



NATIONAL CLEARING COMPANY
OF PAKISTAN LIMITED

Newsletter

THE CLEAR CALL

Oct-Dec, 2014

Newsletter



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National Custodial Services (“NCS”) has been developed by the National Clearing Company of Pakistan Limited “NCCPL” to provide a centralized clearing, settlement & custodial services for the capital market investors.

Key Benefits:

- Net settlement of trades directly with NCCPL
- Ease of access through UIN Information System (UIS)
- Safekeeping of securities & deposits
- Hassle free bookkeeping & administrative work
- TREC Holders can attract new investors and increase business efficiency
- Deposit & Collection of funds through online banking channel
- Competitive Returns on cash balances
- Access to online reports
- Direct collection of Capital Gain Tax (CGT)



The Application Form for NCS is available on the NCCPL's website and can also be obtained directly from our Karachi, Lahore and Islamabad offices.



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CEO Message



It gives me immense pleasure to present to you the Dec 14 issue of our newsletter. I would like to place on record my gratitude to all our participants for their continuous support and the trust reposed on the services provided by NCCPL. We believe in making a difference through technological excellence, robust and integrated management. We strive to play our role in the development of Capital Markets in Pakistan to make it a secure, trusted and valued investment avenue for the investors.

This quarter was of utmost significance for NCCPL as it took the initiative to develop and launch a centralized clearing, settlement and custody service for the capital market investors named as National Custodial Services (“NCS”). This service enables the investors to directly settle their trades with NCCPL and allow them to maintain the custody of their funds and securities with NCCPL. It is an optional service and investors not willing to avail the functionality can continue to settle their trades through their respective Trading Right Entitlement Certificate Holders (TREC).

Innovative products like NCS are expected to attract new investors and will add to the competitiveness of the capital market. We shall continue our endeavor to develop and introduce innovative and investor centric products and services that can add towards improving the efficiency and transparency of the capital market operation.

Sincerely,

Muhammad Lukman

Key Developments

Launch of National Custodial Services (“NCS”)



National Clearing Company of Pakistan Limited (“NCCPL”) is one of the capital market entities involved in providing valuable products and services to the capital market investors aimed at mobilizing savings and promoting investments at all levels within Pakistan. In continuation of its endeavors to provide efficient and transparent products and services to investors, NCCPL has added another unique and investor oriented product in its portfolio named as National Custodial Services “NCS”.

With the implementation of NCS, the capital market investors opting to avail NCS services will continue to transact in the capital markets through their respective Trading Right Entitlement Certificate (TREC) Holders. However, they will be able to directly settle their trades with NCCPL. Further, custody of cash and securities of such NCS Client will also be maintained with NCCPL. This is an optional service available to the capital market investors however those investors who are not willing to avail the facility can continue to maintain custody of their securities and cash with their respective TREC Holder.

Key Benefits

- Net settlement of trades directly with NCCPL
- Ease of access through UIN Information System (UIS)
- Safekeeping of securities and deposits
- Hassle-free bookkeeping and administrative work
- TREC Holders can attract new investors and increase business efficiency
- Deposit and Collection of funds through online banking channel
- Competitive Returns on cash balances
- Direct collection of Capital Gain Tax

NCS Account Opening and Operation

A NCS Account can easily be opened by filling an account opening form, CDS sub-account form accompanied with prescribed documents and by subscribing to UIS.

NCS is a web based module accessed through the UIS, therefore, subscription to UIS is mandatory. All these forms and subscription to UIS is free of cost. Complete details are available on our website www.nccpl.com.pk.

On completion of account opening formalities, NCS Clients can proceed to deposit/transfer their securities in CDS-sub account maintained with NCCPL and deposit the cash with any online branch of the settling banks.

NCS Clients, before executing the trades, shall allocate percentage balance of cash / securities to relevant TREC Holders through NCS Module. The allocated balance will be made available to the respective TREC Holder in NCSS and will be updated to show changes occurring after the execution of trades.

The NCS trades received in NCSS and fall within the allocated balances will be settled by NCCPL on the respective settlement date on a net basis.

Achievements

Business Continuity (BC) and Disaster Recovery (DR) Site for Pakistan Mercantile Exchange (PMEX)

NCCPL has established a state-of-the-art BCP/DR facility for smooth and continued operations of National Clearing and Settlement System (“NCSS”) which not only serves the organizational needs but is also capable to serve other organizations in this regards.



