



ISO 27001 Certified

## National Clearing Company of Pakistan Limited

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

NCCPL/CM/JANUARY-17/25

January 31, 2017

### Proposed Changes in NCCPL Regulations

Dear Clearing Members,

The following draft of proposed amendments in the NCCPL Regulations, 2015 is being placed on the NCCPL's website for the information of all concerned. The proposed amendments are subject to the approval of Securities and Exchange Commission of Pakistan (SECP).

- **Requirement of Basic Deposit from Securities Brokers**

In this regard, all concerned are hereby requested to submit their suggestions or comments at [info@nccpl.com.pk](mailto:info@nccpl.com.pk). Please note that comments or suggestions received within 7 days of the date of notice publication will be considered.

For any further queries or concerns, please feel free to contact the Customer Support Services of your respective locations.

| City      | Telephone Number   | UAN Number      | Fax Number   |
|-----------|--|-----------------|--------------|
| Karachi   | 021-32460811-19 Ext. 209, 214, 217, 218 & 224<br>Dir. 021-32438531-32-33 | 021-111-111-622 | 021-32462825 |
| Lahore    | 042-36280815-7   |                 | 042-36280818 |
| Islamabad | 051-2895460-62   |                 | 051-2895463  |

Regards,

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**Rehan Saif**  
Head of PD & CSS

**Proposed Changes in the NCCPL Regulations pertaining to  
Requirement of Basic Deposit from Securities Brokers**

| Existing Regulations   | Proposed Changes  |  |
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| <p>2.8 Definitions</p> <p><b><u>NEW</u></b></p> <p>Fees, Charges and Security Deposit Schedule</p> <p>means such Fees, Charges and Security Deposit Schedule for the by the Board under these Regulations, subject to the approval of the Commission and any amendment, modification, revision, substitution or revision thereof made by the Board with the prior approval of the Commission.</p> <p>Minimum Amount</p> <p>means the minimum amount required to be deposited by a Clearing Member with the Company in cash by way of or as part of his Security Deposit in terms of the Fees, Charges and Security Deposit Schedule under these Regulations.</p> | <p>2.8 Definitions</p> <p><b><u>Basic Deposit</u></b></p> <p><u>Means the Basic Deposit to be maintained by a Securities Broker with the Company under these Regulations</u></p> <p>Fees, Charges and Security Deposit Schedule</p> <p>means such Fees, Charges, <b><u>Basic Deposit</u></b> and Security Deposit Schedule <b><u>as approved</u></b> for—the by the Board under these Regulations, subject to the approval of the Commission and any amendment, modification, revision, substitution or revision thereof made by the Board with the prior approval of the Commission.</p> <p>Minimum Amount</p> <p>means the minimum amount required to be deposited by a Clearing Member with the Company in cash by way of or as part of his Security Deposit <b><u>and/or Basic Deposit</u></b> in terms of the Fees, Charges and Security Deposit Schedule under these Regulations.</p> |  |
| <p><b>3.2 Powers of the Company</b></p> <p>3.2.5 The Board shall not exempt any person or group of persons under Regulation 3.2.4 from an obligation to comply with:</p> <p>(a) a Warranty and Indemnity Provision;</p> <p>(b) a provision of this Chapter and of Chapter 8 (SECURITY</p>  | <p><b>3.2 Powers of the Company</b></p> <p>3.2.5 The Board shall not exempt any person or group of persons under Regulation 3.2.4 from an obligation to comply with:</p> <p>(a) a Warranty and Indemnity Provision;</p> <p>(b) a provision of this Chapter and of Chapter 8 (SECURITY</p>   |  |

DEPOSIT) except the provisions of Regulation 8.4.1, Chapter 13 (MONEY DEFAULT MANAGEMENT), Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and Chapter 23 (HEARING AND APPEAL PROCEDURES).

**3.6 Fees, Charges and Security Deposit**

3.6.1 The Board shall, with the prior approval of the Commission, make a Fees, Charges and Security Deposit Schedule specifying (i) the fees and charges payable for facilities and services provided by the Company and the time by which, or period within which, the fees and charges must be paid, and (ii) the Security Deposit to be maintained by the NCC Participants with the Company. The Fees, Charges and Security Deposit Schedule as in force on the date of coming into force of these Regulations (as approved by the Commission) shall be deemed to have been made under this Regulation.

