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National Clearing Company of Pakistan Limited

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

NCCPL/CM/MARCH-17/06

March 06, 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).

- **Additional Deposit from Broker Clearing Member**

In this regard, all concerned are hereby requested to submit their suggestions or comments at 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 Dir. 021-32438531-32-33	021-111-111-622	021-32462825
Lahore	042-36280815-7		042-36280818
Islamabad	051-2895460-62		051-2895463

Regards,

____sd_____
Rehan Saif
Head of PD & CSS



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Comparative Statement – Amendments to the NCCPL Regulations pertaining to Requirement of Additional Deposit from Broker Clearing Member

Existing Regulations	Proposed Changes
<p>2.8 Definitions</p> <p><u>NEW</u></p> <p>Fees, Charges and Security Deposit Schedule</p> <p>means such Fees, Charges, Security Deposit, Basic Deposit and Security Deposit Schedule as approved 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 and/or Basic Deposit in terms of the Fees, Charges and Security Deposit Schedule under these Regulations.</p>	<p>2.8 Definitions</p> <p>Additional Deposit</p> <p><u>means the Additional Deposit to be maintained by a Broker Clearing Member with the Company under these Regulations</u></p> <p>Fees, Charges and Security Deposits Schedule</p> <p>means such Fees, Charges, Security Deposit, Basic Deposit <u>and Additional Deposit</u> Schedule <u>as approved</u> 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 <u>or in such form acceptable to the Company</u> by way of or as part of its Security Deposit, Basic deposit <u>and/or Additional Deposit</u> in terms of the Fees, Charges and Security Deposits Schedule under these Regulations.</p>
<p>3.2 Powers of the Company</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 DEPOSIT/BASIC DEPOSIT) except the provisions of Regulation 8.4.1, Chapter 13 (MONEY DEFAULT</p>	<p>3.2 Powers of the Company</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 DEPOSIT / BASIC DEPOSIT <u>/ Additional Deposits</u>) except the provisions of Regulation 8.4.1, Chapter 13 (MONEY</p>



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<p>MANAGEMENT), Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and Chapter 23 (HEARING AND APPEAL PROCEDURES).</p> <p>3.6 Fees, Charges and Security Deposit</p> <p>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.</p> <p>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 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>DEFAULT MANAGEMENT), Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and Chapter 23 (HEARING AND APPEAL PROCEDURES).</p> <p>3.6 Fees, Charges, <u>Additional Deposit</u> and Security Deposit</p> <p>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, Basic Deposit <u>and the Additional Deposit</u> 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.</p> <p>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 / <u>Additional Deposit</u>), 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>5.3.1 Any application for admission to NCSS as a Clearing Member shall:</p> <p>(b) be accompanied by the relevant application fee, Basic Deposit and Security Deposit as specified in the Fees, Charges and Security Deposit</p>	<p>5.3.1 Any application for admission to NCSS as a Clearing Member shall:</p> <p>(b) be accompanied by the relevant application fee, Basic Deposit, <u>Additional Deposit</u> and Security Deposit as specified in the Fees, Charges and</p>



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<p>Schedule;</p>	<p>Security Deposit Schedule;</p> <p>Provided that in case of the Additional Deposit, where applicable, the minimum amount prescribed under the Schedule of Fee, Charges and Security Deposits shall be paid by the relevant Clearing Member.</p>
<p>SECURITY DEPOSITS</p> <p>8.1 Obligation of Clearing Members to keep Security Deposit and Basic Deposit with the Company</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 and/or Basic Deposit which sums shall not be less than the Minimum Amount. Such security deposit / Basic Deposit shall secure the obligations of the NCC Participant under or arising from 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 and Basic 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 and Basic Deposit for any purpose set out in these Regulations, the Procedures and any of the said</p>	<p>SECURITY DEPOSITS AND <u>ADDITIONAL DEPOSITS</u></p> <p>8.1 Obligation of Clearing Members to keep Security Deposit, Basic Deposit <u>and Additional Deposit</u> with the Company</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 or such form as set out in the Fees, Charges and Security Deposit Schedule, by way of security deposit and/or Basic Deposit and/or <u>Additional Deposit</u> which sums shall not be less than the Minimum Amount. Such security deposit / Basic Deposit / <u>Additional Deposit</u> shall secure the obligations of the NCC Participant under or arising from 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, Basic Deposit and <u>Additional 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, Basic Deposit and <u>Additional Deposit</u> for any purpose set out in these Regulations, the Procedures and any of the said agreements.</p>