This facility is being used to provide alternate processing site to different capital and financial institutions owing to the expertise and infrastructure developed over a period of time by NCCPL through hard work, dedication and technological excellence.

NCCPL has extended such services for the Pakistan Mercantile Exchange (PMEX) and signed an agreement to relocate both its BCP as well as DR so as to provide seamless services to their market participants.

ISO Information Security Management Certification of ISO/IEC 27001:2013

NCCPL; The First ISO/IEC 27001:2013 Certified Company in Pakistan

NCCPL, being a significant element of the capital market of Pakistan, has always strived to implement state-of-the-art enterprise and security management tools to protect critical Information available with the company.

NCCPL is privileged to become the **first company in Pakistan** to successfully transition from the previous ISO 27001: 2005 version to its updated version of **ISO 27001:2013**.

NCCPL initially became an ISO 27001 certified organization since December 2011 and successfully passed through two rigorous annual surveillance audits in the following years. Being a service oriented company in the Capital Market; it is a part of our vision to enhance our customers' confidence through continuously improving transparency and reliability in our environment by complying with International Standards and Best Practices.

The certification was issued by UKAS Management System based in UK through SGS.

ISO 27001 is the most widely recognized and the audible International Security Standard in the world which defines the specifications for an Information Security Management System (ISMS). This certification also benefits in:

- Increased security and reliability of information systems
- Cost-effective and consistent information security practices
- Valuable framework for resolving security issues
- Better contingency planning
- Improved risk management
- Improved management control over security related matters
- Enhanced security awareness within the organization

Seminars & Conferences

11th Asia Oceania- Central Counterparties (AO-CCP) Meeting in Yogyakarta, Indonesia

It was organized by Indonesia Clearing and Guarantee Corporation (KPEI). The Meeting took the theme of "Strengthening CCP Roles and Collaborations" It was a platform to exchange information and explore opportunities for cooperation between institutions in Asia-Oceania CCP and a positive impact on capital markets as well. It was attended by participants from 12 Asia Oceania Central CCP institutions.

Mr. Rehan Saif, Head of Product Development & Customer Support and Mr. Qaiser Jamil, Senior Manager Operations were the delegates from NCCPL in this conference.



OIC Member States' Stock Exchanges Forum (8th meeting) in Istanbul, Turkey

The Forum was organized by Borsa Istanbul with attendance from representatives of Stock Exchanges, Central Depositories, Clearing and Registry Institutions of the OIC Member States and other organizations.

It aimed to provide a dedicated platform and communication channel for representatives of the relevant OIC organizations and institutions to discuss international cooperation activities and offered the participants the opportunity to share their experiences. Mr. Muhammad Lukman, CEO, NCCPL, attended this forum.



Corporate Pakistan

Business Professionals Conference

NCCPL participated in the Corporate Pakistan Exhibition held on October 11 & 12, 2014 at Lahore International Expo Centre which was organized by the Institute of Cost & Management Accountants of Pakistan (ICMA).

The objective of the Business conference was to promote the corporate sector of Pakistan and enhance the confidence of investors in Pakistan's Business Market. During the conference, Mr, Muhammad Lukman CEO, NCCPL, delivered a presentation on the role of Stock Exchanges and NCCPL in the development of Pakistan's Capital Market.



Training & Workshops

IBM Storwize V7000 Implementation Workshop

This Workshop was organized by IBM in UK. The participants were equipped to learn execution standards and best practices that will help them in the completion of V5000 SAN storage in our company environment and will ensure efficient and optimal implementation of the new hardware. It was attended by Mr. Arshad Ali and Mr. Syed Ahad Alam Zaidi of the Information Technology Department.

Principles of Good Management

This course was organized by Pakistan Institute of Management (PIM) to ensure effective learning of management theories and models to be utilized for achieving effective management. It was attended by Mr. Hammad Saeed of Operations Department.

Pakistan Institute of Management Karachi



Presentation: National Custodial Services (“NCS”)

NCCPL arranged a presentation during the launch of National Custodial Services (NCS). The presentation was held at Karachi Stock Exchange (KSE) and was attended by market participants in order to understand the salient features and functionality of NCS.