3.9.7 The Company is not liable to compensate any person for losses, damages, costs or expenses suffered or incurred in consequence of any action taken under Chapter 8 (Security

DEPOSIT/**BASIC DEPOSIT**) except the provisions of Regulation 8.4.1, Chapter 13 (MONEY DEFAULT MANAGEMENT), Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and Chapter 23 (HEARING AND APPEAL PROCEDURES).

**3.6 Fees, Charges, Basic Deposit and Security Deposit**

3.6.1 The Board shall, with the prior approval of the Commission, make a Fees, Charges and Security Deposit Schedule specifying (i) the fees and charges payable for facilities and services provided by the Company and the time by which, or period within which, the fees and charges must be paid, and (ii) the Security Deposit **and Basic Deposit** to be maintained by the NCC Participants with the Company. The Fees, Charges and Security Deposit Schedule as in force on the date of coming into force of these Regulations (as approved by the Commission) shall be deemed to have been made under this Regulation.

3.9.7 The Company is not liable to compensate any person for losses, damages, costs or expenses suffered or incurred in consequence of any action taken under Chapter 8 (Security Deposit/**Basic Deposit**), Chapter

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| <p>Deposit), Chapter 15 (WHEN THE COMPANY RESTRICTS, SUSPENDS OR TERMINATES ITS SERVICES TO A CLEARING MEMBER), Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and Chapter 24 (RELEASE OF CLEARING DATA).</p>   | <p>15 (WHEN THE COMPANY RESTRICTS, SUSPENDS OR TERMINATES ITS SERVICES TO A CLEARING MEMBER), Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and Chapter 24 (RELEASE OF CLEARING DATA).</p>   |  |
| <p>5.3.1 Any application for admission to NCCS as a Clearing Member shall:</p> <p>(b) be accompanied by the relevant application fee and Security Deposit as specified in the Fees, Charges and Security Deposit Schedule;</p>  | <p>5.3.1 Any application for admission to NCCS as a Clearing Member shall:</p> <p>(b) be accompanied by the relevant application fee, <u>Basic Deposit</u> and Security Deposit as specified in the Fees, Charges and Security Deposit Schedule;</p>  |  |
| <p><b>SECURITY DEPOSITS</b></p> <p><b>8.1 Obligation of Clearing Members to keep Security Deposit with the Company</b></p> <p>8.1.1 Each NCC Participant shall keep and maintain with the Company, according to the category to which he belongs in terms of Chapter 5, Chapter 7A, Chapter 7B and Chapter 7C of these Regulations, a certain sum of money in cash as set out in the Fees, Charges and Security Deposit Schedule, by way of security deposit which sums shall not be less than the Minimum Amount. Such security deposit shall secure the obligations of the NCC Participant under or arising from these Regulations, the</p> | <p><b>SECURITY DEPOSITS / <u>BASIC DEPOSITS</u></b></p> <p><b>8.1 Obligation of Clearing Members to keep Security Deposit <u>and Basic Deposit</u> with the Company</b></p> <p>8.1.1 Each NCC Participant shall keep and maintain with the Company, according to the category to which he belongs in terms of Chapter 5, Chapter 7A, Chapter 7B and Chapter 7C of these Regulations, a certain sum of money in cash as set out in the Fees, Charges and Security Deposit Schedule, by way of security deposit <u>and/or Security Basic Deposit</u> which sums shall not be less than the Minimum Amount. Such security deposit / <u>Basic Deposit</u> shall secure the obligations of the NCC Participant under or arising from</p> |  |