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<p>agreements.</p> <p>8.2 Application of Security Deposits/Basic Deposit and investment of Security Deposits/Basic Deposit</p> <p>8.2.1 Any amount of the Security Deposits and Basic 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 long term credit rating of "A".</p> <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/Basic Deposit of a Clearing Member which is in excess of the Minimum Amount shall accrue to such Clearing Member.</p>	<p>8.1.2 Additional Deposit shall be collected on the basis of average exposure in Deliverable Futures Contracts Market of the Broker Clearing Member in the preceding six months in accordance with the amount prescribed under the Schedule of Fee, Charges and Security Deposits. In order to determine the amount of the Additional Deposit a review shall be performed by the Company on quarterly basis. However, for a Broker Clearing Member filing an application to the Company under Chapter 5 of these Regulations, the amount of Additional Deposit shall be paid as prescribed under 5.3.1 (b). The amount of Additional Deposit of such Broker Clearing Member shall be adjusted in accordance with the actual exposure on the next review date.</p> <p>8.2 Application of Security Deposit/Basic Deposit and Investment of Security Deposits / Basic Deposit / <u>Additional Deposit</u></p> <p>8.2.1 Any amount of the Security Deposits, Basic Deposits <u>and Additional Deposit</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> <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 / Basic Deposit / <u>Additional Deposit</u> of a Clearing Member NCC Participant which is in excess of the Minimum Amount shall accrue to such Clearing Member NCC Participant</p>
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8.2.3 No part of the Security Deposits shall be used by the Company for any purpose other than:

- 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;
- 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;
- c) to facilitate clearing and settlement activities in terms of the Regulations and/or the Procedures;
- d) for any adjustment permitted by these Regulations and/or the Procedures;
- e) for any other purpose as permitted by these Regulations and/or the Procedures; or
- f) for return to a NCC Participant pursuant to Regulation 8.4.1.

8.2.3 No part of the Security Deposits shall be used by the Company for any purpose other than:

- 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;
- 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;
- c) to facilitate clearing and settlement activities in terms of the Regulations and/or the Procedures;
- d) for any adjustment permitted by these Regulations and/or the Procedures;
- e) for any other purpose as permitted by these Regulations and/or the Procedures; or
- f) for return to a NCC Participant pursuant to Regulation 8.4.1.

8.2.4

No part of the Additional Deposit shall be used by the Company for any purpose other than:



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<p>8.3 Elimination of deficiency by Clearing Member in his Security Deposit/Basic Deposit</p> <p>8.3.1 If the Security Deposit and or Basic Deposit of any NCC Participant is applied for any purpose set out in these Regulations and/or the 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.</p>	<p>a) <u>the investment in Government Securities and/or kept in deposit with banks as above stated in Regulation 8.2.1;</u></p> <p>b) <u>for any other purpose as permitted by these Regulations and/or the Procedures; or</u></p> <p>c) <u>for return to a NCC Participant pursuant to Regulation 8.4.1.</u></p> <p>8.3 Elimination of deficiency by Clearing Member NCC Participant in his Security Deposit / Basic Deposit / <u>Additional Deposit</u></p> <p>8.3.1 If the Security Deposit and / or Basic Deposit <u>and/or Additional Deposit</u> of any NCC Participant is applied for any purpose set out in these Regulations and/or the Procedures <u>and/or after performing the review pursuant to 8.1.2</u> as a consequence the NCC Participant's Security Deposit / Basic Deposit / <u>Additional Deposit</u> or his remaining Security Deposit / Basic Deposit / <u>Additional Deposit</u> becomes less than the Security Deposit / Basic Deposit / <u>Additional Deposit</u> 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 / <u>Additional Deposit</u>.</p> <p>a. If the NCC Participant fail <u>to eliminate any deficiency in his required Security Deposit</u> 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</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>8.4 Refund of the Security Deposits / Basic Deposits by the Company</p>	<p>OFFERED BY THE COMPANY).</p> <p>b. <u>In case where the Broker Clearing Member fails to pay Additional Deposit determined pursuant to provisions stipulated under 8.1.2, such Broker Clearing Member shall be allowed 30 days time to make the payment. In case of failure to make payment within the prescribed time limit, the trading capacity should be reduced gradually and reduced to minimum level in the next 30 days.</u></p> <p><u>Where minimum level shall be the amount of exposure against which the Additional Margin held by the Company is considered adequate.</u></p> <p>Any disciplinary action that the Company takes pursuant to <u>provision (a), and (b) above</u> 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>8.4 Refund of the Security Deposits/ Basic Deposits / <u>Additional Deposit</u> by the Company</p> <p>8.4.1 A NCC Participant or his successor shall be entitled to the return of the actual amount of a NCC Participant's Security Deposit / Basic Deposit / <u>Additional Deposit</u> remaining with the Company (after adjustment of his liabilities, as a NCC Participant, under these Regulations and/or the Procedures and after</p>
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8.4.1 A NCC Participant or his successor shall be entitled to the return of the actual 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/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