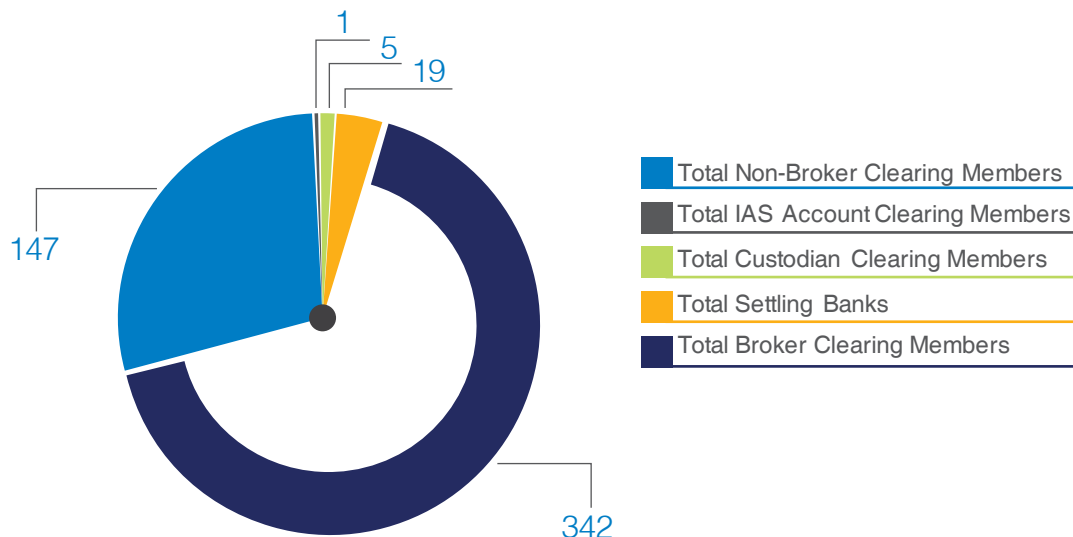


Business Statistics - (Oct 2014 - Dec 2014)

Addition in NCC Participants

S.No.	Members	During the Quarter	As of December, 2014
1	Total Broker Clearing Members	35	342
2	Total Non-Broker Clearing Members	9	147
3	Total IAS Account Clearing Members	-	1
4	Total Custodian Clearing Members	-	5
5	Total MF Finance Clearing Members	-	22
6	Total MF Financier Clearing Members	-	22
7	Total Settling Banks	-	19

NCC Participants as of December, 2014

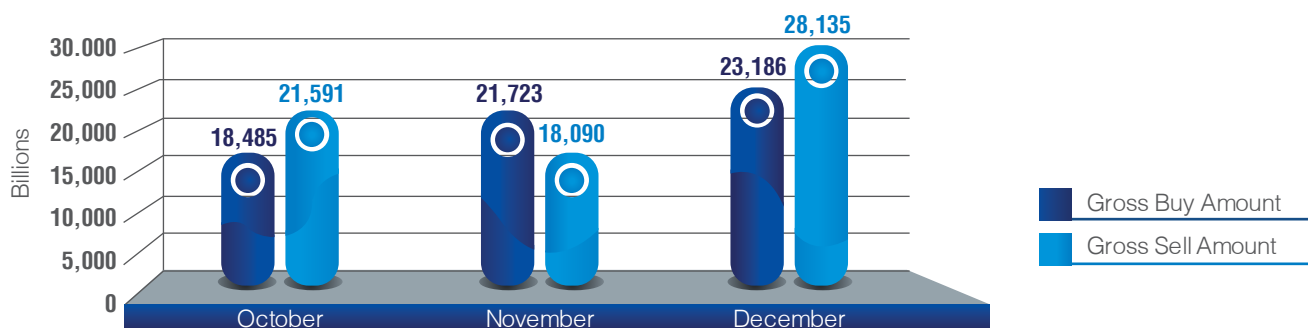


Clearing Members that Joined NCSS

S.No.	CM Name	Type
1	AL-ASAR SECURITIES (PVT) LTD.	BROKER
2	KAYZONE CAPITAL MARKETS (SMC-PVT) LTD.	BROKER
3	AAU SECURITIES (PVT) LTD.	BROKER
4	SMAC INVESTMENTS (SMC-PVT) LTD.	BROKER
5	TAHA SECURITIES (PVT) LTD.	BROKER
6	RS EQUITIES (PVT) LTD.	BROKER
7	KP SECURITIES (PVT) LTD.	BROKER
8	MASHHADI SECURITIES (PVT) LTD.	BROKER
9	PARAMOUNT SECURITIES (SMC-PVT) LTD.	BROKER
10	HATIM INVESTMENTS & SECURITIES (PVT) LTD.	BROKER