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| <p>Procedures and/or Clearing Member Agreement and the Tripartite Agreement and/or any other agreement or agreements entered into by the NCC Participant jointly with the Company and/or any other entity. The amount of the Security Deposit may be utilized and/or applied by the Company for any purpose set out in these Regulations, the Procedures and/or any of the said agreements. Each NCC Participant shall, by becoming a NCC Participant, agree to the utilization and application by the Company of his Security Deposit for any purpose set out in these Regulations, the Procedures and any of the said agreements.</p> | <p>these Regulations, the Procedures and/or Clearing Member Agreement and the Tripartite Agreement and/or any other agreement or agreements entered into by the NCC Participant jointly with the Company and/or any other entity. The amount of the Security Deposit <u>and Basic Deposit</u> may be utilized and/or applied by the Company for any purpose set out in these Regulations, the Procedures and/or any of the said agreements. Each NCC Participant shall, by becoming a NCC Participant, agree to the utilization and application by the Company of his Security Deposit <u>and Basic Deposit</u> for any purpose set out in these Regulations, the Procedures and any of the said agreements.</p> |  |
| <p><b>8.2 Application of Security Deposits and investment of Security Deposits</b></p>  | <p><b>8.2 Application of Security Deposits/<u>Basic Deposit</u> and investment of Security Deposits/<u>Basic Deposit</u></b></p>   |  |
| <p>8.2.1 Any amount of the Security Deposits may be partially or wholly invested in Government Securities and/or term finance certificates (at least A rated by a recognized rating agency), and/or otherwise kept in deposit with nationalized commercial banks and other banks bearing minimum of A rating.</p>   | <p>8.2.1 Any amount of the Security Deposits <u>and Basic Deposits</u> may be partially or wholly invested in Government Securities and/or term finance certificates (at least A rated by a recognized rating agency), and/or otherwise kept in deposit with nationalized commercial banks and other banks bearing minimum <u>long term credit rating of "A"</u> rating.</p>   |  |

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| <p>8.2.2 Any profits received from the investment and/or deposits under Regulation 8.2.1 of that part of the Security Deposit of a Clearing Member which is in excess of the Minimum Amount shall accrue to such Clearing Member.</p> <p>8.2.3 No part of the Security Deposits shall be used by the Company for any purpose other than:</p> <ul style="list-style-type: none"> <li>a) the investment in Government Securities and/or in term finance certificates and/or kept in deposit with banks as above stated in Regulation 8.2.1;</li> <li>b) to satisfy any liability of a NCC Participant to the Company in respect of the fees and charges payable by such NCC Participant to the Company in terms of the Fees, Charges and Security Deposit Schedule, provided that the amount of the Security Deposit of such particular NCC Participant shall be used for this purpose;</li> <li>c) to facilitate clearing and settlement activities in terms of the Regulations and/or the Procedures;</li> </ul> | <p>8.2.2 Any profits received from the investment and/or deposits under Regulation 8.2.1 of that part of the Security Deposit/<b>Basic Deposit</b> of a Clearing Member which is in excess of the Minimum Amount shall accrue to such Clearing Member.</p> <p>8.2.3 No part of the Security Deposits shall be used by the Company for any purpose other than:</p> <ul style="list-style-type: none"> <li>a) the investment in Government Securities and/or in term finance certificates and/or kept in deposit with banks as above stated in Regulation 8.2.1;</li> <li>b) to satisfy any liability of a NCC Participant to the Company in respect of the fees and charges payable by such NCC Participant to the Company in terms of the Fees, Charges and Security Deposit Schedule, provided that the amount of the Security Deposit of such particular NCC Participant shall be used for this purpose;</li> <li>c) to facilitate clearing and settlement activities in terms of the Regulations and/or the Procedures;</li> </ul> |  |
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| <p>d) for any adjustment permitted by these Regulations and/or the Procedures;</p> <p>e) for any other purpose as permitted by these Regulations and/or the Procedures; or</p> <p>f) for return to a NCC Participant pursuant to Regulation 8.4.1.</p> | <p>d) for any adjustment permitted by these Regulations and/or the Procedures;</p> <p>e) for any other purpose as permitted by these Regulations and/or the Procedures; or</p> <p>f) for return to a NCC Participant pursuant to Regulation 8.4.1.</p> <p><b><u>8.2.3 (a)</u></b></p> <p><b><u>No part of the Basic Deposits shall be used by the Company for any purpose other than:</u></b></p> <p>a) <b><u>the investment in Government Securities and/or in term finance certificates and/or kept in deposit with banks as above stated in Regulation 8.2.1;</u></b></p> <p>b) <b><u>for any other purpose as permitted by these Regulations and/or the Procedures; or</u></b></p> <p>c) <b><u>for return to a NCC Participant pursuant to Regulation 8.4.1.</u></b></p> |  |
| <p><b>8.3 Elimination of deficiency by Clearing Member in his Security Deposit</b></p>   | <p><b>8.3 Elimination of deficiency by Clearing Member in his Security Deposit/<u>Basic Deposit</u></b></p>  |  |
| <p>8.3.1 If the Security Deposit of any NCC Participant is applied for any purpose set out in these Regulations and/or the</p>   | <p>8.3.1 If the Security Deposit <b><u>and or Basic Deposit</u></b> of any NCC Participant is applied for any purpose set out in these Regulations and/or the</p>  |  |

