p>

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	<p>(b) credit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non Deliverable Futures Contracts and/or Deliverable Future Contracts to be disbursed to such Clearing Member.</p> <p>Provided that marked-to-market losses of Non Deliverable Futures Contracts and/or Deliverable Future Contracts shall be collected from the respective Clearing Members on the Trade Date i.e. T+0. However, profit on such contracts shall be disbursed to the respective Clearing Members on T+1 in accordance with the mechanism described in NCCS Procedures</p>	<p>(b) credit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non Deliverable Futures Contracts and/or Deliverable Future Contracts <b>and/or futures trading in provisionally listed companies market</b> to be disbursed to such Clearing Member</p> <p>Provided that marked-to-market losses of Non Deliverable Futures Contracts and/or Deliverable Future Contracts <b>and/or futures trading in provisionally listed companies market</b> shall be collected from the respective Clearing Members on the Trade Date i.e. T+0. However, profit on such contracts shall be disbursed to the respective Clearing Members in accordance with the mechanism described in <b>the relevant regulations of the Stock Exchanges.</b></p>
12.A.3	<p><b>Determination of the Exposure</b></p> <p>The Company shall determine the Exposure of the Non-Broker Clearing Members by applying a netting mechanism by which netting of open positions shall not be allowed across the affirmed IDS transactions based on Exchange trades and/or Exchange transactions in the ready market and deliverable futures contract market. In case of off-setting positions in two consecutive contracts of a particular scrip during the over-lapping period of Deliverable Futures Contract Market, the exposure in such scrip will be calculated based on the higher of off-setting positions of contract period-wise net buys and net sales based on netting mechanism as described in 12.A.3.iii. However, in the absence of off-setting positions all contracts period-wise net buys or net sales will be added together for determining total exposure in a particular security. The Exposure margins shall be calculated by Value at Risk (VaR) based method in accordance with the following netting mechanism</p>	<p><b>Determination of the Exposure</b></p> <p>The Company shall determine the Exposure of the Non-Broker Clearing Members by applying a netting mechanism by which netting of open positions shall not be allowed across the affirmed IDS transactions based on Exchange trades and/or Exchange transactions in the ready market and deliverable futures contract market. In case of off-setting positions in two consecutive contracts of a particular scrip during the over-lapping period of Deliverable Futures Contract Market, the exposure in such scrip will be calculated based on the higher of off-setting positions of contract period-wise net buys and net sales based on netting mechanism as described in 12.A.3.iii. However, in the absence of off-setting positions all contracts period-wise net buys or net sales will be added together for determining total exposure in a particular security. The Exposure margins shall be calculated by Value at Risk (VaR) based method in accordance with the following netting mechanism. <b>However, the Exposure margins for provisionally</b></p>

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		<b>listed companies shall be determined in accordance with the relevant regulations of the Stock Exchanges.</b>
12.A.3.iv	<b>Not exist</b>	<p><b>Within Provisionally Listed Companies Market</b></p> <p><b>a) Netting shall be allowed between buy and sell positions in the same scrip on the same contract period;</b></p> <p><b>(b) Netting shall not be allowed across all the three Stock Exchanges</b></p>
12.A.4.iv	<b>Not exist</b>	<p><b>Within Provisionally Listed Companies Market:</b></p> <p><b>The Mark-To-Market Losses and profits shall be netted for same Securities and in the same contract period. Such Mark-To-Market Losses shall be deposited by a Non-Broker Clearing Member with the Company on a daily basis till the satisfaction of his settlement obligation on the relevant Settlement Date.</b></p> <p><b>The Company shall withhold mark-to-market profits, if any, of a Non Broker Clearing Member in particular scrip until its Final Settlement. However such mark-to-market profits, if any, will be adjusted against the MtM Loss in the same scrip of such Non Broker Clearing Member.</b></p>
12.A.5	<p><b>Collateral Requirements against Exposure Margins and Mark-To-Market Losses</b></p> <p>(b)(i) Collateral requirements against Exposure margins and Concentration Margins calculated by the Company across affirmed IDS transactions based on the deliverable future contracts market trades shall be deposited by the Non Broker Clearing Members in the form of cash, bank guarantees</p>	<p><b>Collateral Requirements against Exposure Margins and Mark-To-Market Losses</b></p> <p><b>(b)(i)-a</b> Collateral requirements against Exposure margins and Concentration Margins calculated by the Company across affirmed IDS transactions based on the deliverable future contracts market trades shall be deposited by the Non Broker Clearing Members in the form of cash, bank</p>

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	<p>and/or irrevocable undertakings, whichever is applicable under the Procedure and this Chapter. Whereas, Mark-To-Market Losses on such affirmed IDS transactions shall be deposited by the Non Broker Clearing Members in the form of cash only</p>	<p>guarantees and/or irrevocable undertakings, whichever is applicable under the Procedure and this Chapter. Whereas, Mark-To-Market Losses on such affirmed IDS transactions shall be deposited by the Non Broker Clearing Members in the form of cash only.</p> <p><b>(b)(i)-b Collateral requirements against Exposure margins calculated by the Company across affirmed IDS transactions based on the provisionally listed companies market trades shall be deposited by the Non Broker Clearing Members in the form of cash, bank guarantees and/or irrevocable undertakings, whichever is applicable under the Procedure and this Chapter. Whereas, Mark-To-Market Losses on such affirmed IDS transactions shall be deposited by the Non Broker Clearing Members in the form of cash only.</b></p>
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# Approved Amendments in NCCPL Regulations Pertaining to Provisionally Listed Companies Market

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

## AMENDMENT IN FEE, CHARGES AND SECURITY DEPOSIT SCHEDULE

### *NOTIFICATION*

**Karachi the 8 day of February 2010**

In exercise of the powers conferred by Regulation No. 3.6 of NCC Regulations, the National Clearing Company of Pakistan Limited has made with the prior approval of the Securities and Exchange Commission of Pakistan, the following amendments(s) in Fee, Charges and Security Deposits Schedule which shall come into force on approval by the Commission.

The following changes in Trade Fee shall be made in the Fee, Charges and Security Deposit Schedule. Accordingly, the amendments shall be Incorporated in the Fee, Charges and Security Deposit Schedule.

SCHEDULE OF FEE						
S. No.	NAME	RATE	BASIS	LEVIED ON	COLLECTION	
					TIME	MODE
9	Deliverable Future Contract/ <b>provisionally listed companies market</b>	Re. 0.81	Per Rs. 100,000 value of Deliverable Futures Contract/ <b>provisionally listed companies market</b>	Clearing Member	Month End	Through NCSS Pay & Collect