11	XPERT SECURITIES (PVT) LTD.	BROKER
12	NIZAM SECURITIES (PVT) LTD.	BROKER
13	Z M CAPITAL (PVT) LTD.	BROKER
14	S M SECURITIES (PVT) LTD.	BROKER
15	MAC SECURITIES (PVT) LTD.	BROKER
16	RELIANCE SECURITIES LTD.	BROKER
17	QASIM MAHMOOD SECURITIES (SMC-PVT) LTD.	BROKER
18	MY SECURITIES (PVT) LTD.	BROKER
19	S A SECURITIES (PVT) LTD.	BROKER
20	QUALITY ISLAMIC INVESTMENTS & SECURITIES (PVT) LTD.	BROKER
21	MARGALLA FINANCIAL (PVT) LTD.	BROKER
22	A.N. EQUITIES (PVT) LTD.	BROKER
23	AHSAM SECURITIES (PVT) LTD.	BROKER
24	EARTH SECURITIES (PVT) LTD.	BROKER
25	BRIGHT INVESTMENT AND SECURITIES (PVT) LTD.	BROKER
26	RELIANCE CAPITAL (PVT) LTD.	BROKER
27	RUC SECURITIES (PVT) LTD.	BROKER
28	CHIPPA SECURITIES (PVT) LTD.	BROKER
29	PERVEZ AHMED CAPITAL (PVT) LTD.	BROKER
30	BMS CAPITAL (PVT) LTD.	BROKER
31	SOUTH ASIAN SECURITIES (PVT) LTD.	BROKER
32	UZMA SHABBIR SECURITIES (PVT) LTD.	BROKER
33	KHAYYAM SECURITIES (PVT) LTD.	BROKER
34	JCR CAPITAL SECURITIES (PVT) LTD.	BROKER
35	K & I GLOBAL CAPITAL (PVT.) LTD.	BROKER
36	MAHSIL A/C. PPF DEBT SUB-FUND	INSTITUTION
37	MAHSILA/C. PAK. PEN.FUND-EQUITY SUB FUND	INSTITUTION
38	MAHSILA/C.PAK ISLMC PEN FND-EQUITY SB FND	INSTITUTION
39	UBLFML A/C. URSF - EQUITY SUB FUND	INSTITUTION
40	UBLFML A/C. AIRSF - EQUITY SUB FUND	INSTITUTION
41	NFAML A/C. NAFA ISLAMIC STOCK FUND	INSTITUTION
42	MAHSIL A/C.PAKISTAN SARMAVA MEHFOOZ FUND	INSTITUTION
43	FAML A/CFAYSAL ISLAMIC SAVINGS GROWTH FUND	INSTITUTION
44	PICIC AMCL A/C.PICIC ISLAMIC INCOME FUND	INSTITUTION

Foreign Investor Portfolio Investment (FIPI)



Addition in Eligible Securities

S.No.	Particulars	During the Quarter	As of December 2014
01	NCSS Eligible Security	18	550
02	IDS Eligible Security	12	518
03	TFC Eligible Security	-	16
04	BOND Eligible Security	-	2
05	SUKUK Eligible Security	-	5
06	BTB Eligible Security	12	496
07	MF Eligible Security	4	474
08	MTS Eligible Security	-	37
09	SLB Eligible Security	-	482
10	Unlisted TFC Security	6	29
11	Eligible Securities as Collateral for FIRMS	-	109
12	Eligible TFC's as Collateral for FIRMS	-	4