Procedures and as a consequence the NCC Participant's Security Deposit or his remaining Security Deposit becomes less than the Security Deposit required to be maintained by him under the Fees, Charges and Security Deposit Schedule, the NCC Participant shall, upon the Company's demand, deposit with the Company, within such time as the Company shall require, that which is necessary to eliminate any deficiency in his required Security Deposit. If the NCC Participant shall fail to do so, the Company may take disciplinary action against the NCC Participant pursuant to Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY).

Procedures and as a consequence the NCC Participant's Security Deposit/Basic Deposit or his remaining Security Deposit/Basic Deposit becomes less than the Security Deposit/Basic Deposit required to be maintained by him under the Fees, Charges and Security Deposit Schedule, the NCC Participant shall, upon the Company's demand, deposit with the Company, within such time as the Company shall require, that which is necessary to eliminate any deficiency in his required Security Deposit/Basic Deposit.

a. If the NCC Participant shall fails to eliminate any deficiency in his required Security Deposit ~~to do so~~, the Company may take disciplinary action against the NCC Participant pursuant to Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY).

b. If a Securities Broker shall fail to eliminate any deficiency in his required Basic Deposit applicable for the relevant Market, the Company shall notify



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| <p>Any disciplinary action that the Company takes pursuant to Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) or the voluntary or involuntary cessation of membership by the NCC Participant shall not affect the obligations of the NCC Participant to the Company or any remedy to which the Company may be entitled under applicable law.</p> <p><b>8.4 Refund of the Security Deposits by the Company</b></p> <p>8.4.1 A NCC Participant or his successor shall be entitled to the return of the actual</p> | <p><u>the name of such Securities Broker to the Stock Exchange for imposing restriction on such Securities Broker to trade in the relevant market till the fulfillment of deficiency in his required Basic Deposit. The Stock Exchange, before providing access to any Market to any Securities Broker, shall ensure that Basic Deposit for such Marked of such Securities Broker is maintained with the Company</u></p> <p>Any disciplinary action that the Company takes pursuant to <u>provision (a) and (b) above</u> Chapter <del>18</del> (<del>RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY</del>) or the voluntary or involuntary cessation of membership by the NCC Participant shall not affect the obligations of the NCC Participant to the Company or any remedy to which the Company may be entitled under applicable law.</p> <p><b>8.4 Refund of the Security Deposits/<u>Basic Deposits</u> by the Company</b></p> <p>8.4.1 A NCC Participant or his successor shall be entitled to the return of the actual</p> |  |
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amount of a NCC Participant's Security Deposit remaining with the Company (after adjustment of his liabilities, as a NCC Participant, under these Regulations and/or the Procedures and after adjustment of the Company's claim against him in respect of the fees and charges payable by him to the Company) 90 days after:

- a) the NCC Participant ceases to be a NCC Participant; and
- b) all obligations to the Company for which the NCC Participant was responsible while a NCC Participant have been satisfied or, at the discretion of the Company, have been deducted by the Company from the Clearing Member's Security Deposit;

PROVIDED that where the NCC Participant has ceased to be a NCC Participant as a consequence of his ceasing to be a TRE Certificate Holder of Pakistan Stock Exchange, the amount of the NCC Participant's Security Deposit with the Company shall be

amount of a NCC Participant's Security Deposit/**Basic Deposit** remaining with the Company (after adjustment of his liabilities, as a NCC Participant, under these Regulations and/or the Procedures and after adjustment of the Company's claim against him in respect of the fees and charges payable by him to the Company) 90 days after:

- a) the NCC Participant ceases to be a NCC Participant; and
- b) all obligations to the Company for which the NCC Participant was responsible while a NCC Participant have been satisfied or, at the discretion of the Company, have been deducted by the Company from the Clearing Member's Security Deposit **and/or Basic Deposit as the case may be in terms of these Regulations;**

