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PART VI

Advertisement and Notices issued by Corporate Bodies and Private Individuals on payment

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

Karachi, the 4th April, 2022

In exercise of the powers conferred on a Clearing House by section 26 of the Securities Act, 2015 (Act No. III of 2015), the National Clearing Company of Pakistan Limited, being a Clearing House, has made with the prior approval of the Securities and Exchange Commission of Pakistan ("Commission") the following regulations called the "National Clearing Company of Pakistan Limited Regulations, 2015" which shall notified in the official Gazette and come into force on the date as may be specified in the notification.

AMENDMENTS IN NCCPL REGULATIONS, 2015 PERTAINING TO SECURITIES LENDING AND BORROWING

In the Regulations, Chapter 2 (INTERPRETATION AND DEFINITIONS) Sub Clause no. 2.8, the following Definitions have been amended and will be read as follows:

Accelerated Maturity Date

Means the following:

- in respect of SLB Contract, any Business Day prior to the Maturity Date on which a Borrower/Lender initiates a SLB(R)Transaction.
- in respect of MT Contract, any Business Day prior to a Maturity Date on which a Financee initiates a MT(R) Transaction.

Borrower

means an NCC Participant, who meets the eligibility criteria as stipulated in the Securities (Leverage Markets and Pledging) Rules, 2011 and these Regulations and has been admitted by the Company as a Borrower under Chapter 7A of these Regulations to borrow SLB Eligible Securities from the SLB Market.

Lender

means an NCC Participant, who meets the eligibility criteria as stipulated in the Securities (Leverage Markets and Pledging) Rules, 2011 and these Regulations and has been admitted by the Company as a Lender under Chapter 7A of these Regulations to lend SLB Eligible Securities through the SLB Market.

Non Exchange Transaction

Means a Market Contract which includes the following:

(i) an institutional delivery system transaction, as per the Procedures, which is not effected on the Exchange and is initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member based on an Exchange Trade; or and is recorded on NCSS in which the initiating Clearing Member notifies NCSS that the transaction shall be settled by an affirming Clearing Member on his behalf, provided that such affirmation is made by a Clearing Member (who is a non-TRE Certificate Holder of the Exchange.).

(ii) MT Transaction and MT (R) Transaction as defined in these Regulations.

(iii) SLB Transaction and SLB (R) Transaction, as defined in these Regulations including an institutional delivery system transaction, as per the terms and conditions prescribed in the Procedures.

(iv) MF Transaction and MF (R) Transaction as defined in these Regulations. Provided that Non Exchange Transaction shall not be allowed on trades executed in the NDM Reporting Interface for T+0 settlement cycle.

Provided further that Non Exchange Transactions shall also not be allowed on trades executed in Securities placed at the

Defaulters' Segment on T+0 settlement cycle as per relevant regulations of Exchange.

(v) NDNF Transaction, as per the Regulations and Procedures, which is not effected on a Securities Exchange and is initiated by a Clearing Member in NDNF module based on net money obligation as explained under Chapter 7F of the Regulations.

Premium

means the amount payable by the Borrower or the lender, as the case may be, as a return on the Borrowed / lent Securities under a SLB Contract.

Provided, where the Premium is paid by the Lender to the Borrower under a SLB Contract, following conditions shall apply:

(a) SLB contracts shall be facilitated through SLB portal available to SLB Participants. The contract period, Bid/offer and Premium computation shall be subject to such terms and conditions as may be prescribed in the Procedures by the Company from time to time.

(b) The SLB Participants admitted by the Company in accordance with Regulation 7A.2.1(i) (ia), (ii), (iii), (iv), (v) and (vi) shall be eligible for entering into SLB Contracts as Lender to pay Premium to Borrowers against securities kept in their proprietary accounts subject to such terms and conditions as may be prescribed by the Company in the Procedures.

Provided that TOSB (Keeping limited custody, TSSB and TCSB Clearing Member shall be allowed to offer Premium as lender on behalf of its Clients subject to the conditions that it has net worth or capital adequacy level not less than PKR 500 million, holds a minimum long-term credit rating of A- or short-term credit rating of A2 and has appointed statutory auditor enlisted in Category 'A' of the SBP's Panel of Auditors.