Addition in NCSS Eligible Securities

S.No.	Security Name	Symbol
01	KASB MODARABA - LOR	KASBMR
02	CHERAT CEMENT COMPANY LIMITED - LOR	CHCCR
03	PAK ELEKTRON LIMITED - LOR	PAELR1
04	ALLIED RENTAL MODARABA - LOR	ARMR2
05	INTERNATIONAL KNITWEAR LIMITED - LOR	INKLR
06	THE CRESCENT TEXTILE MILLS LIMITED - LOR	CRTMR
07	JAVEDAN CORPORATION LIMITED - LOR	JVDCR
08	ARUJ INDUSTRIES LIMITED- LOR	ARUJR
09	QUICE FOOD INDUSTRIES LIMITED - LOR	QUICER1
10	GAUHAR ENGINEERING LIMITED	GAEL
11	SAIF POWER LIMITED	SPWL
12	ASKARI BANK LIMITED(PPTFC-V)	AKBLTFC5
13	HASCOL PETROLEUM LIMITED-TFC	HASCOLTFC
14	INDEPENDENT MEDIA CORPORATION (PVT) LIMITED	IMCPLTFC
15	PAKISTAN MOBILE COMMUNICATION LTD-TFC	PMTFC8
16	PAKISTAN MOBILE COMMUNICATION LTD-TFC	PMTFC9
17	AZGARD NINE LIMITED-TFC	ANLTFC6
18	AISHA STEEL MILLS LIMITED - PREF. SHR - LOR	ASLPSR

Registered Unique Identification Number (UIN)

S.No.	Particulars	During the Quarter	Active UIN as of December 2014
1	Individual	12,152	215,622
2	Corporate Company	42	1,453
3	Corporate / Individual Broker	6	271
4	Fund / Others	28	1,066
5	Foreigner Individual	485	5,694

Registered Client Codes

S.No.	UIN TYPE	Active Client Codes as of December 2014
1	INDIVIDUAL	217,758
2	CORPORATE - COMPANY	5,114
3	CORPORATE - INDIVIDUAL - BROKER	2,705
4	FUND - OTHERS	7,237
5	FOREIGNER - INDIVIDUAL	5,657
	TOTAL	238,471

Settlement Reports

S.No.	Month	Trade Volume	Trade Value	Based on CM wise / Symbol Wise Net Position			Based on UIN wise / Symbol Wise Net Position		
				Settlement Volume	Settlement Value	%age Settlement Value	Settlement Volume	Settlement Value	%age Settlement Value
1	Oct-14	3,985,074,026	191,704,638,496	1,821,195,911	81,526,920,339	42.53	2,519,145,355	112,856,162,700	58.87
2	Nov-14	5,086,724,030	274,327,984,781	2,192,954,119	109,322,274,593	39.85	3,072,852,702	149,748,086,986	54.59
3	Dec-14	6,038,930,027	310,780,686,310	2,643,498,790	126,596,625,503	40.74	3,690,965,704	173,427,802,082	55.80
		15,110,728,083	776,813,309,588	6,657,648,820	317,445,820,435	40.87	9,282,963,761	436,032,051,767	56.13