adjustment of the Company's claim against him in respect of the fees and charges payable by him to the Company) **within** 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~~ **NCC Participant's Security Deposit and/or Basic Deposit and/or Additional 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/Basic Deposit / **Additional 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.

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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.

PROVIDED further that where after the quarterly review carried out in accordance with the provisions stipulated under Regulation 8.1.2, Broker Clearing Member becomes entitled to a refund of Additional Deposit, the Company shall refund excess amount of Additional Deposit to all relevant Broker Clearing Members within 7 days of the quarterly review.

8.5 Notice to NCC Participant for increase in his Security Deposit/Basic Deposit / Additional 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 and/or Additional 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~~ **intention** to terminate his business with the Company within the period specified in the Company's Notice of the increase, he shall contribute to his existing Security Deposit / Basic Deposit / Additional Deposit that which is necessary to satisfy the increase notified by the Company.

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 period specified in the Company's Notice of the increase, he shall

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 / Basic Deposit / Additional Deposit notified by

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<p>contribute to his existing Security Deposit/Basic 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 / Basic 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 / Basic Deposit in accordance with the Company's Notice under Clause 8.5.1,</p> <p>Any disciplinary action that the Company</p>	<p>the Company whether or not such increase has been made. If the NCC Participant fails to pay any additional amount towards his Security Deposit / Basic Deposit / Additional Deposit in accordance with the Company's Notice under Clause 8.5.1,</p> <p>a) <u>In case of Security Deposit</u>, 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>b) <u>In case of Additional Deposit applicable for the relevant Market, the Company shall take such measures as are determined under Regulation 8.3.1 (c).</u></p> <p>Any disciplinary action that the Company takes pursuant to <u>provision (a) and (b) above</u> 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>8.6 Determination of NCC Participant's required Security Deposit / Basic Deposit / <u>Additional Deposit</u></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</p>
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<p>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>8.6 Determination of NCC Participant’s required Security Deposit / Basic Deposit</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/Basic Deposit is in excess of the NCC Participant’s required Security Deposit/Basic 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>by the Designated Time on each Business Day, or within such time stipulated under these Regulations, whether the amount of the NCC Participant’s Security Deposit / Basic Deposit / Additional Deposit is in excess of the NCC Participant’s required Security Deposit /Basic Deposit / Additional 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>Provided further that in case of excess amount of Additional Deposit determined in accordance with the provisions contained in Regulations 8.1.2, the refund shall made without any written request from the NCC Participant.</p>
<p>13.2 Actions in the Event of Suspension or Restriction of the Suspended Clearing Member’s access to services offered by the Company</p> <p>13.2.1 On the determination by the Company of</p>	<p>13.2 Actions in the Event of Suspension or Restriction of the Suspended Clearing Member’s access to services offered by the Company</p> <p>13.2.1 On the determination by the Company of the</p>

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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:

- (a) Firstly from the total amount of the Security Deposit, Basic Deposit of the Suspended Clearing Member deposited with the Company. Where the Security Deposit / Basic 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.

- (b) Secondly from the funds realized by using cash and/or cash equivalent deposited by such Clearing Member as collateral to the Company.

- (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.