(c) PCM or/and TOSB (Keeping limited custody, TSSB and TCSB Clearing Member eligible to lend its Clients' securities having UKN issued by CKO, as the case may be shall ensure that all such lending transactions shall be executed after obtaining prior authorization from the respective Client in the manner and format prescribed by the Company. The Company may require the respective Clearing Member to submit such authorization to the Company in the manner specified in the procedures.

Securities Lending and Borrowing (SLB)

means lending and borrowing of SLB Eligible Securities by the SLB Participants through the platform provided by the Company, in the capacity of an authorized intermediary, as provided in Chapter V of the Securities (Leverage Markets and Pledging) Rules, 2011.

SLB Contract

means a contract between the Lender and the Borrower for lending and borrowing of SLB Eligible Securities which is a combination of a SLB Transaction and a SLB (R) Transaction, wherein SLB (R) Transaction will either be initiated on the Maturity Date automatically or on the Accelerated Maturity Date upon the initiation of the Borrower or lender and affirmation by the respective Borrower or the Lender.

SLB Contract Price

means the product of applicable Premium specified in the Bid, the SLB Transaction Value and SLB Contract Period. Provided that, in case where SLB (R) Transaction is initiated on Accelerated Maturity Date, the mutually agreed applicable Premium payable by respective Borrower or Lender, as the case may be, while initiating the early release shall be included in SLB Contract Price in accordance with the mechanism defined under the Procedures.

Provided in case where SLB (R) Transaction is initiated on Accelerated Maturity Date by Borrower, and no Premium is mutually agreed, the actual duration of SLB Contract Period shall be used instead of using SLB (R) Transaction Date for determining the SLB Contract Price.

SLB Contract Period

means the period lapsed from (and including) the SLB Transaction Date until and including the SLB (R) Transaction Date.

For each SLB Eligible Security, separate SLB Contracts shall be made available in SLB Market from one Business Day to next 22 Business Days, 44 Business days, 66 Business Days and 132 Business Days except where book-closure of a Security falls within the aforementioned contract periods.

Explanation: if the SLB (R) Transaction Date is same as the SLB Transaction Date, the SLB Contract Period shall be one day.

Provided that, where book closure of SLB Eligible Security falls during an SLB Contract Period, in such case the Company shall shorten the existing contracts in a manner that on Book Closure – 4 (BC-4), the SLB System will automatically initiate an SLB (R) Transaction before the opening of business, which shall be settled in accordance with these Regulations.

Provided further that, at the time of opening the SLB Contracts on each Business Day, the Company shall review and evaluate whether book closure announced for a particular SLB Eligible Security at the time of opening the SLB Contract on that particular Business Day falls within the specific contract period of a SLB Contract, under such circumstances the maturity period of the SLB Contract in that particular SLB Eligible Security made available on that particular Business Day shall be adjusted according to the book closure period in a manner prescribed in the Procedures till the time the book closure period has ended. Company may provide facility of rollover between contracts of different maturities in accordance with the procedures.

SLB Market

means the market for lending and borrowing in respect of SLB Eligible Securities through SLB Transactions and incidental transactions thereof, pursuant to Chapter 7A of these Regulations.

SLB Portal

means an automated portal provided by the Company to SLB Participants for the purpose of the SLB Market and accessible through their interface with computer system.

SLB Spot Market

means the market for lending and borrowing of SLB Eligible Securities through SLB Transactions for the purpose of making delivery of Securities on behalf of a Clearing Member (other than a Lender) where such Clearing Member has defaulted on his delivery obligations under the Balance Order Settlement System. However, in such market, the Company may borrow the SLB Eligible Securities on behalf of the delivery defaulter Clearing Member, of ready market seller, upon receipt of written request, to the extent of undelivered Securities on or before NCSS Settlement Date within Designated Time Schedule. For the purpose of such borrowing by the Company, such delivery defaulted Clearing Member shall be the underlying Borrower of such SLB Transaction and shall also be held responsible for the corresponding settlement of SLB (R) Transaction.

Further, the Company shall borrow the securities on behalf of the Clearing Member to the extent of failed deliveries from the SLB Market, subject to availability of the relevant SLB Contract with maturity period, as may be prescribed by the delivery Defaulting Clearing Member. Where no such maturity period is determined, the Company shall enter into immediately available SLB Contract on behalf of the Clearing Member.