PROVIDED that where the NCC Participant has ceased to be a NCC Participant as a consequence of his ceasing to be a TRE Certificate Holder of Pakistan Stock Exchange, the amount of the NCC Participant's Security Deposit with the Company shall be

paid by the Company to the Pakistan Stock Exchange where the Pakistan Stock Exchange has/have presented to the Company such indemnities or guarantees as the Company deems satisfactory. PROVIDED further that a NCC Participant's Security Deposit shall be paid to the NCC Participant, or his successor, where the NCC Participant ceases to be a NCC Participant voluntarily, and the NCC Participant, or his successor, has presented to the Company such indemnities or guarantees as the Company deems satisfactory or an other NCC Participant has been substituted on all transactions and obligations of the NCC Participant ceasing to be a NCC Participant voluntarily.

**8.5 Notice to NCC Participant for increase in his Security Deposit**

8.5.1 The Company shall transmit a Notice on a Business Day to a NCC Participant, of any proposed increase in his required Security Deposit in terms of the Fees, Charges and Security Deposit Schedule. If a NCC Participant fails to give written Notice to the Company of his election to terminate his business with the Company within the period specified in the

paid by the Company to the Pakistan Stock Exchange where the Pakistan Stock Exchange has/have presented to the Company such indemnities or guarantees as the Company deems satisfactory. PROVIDED further that a NCC Participant's Security Deposit/**Basic Deposit** shall be paid to the NCC Participant, or his successor, where the NCC Participant ceases to be a NCC Participant voluntarily, and the NCC Participant, or his successor, has presented to the Company such indemnities or guarantees as the Company deems satisfactory or another NCC Participant has been substituted on all transactions and obligations of the NCC Participant ceasing to be a NCC Participant voluntarily.

**8.5 Notice to NCC Participant for increase in his Security Deposit/Basic Deposit**

8.5.1 The Company shall transmit a Notice on a Business Day to a NCC Participant, of any proposed increase in his required Security Deposit **and/or Basic Deposit** in terms of the Fees, Charges and Security Deposit Schedule. If a NCC Participant fails to give written Notice to the Company of his election to terminate his business with the Company within the