Exchange Trades & Non-Exchange Transactions

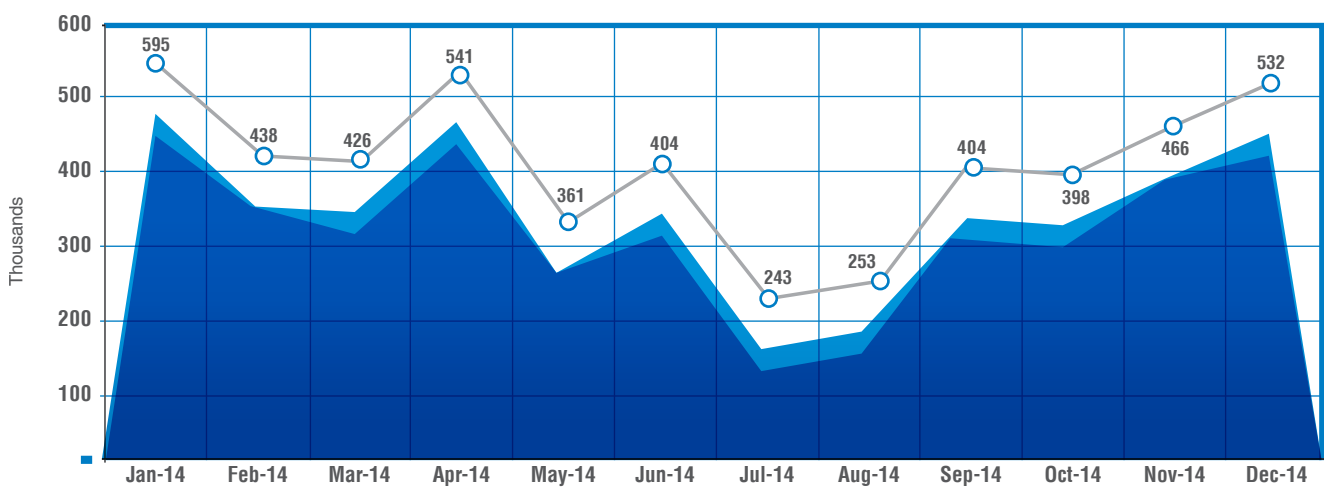
S.No.	Description	No. of Trades / Transactions	Volume of Trades / Transactions	Value of Trades / Transactions
1	Exchange Trade / Transactions	5,184,000	15,110,728,083	776,813,309,587
2	Broker to Broker (BTB) Transactions	916,167	2,007,031,618	99,094,031,389
3	Institutional Delivery System (IDS) Transactions	513,504	3,030,650,184	210,712,272,036
4	Debt Market Transactions	76	324,479	1,677,909,594
5	Margin Trading System (MTS) Transactions	21,135	363,548,760	16,985,623,916
6	Margin Trading System Release (MTRS) Transactions	38,633	360,740,940	15,655,959,049
7	Security Lending & Borrowing (SLB) Transactions	13	108,500	48,401,550
8	Security Lending & Borrowing Release (SLBR) Transactions	16	160,500	74,391,890
9	Margin Financing (MF) Transactions	18,735	241,624,335	7,163,306,412

Margin Trading System (MTS) Summary

MTS Open Position / Rate of Interest		
Description	Per day during the Quarter	By the end of Quarter
Open Position	2,830,271,934	3,402,930,293
Rate of interest	14.42	17.54

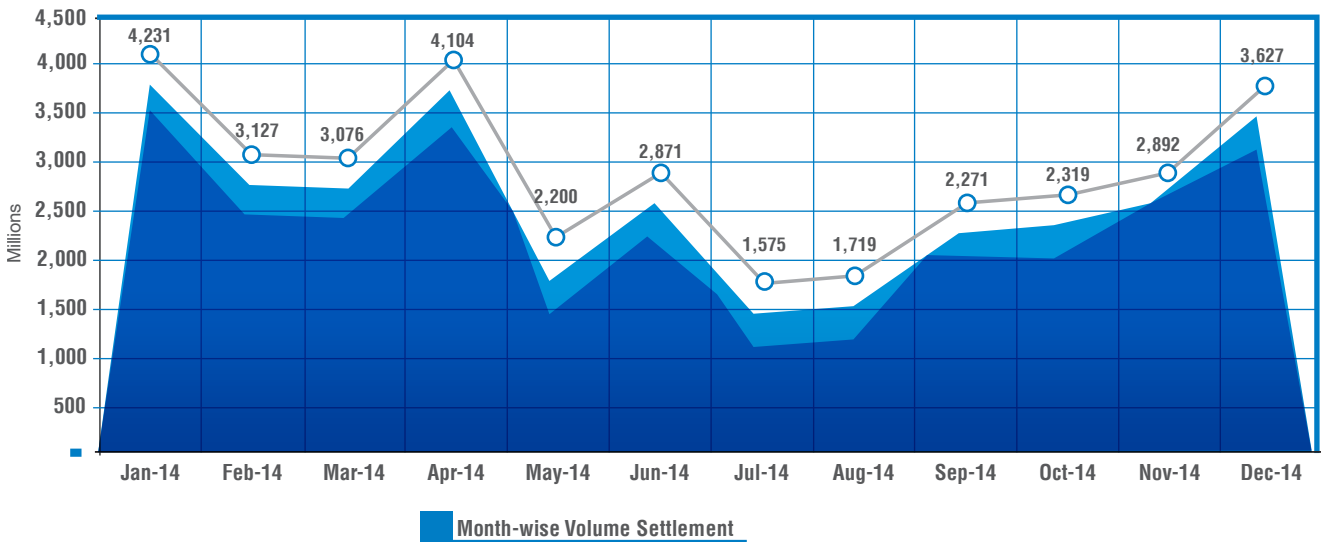
Debt Market Exposure	
Per Day Avg Exposure during the Quarter	27,965,159.89