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:

- (a) Firstly from the total amount of the Security Deposit, Basic Deposit and/or Additional Deposit of the Suspended Clearing Member deposited with the Company. Provided that Additional Deposit of Clearing Member deposited with the Company (excluding return on Additional Deposit as referred in 8.2.3 (a) and (b) of these Regulations) shall be utilized to satisfy the obligation of Suspended Clearing Member in the relevant Market(s). Where the Security Deposit / Basic Deposit / Additional Deposit has been invested in any securities in accordance with the terms of these Regulations, the said funds may be arranged by the Company from any bank or financial institution by using such security wherein such Security Deposit / Additional Deposit are invested. The cost of any such borrowing shall be paid by the Company.

- (b) Secondly from the funds realized by using cash and/or cash equivalent deposited by such Clearing Member as collateral to the Company.

- (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.



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<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>(d) Fourthly from amounts received under any insurance policy obtained, where applicable / available, 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>(f) Sixthly, 50% of the total amount of the Additional Deposit maintained by the Company pursuant to Chapter 8 of these Regulations.</p> <p>Provided that any amount utilized shall be replenished on first priority form the amount realized from the squaring-up/closing out process initiated by the NCC Default Management Committee against the suspended Clearing Member in accordance with Chapter 13 of these Regulations to the extent of the amount utilized after excluding the additional deposit paid by the Suspended Clearing Member.</p>
<p>15.3.2As 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:</p> <p>a) the Security Deposit and/or Basic Deposit of the NCC Participant;</p>	<p>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:</p> <p>a) the Security Deposit and/or Basic Deposit <u>and/or Additional Deposit</u> of the NCC Participant;</p>



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29.6 Replenishment of the SGF

29.6.1 At whatever time the SGF is utilized in accordance with the provisions of these Regulations, the Company shall replenish deficiency of contributions made from the SGF from the following resources:

- a. The amount realized from squaring-up/ closing-out process initiated by the NCC Default Management Committee against Suspended Clearing Member in accordance with Chapter 13 (MONEY DEFAULT MANAGEMENT (OTHER THAN TRADE-FOR-TRADE SETTLEMENT)).

29.6 Replenishment of the SGF

29.6.1 At whatever time the SGF is utilized in accordance with the provisions of these Regulations, the Company shall replenish deficiency of contributions made from the SGF from the following resources:

- a. The amount realized from squaring-up/ closing-out process initiated by the NCC Default Management Committee against Suspended Clearing Member in accordance with Chapter 13 (MONEY DEFAULT MANAGEMENT (OTHER THAN TRADE-FOR-TRADE SETTLEMENT) **after adjusting for the amount of Additional Deposit utilized in accordance with the provisions contained under Regulation 13.2.1 (e) of these Regulations.**



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Schedule of Fee, Charges and Security Deposits – New Insertion

8. ADDITIONAL DEPOSITS

The Additional Deposit shall be collected from the Broker Clearing Member with respect to their average open Exposure in the Deliverable Future Contracts Market as per the table given below:

Sr. #	Average Exposure Level	Total Deposit to be required
1	> 0 < 50 Million	Rs. 500,000
2	> 50 Million < 100 Million	Rs. 750,000
3	> 100 Million < 150 Million	Rs. 1,000,000
4	> 150 Million < 200 Million	Rs. 1,500,000
5	> 200 Million < 250 Million	Rs. 2,000,000
6	> 250 Million < 300 Million	Rs. 2,500,000
7	> 300 Million < 350 Million	Rs. 3,000,000
8	> 350 Million < 400 Million	Rs. 3,500,000
9	> 400 Million < 450 Million	Rs. 4,000,000
10	> 450 Million < 1 billion	Rs. 4,500,000
11	> 1 Billion < 2 Billion	Rs. 7,500,000
12	> 2 Billion	Rs. 10,000,000

* The Additional Deposit should be collected in cash and in the form of Bank Guarantee issued by a Bank holding long term credit rating of AAA.

**The first collection shall be done in phased manner where 50% amount is collected after allowing one month's time period and the remaining amount shall be collected after providing additional time period of one more month.

***The Additional Deposit slabs should be subject to review on an annual basis and can be adjusted as required subject to obtaining requisite approval from the Board and the Commission.