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| <p>Company's Notice of the increase, he shall contribute to his existing Security Deposit that which is necessary to satisfy the increase notified by the Company.</p> <p>8.5.2 In such event the NCC Participant's obligation to so contribute shall not be affected by his subsequent cessation of membership, whether voluntary or involuntary. At the time the increase becomes effective, the NCC Participant's obligations to the Company shall be determined in accordance with the increased quantum of his Security Deposit notified by the Company whether or not such increase has been made. If the NCC Participant fails to pay any additional amount towards his Security Deposit in accordance with the Company's Notice under Clause 8.5.1, the Company may take disciplinary action against the NCC Participant pursuant to Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY).</p> | <p>period specified in the Company's Notice of the increase, he shall contribute to his existing Security Deposit/<b><u>Basic Deposit</u></b> that which is necessary to satisfy the increase notified by the Company.</p> <p>8.5.2 In such event the NCC Participant's obligation to so contribute shall not be affected by his subsequent cessation of membership, whether voluntary or involuntary. At the time the increase becomes effective, the NCC Participant's obligations to the Company shall be determined in accordance with the increased quantum of his Security Deposit/<b><u>Basic Deposit</u></b> notified by the Company whether or not such increase has been made. If the NCC Participant fails to pay any additional amount towards his Security Deposit/<b><u>Basic Deposit</u></b> in accordance with the Company's Notice under Clause 8.5.1,</p> <p>a) <b><u>In case of Security Deposit</u></b>, the Company may take disciplinary action against the NCC Participant pursuant to Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES</p> |  |
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| <p>Any disciplinary action that the Company takes pursuant to Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) or the voluntary or involuntary cessation of membership by the NCC Participant shall not affect the obligations of the NCC Participant to the Company or any remedy to which the Company may be entitled under applicable law.</p> | <p>OFFERED BY THE COMPANY).</p> <p><b><u>b) If case of Basic Deposit applicable for the relevant Market, the Company shall notify the name of such Securities Broker to the Stock Exchange for imposing restriction on such Securities Broker to trade in the relevant market till the fulfillment of deficiency in his required Basic Deposit. The Stock Exchange, during such restriction may only allow such Securities Broker to reduce / square-up outstanding / open position of its proprietary and/or client account.</u></b></p> <p>Any disciplinary action that the Company takes pursuant to <b><u>provision (a) and (b) above</u></b> Chapter <del>18</del> (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) or the voluntary or involuntary cessation of membership by the NCC Participant shall not affect the obligations of the NCC Participant to the Company or any remedy to which the Company may be entitled under applicable law.</p> |  |
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| <p><b>8.6 Determination of NCC Participant's required Security Deposit</b></p> <p>8.6.1 Except as provided in these Regulations, the Company shall determine and notify by Transmitting a Notice to each NCC Participant by the Designated Time on each Business Day whether the amount of the NCC Participant's Security Deposit is in excess of the NCC Participant's required Security Deposit in terms of the Fees, Charges and Security Deposit Schedule. At a NCC Participant's written request, the Company shall cause to be returned to the NCC Participant the excess amount, or such lesser amount as may be requested by the NCC Participant, provided that no portion of the Minimum Amount shall be returned;</p> | <p><b>8.6 Determination of NCC Participant's required Security Deposit/<u>Basic Deposit</u></b></p> <p>8.6.1 Except as provided in these Regulations, the Company shall determine and notify by Transmitting a Notice to each NCC Participant by the Designated Time on each Business Day whether the amount of the NCC Participant's Security Deposit/<u>Basic Deposit</u> is in excess of the NCC Participant's required Security Deposit/<u>Basic Deposit</u> in terms of the Fees, Charges and Security Deposit Schedule. At a NCC Participant's written request, the Company shall cause to be returned to the NCC Participant the excess amount, or such lesser amount as may be requested by the NCC Participant, provided that no portion of the Minimum Amount shall be returned;</p> |  |
| <p>12.5.9 BASIC DEPOSITS AS EXPOSURE MARGINS:</p> <p>The basic deposits payable for the Markets, where applicable, as required by the Pakistan Stock Exchange and deposited by a Clearing Member may be utilized by the Company against exposure margin of such Clearing Member for the respective market during trading hours. However, the Clearing Member shall replenish the</p>  | <p>12.5.9 BASIC DEPOSITS AS EXPOSURE MARGINS:</p> <p>The Basic Deposits payable for the Markets, where applicable, as required by the <del>Pakistan—Stock—Exchange</del> <b>Company</b> and deposited by a Clearing Member may be utilized by the Company against exposure margin of such Clearing Member for the respective market during trading hours. However, the Clearing Member shall</p>   |  |

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| <p>basic deposit at the close of the Trade Date with the Pakistan Stock Exchange as per the applicable provisions of the regulations of the Pakistan Stock Exchange</p>  | <p>replenish the Basic Deposit at the close of the Trade Date with the <u>Company</u> <del>Pakistan Stock Exchange as per the applicable provisions of the regulations of the Pakistan Stock Exchange.</del></p>  |  |
| <p><b>13.2 Actions in the Event of Suspension or Restriction of the Suspended Clearing Member’s access to services offered by the Company</b></p> <p>13.2.1 On the determination by the Company of the net money obligations of a Suspended Clearing Member on the basis of the notice served by the Company under Regulation 13.1.2 on the Suspended Clearing Member and any amount received by the Company from the Suspended Clearing Member pursuant to such notice, the Company shall endeavor to satisfy such obligations in the following order as soon as practicably possible from the following sources:</p> <p>(a) Firstly from the total amount of the Security Deposit of the Suspended Clearing Member deposited with the Company. Where the Security Deposit has been invested in any securities in accordance with the terms of these Regulations, the said funds may be arranged from any bank or financial institution on the security of such Securities.</p> | <p><b>13.2 Actions in the Event of Suspension or Restriction of the Suspended Clearing Member’s access to services offered by the Company</b></p> <p>13.2.1 On the determination by the Company of the net money obligations of a Suspended Clearing Member on the basis of the notice served by the Company under Regulation 13.1.2 on the Suspended Clearing Member and any amount received by the Company from the Suspended Clearing Member pursuant to such notice, the Company shall endeavor to satisfy such obligations in the following order as soon as practicably possible from the following sources:</p> <p>(a) Firstly from the total amount of the Security Deposit <u>and/or Basic Deposit</u> of the Suspended Clearing Member deposited with the Company. <u>Provided that Basic Deposit of Clearing Member deposited with the Company (excluded return on Basic Deposit as refer 8.2.3 (a) (c) on these Regulations) shall be utilized to satisfy the obligation of Suspended</u></p> |  |