Month-Wise Balance Order "BO" Settlement for the last 12 Months

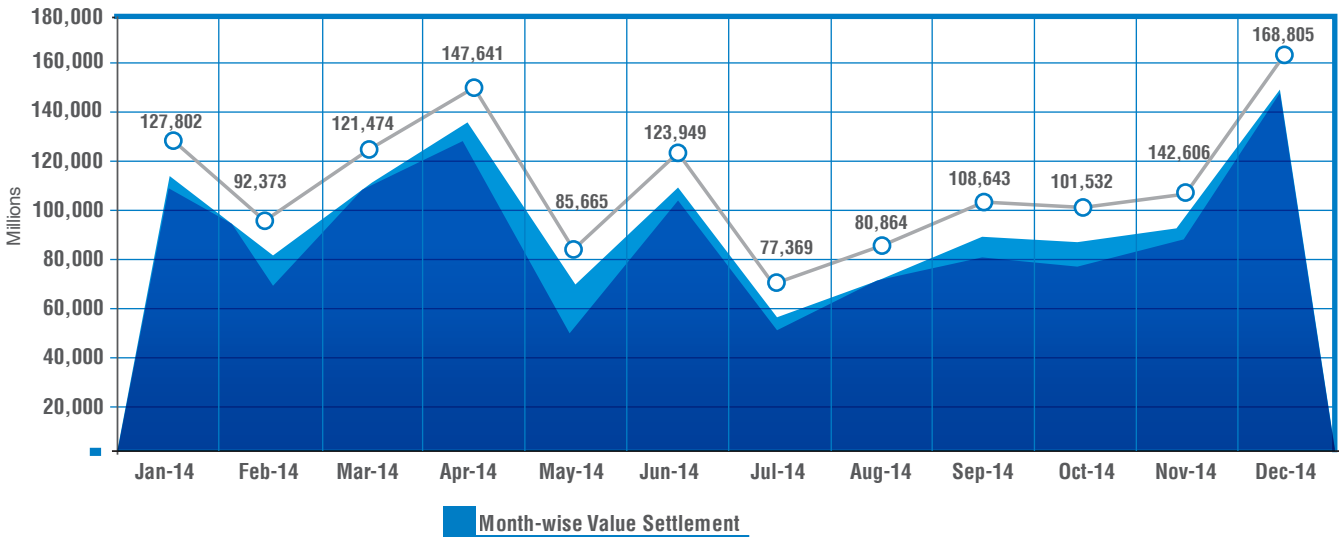


Month-wise BO Settlement

Month-Wise Settlement Volume for the last 12 Months



Month-Wise Settlement Value for the last 12 Months



NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED (NCCPL)

NCCPL was incorporated on July 03, 2001 to assist Market Participants to undertake their Clearing and Settlement activities more efficiently through automated, centralized and streamline processes that are essential to the safety and soundness of the Capital Market. Presently, NCCPL provides Clearing and Settlement Services for Equities, Derivatives and Debt Market.

Since its inception, NCCPL is focused on providing continuous support to Capital Market and developing effective projects and plans by applying maximum available resources in a most efficient manner. It is evident that NCCPL in a very short span of time has achieved various milestones and provides significant relief to market participants in performing their business activities.

Key Products and Services of NCCPL:

- Issuance of Unique Identification Number (UIN) for each client
- UIN Information System (UIS) to access trading information directly by client through NCCPL's System
- Pre-Settlement Delivery Facility
- Reporting of Un-Listed TFC Trades by market participants
- Interbank Fund Transfer (IBFT) Facility for Members of NC
- Implementation of Leveraged Market Products such as:
 - Margin Trading System (MTS)
 - Margin Financing System (MFS)
 - Securities Lending and Borrowing System (SLB)
- Risk Management of Institutional Clients and Leverage Markets
- Computation, Determination and Collection of Capital Gain Tax (CGT)
- National Custodial Services (NCS)



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Feedback & Suggestions

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