



National Clearing Company of Pakistan Limited

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

NCCPL/CM/December-11/19

December 30, 2011

Dear Clearing Members & Settling Banks,

Please find attached herewith the approved NCSS Procedures pertaining to Partial Release of Credit in First Payment.

This is for your information and necessary record.

Should you have any further queries or concerns, 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	051-2895460-2	051-2895463	helpdesk@nccpl.pk

Regards,

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Rehan Saif
Senior Manager - Operations



National Clearing Company of Pakistan Limited

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Approved NCSS Procedures Pertaining to Partial Release of Credit in First Payment

Clause	Approved NCSS Procedures
3.1.2 3.1.2.2	<p data-bbox="310 600 548 632">Money Settlement</p> <p data-bbox="310 684 1513 751">On each Settlement Date, the amounts (debit/credit) reflected in CM's money account in NCSS may comprise of the following activities:</p> <ol data-bbox="310 772 1513 926" style="list-style-type: none"><li data-bbox="310 772 1513 842">1 Security wise provisional debit / credit amounts at actual average trading price based on net securities traded, falling due for settlement on that Settlement Date;<li data-bbox="310 863 1513 926">2 Debiting the money account in NCSS with an amount which is calculated, Security-wise, at BO Settlement Short Reverse Amount for the number of securities undelivered; <p data-bbox="310 1003 1513 1119">Note: The Company shall process the following Mid-day procedures, for the calculation of BO Settlement Short Reverse Amount at the System Price plus 15% of price of Security of which delivery was short as per the Designated Time Schedule:</p> <p data-bbox="326 1157 1097 1188">A. Provisional BO Settlement Short Reverse Amount:</p> <p data-bbox="451 1224 1513 1423">Before releasing First Payment Report to the respective Designated Branches of Settling Banks, NCSS shall process the Mid-day procedure, for CMs having net credit for current Settlement Date, for the calculation of BO Settlement Short Reverse Amount, at the System Price plus 15% of price of undelivered Security as per the Designated Time Schedule.</p> <p data-bbox="326 1461 1013 1493">B. Final BO Settlement Short Reverse Amount:</p> <p data-bbox="451 1528 1513 1728">Before releasing Final Payment Report to the respective Designated Branches of Settling Banks, NCSS shall process the Mid-day procedure, for CMs having net credit and/or net debit, as the case may be, for current Settlement Date, for the calculation of BO Settlement Short Reverse Amount, at the System Price plus 20% of price of undelivered Security as per the Designated Time Schedule.</p>

3.5.2.2	<p>Settlement of Book-entry Securities - Normal Delivery Time</p> <p>1 For settlement of book-entry securities, as specified in the Balance Orders transmitted to CDS by NCSS, CDS shall auto-process the delivery movement from the Available Balance (as defined in the relevant regulation of CDC) in the Source Holding (as defined in the relevant regulation of CDC) to the Available Balance of the Target Holding (as defined in the relevant regulation of CDC) under blocked status.</p> <p>2 CMs shall be responsible to ensure sufficient balance to be made available in the respective CDS main, house and sub-accounts. Accordingly, during/after auto-processing of Balance Orders by CDS as described in (1) above, CMs can access the relevant Settlement Reports in NCSS for such Balance Orders Settlement status.</p> <p>3 CDS shall perform multiple attempts of auto-processing of Balance Orders delivery movement in full or partial from Source Holding to Target Holding during Designated Time Schedule of NCSS.</p> <p>4 After the end of normal delivery time under the Designated Time Schedule Mid-Day process shall be run to record:</p> <ul style="list-style-type: none"> • debiting of the money account in NCSS with Final BO Settlement Short Reverse Amount for the number of Securities undelivered from respective CDS main, house and sub-account of a CM; and • unblocking of Securities received by CMs, in respective CDS main, house and sub-account, with net credit balance in the current settlement.
3.6.1.3	<p>First Payment Report:</p> <p>Shall be a snap shot of the net credits, (arrived after execution of the Mid-day process for ascertaining Provisional BO Settlement Short Reverse Amount) to the CMs who have tendered full and/or partial deliveries for the current Settlement Date. This report shall be available to all Designated Branches of Settling Bank for their customer CMs. This report may also include required adjustments, such as squaring-up differences, allocation of losses on account of defaulting CM, if any, fees and charges and any other amounts such as collection of marked-to-market losses and profits as the case may be for Deliverable Future Contracts and Non-Deliverable Future Contracts to be collected from or paid to CMs.</p>
3.6.1.5	<p>Final Payment Report:</p> <p>Shall be snap shot of remaining net credits (arrived after execution of the Mid-day process for ascertaining Final BO Settlement Short Reverse Amount) to the CMs for the current Settlement Date and taken after run of BO Default Debit Procedure of the Mid-day Procedures as per the Designated Time Schedule: This report shall be available to all Designated Branches of Settling Banks for their customer CMs. This report shall set out final money receivable (CR) by CMs from the Company. This report may include required adjustments, such as debits due to non-delivery, squaring-up differences, allocation of losses on account of defaulting CM, if any, fees and charges and any other amounts such as collection of marked-to market losses and profits as the case may be for Deliverable Future Contracts and Non-Deliverable Future Contracts to be collected from or paid to CMs.</p>