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| <p>(b) Secondly from the funds realized by using cash and/or cash equivalent deposited by such Clearing Member as collateral to the Company.</p> <p>(c) Thirdly, from the amount of basic deposit collected from the Suspended Clearing Member by the Pakistan Stock Exchange Limited under its rule book, transferred to the Company to meet settlement obligations of the Suspended Clearing Member towards NCCPL.</p> <p>(d) Fourthly from amounts received under any insurance policy obtained to satisfy shortfall in meeting the settlement obligation on account of default by a Clearing Member subject to its availability.</p> <p>(e) Fifthly, amount if made available by the bank against Balance Orders retrieved Securities, and Margin Eligible Securities of a Suspended Clearing Member and/or against SGF.</p> | <p><b><u>Clearing Member in the relevant Market(s).</u></b> Where the Security Deposit/<b><u>Basic Deposit</u></b> has been invested in any securities in accordance with the terms of these Regulations, the said funds may be arranged from any bank or financial institution on the security of such Securities.</p> <p>(b) Secondly from the funds realized by using cash and/or cash equivalent deposited by such Clearing Member as collateral to the Company.</p> <p>(c) Thirdly, from the amount of basic deposit collected from the Suspended Clearing Member by the Pakistan Stock Exchange Limited under its rule book, transferred to the Company to meet settlement obligations of the Suspended Clearing Member towards NCCPL.</p> <p>(d) <del>Fourthly</del> Thirdly from amounts received under any insurance policy obtained to satisfy shortfall in meeting the settlement obligation on account of default by a Clearing Member subject to its availability.</p> <p>(e) <del>Fifthly</del> <b><u>Fourthly</u></b>, amount if made available by the bank against Balance Orders retrieved Securities, and Margin Eligible Securities of a Suspended Clearing Member and/or against</p> |  |
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| 15.3.2 As security for any and all liabilities existing or arising at any time of a NCC Participant to the Company, the Company shall have a lien on:<br><br>a) the Security Deposit of the NCC Participant; | 15.3.2 As security for any and all liabilities existing or arising at any time of a NCC Participant to the Company, the Company shall have a lien on:<br><br>a) the Security Deposit <u>and/or Basic Deposit</u> of the NCC Participant; |  |

**SCHEDULE OF SECURITY DEPOSIT/BASIC DEPOSIT**

| S No. | NAME  | RATE                            | BASIS                                  | COLLECTION   |  |
|-------|---|---------------------------------|--|--|--|
|       |   |                                 |  | TIME   | MODE                                     |
| Z     | <u>Market wise Basic Deposit requirement from Securities Broker:</u>        |                                 |  | <u>Rs. 500,000 within 30 day Notice period from the date of approval of these Regulations and remaining Rs. 500,000 within 90 day Notice period from the date of approval of these Regulations</u> | <u>P.O./Draft/Cheque for all markets</u> |
|       | a. <u>Deliverable Future Contracts Market</u>                               | <u>Rs. 1,000,000</u>            | <u>One time fixed for such Markets</u> |  |  |
|       | b. <u>Ready Delivery Contract or Ready Market Contract /Odd-lots Market</u> | <u>Rs. 200,000</u>              |  | <u>On signing of agreement</u>   |  |
|       | c. <u>provisionally listed companies market</u>                             | <u>Rs. 100,000 per security</u> |  | <u>On signing of agreement</u>   |  |
|       | d. <u>Stock index option Market</u>   | <u>Rs. 25,000</u>               |  | <u>On signing of agreement</u>   |  |

**Note: Basic Deposit of Securities Brokers in b, c and d as maintained by the Pakistan Stock Exchange shall be transferred by the Pakistan Stock Exchange to the Company in order to discharge Basic Deposit requirements of respective Securities Broker.**