SLB Transaction Date

means the date on which SLB Contract is executed.

In the Regulations, Chapter 7A (SECURITIES LENDING AND BORROWING) Sub Clause no. 7A.2.1, 7A.2.4, 7A.3.1, 7a.3.2, 7A.3.3, 7A.3.4, 7A.4, 7A.4.5, 7A4.8, 7A.4.12 and 7A.5 have been amended and will be read as follows:

7A.2. Admission and Eligibility criteria for SLB Participants

7A.2.1 Eligibility criteria for SLB Participant

Eligibility criteria for SLB Participant - A Clearing Member will be eligible to apply to the Company for admission as Lender and/or Borrower if such Clearing Member fulfills the criteria as laid down in chapter V of the Securities (Leverage Markets and Pledging) Rules, 2011 and, in case of:

(i) a TOSB (Keeping limited custody), TSSB and TCSB Clearing Member fulfills the capital adequacy requirements specified in these Regulations;

(ia) An entity that has been admitted by the Company as a PCM under these Regulations subject to such terms and conditions as may be prescribed by the Company in the Procedures from time to time.

(ii) a banking company within the meaning of the Banking Companies Ordinance, 1962 (LVII of 1962), it has been allocated minimum short-term credit rating of A3;

(iii) a financial institution to which section 3A of the Banking Companies Ordinance, 1962 (LVII of 1962) is applicable, it has been allocated minimum short-term credit rating of A3;

(iv) an investment finance company licensed by the Commission to provide investment finance services, it has been allocated minimum management quality rating of AM3 minus;

(v) an insurance company registered with the Commission and it has been allocated minimum insurer financial strength long-term rating of A+;

(vi) an eligible collective investment scheme registered under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 that are eligible to act as SLB Participant and is allowed to lend SLB Eligible Securities under its constitutive documents and the applicable rules and regulations subject to the condition that the asset management company managing such collective investment scheme has been issued a minimum asset manager rating of AM3;

Provided further that where such asset management company has not been issued minimum asset manager rating of AM3, this requirement shall be deemed to have been complied with for a period of one year in case of a new asset management company if the principle sponsor of the asset management company has been issued minimum short term credit rating of A3. For the purpose of these Regulations such eligible collective investment scheme shall only be allowed to lend securities as SLB Participant.

(vii) any other corporate entity about which the Board (subject to final approval by the Commission) is satisfied that it has a good financial standing, has the capability to satisfy the requirements of these Regulations and is otherwise a fit and proper person to be admitted as a SLB Participant;

7A.2.4 Restriction, suspension or termination of SLB Participant

The Company shall impose restriction on a SLB Participant or suspend or terminate admission of a SLB Participant in accordance with the provisions of the Securities (Leverage Markets and Pledging) Rules, 2011. However, in the event that a SLB Participant is suspended or terminated as a Clearing Member pursuant to these Regulations, such SLB Participant shall also stand suspended or terminated as SLB Participant automatically without any further action being taken on the part of the Company. The Company shall immediately notify the same to the Exchange and CDC for suspension, forfeiture or cancellation of trading rights of TOSB (keeping limited custody), TSSB and TCSB by the Exchange and restriction of access in CDS respectively in accordance with the respective regulations.

7A.3 SLB Eligible Securities

7A.3.1 Eligibility Declaration

The Company shall select the securities that are eligible to be declared as SLB Eligible Securities for the purpose of SLB Market in accordance with the eligibility criteria described in Regulation 7A.3.2 and such other criteria as may be prescribed by the Company from time to time with prior approval of the Commission. The list of the securities so selected shall be declared by the Company as SLB Eligible Securities. 7A.3.2 Eligibility criteria

(a) SLB Eligible Securities - Category A available for short-selling at the Exchange, in addition to requirements of their relevant regulations, shall comply with the following:

1. Security has been traded at least 80% of the trading days during the review period of last 6 months.

2. Average Impact Cost of the Security will not be greater than 2% as calculated based on daily Impact Costs of the review period of last 6 months.

3. Average Daily Traded Volume of Security during review period of last six months in the ready Market selected based on above criteria will not be less than 0.5% of its free float or 100,000 shares, whichever is lower.

4. The Security is in book entry form.

5. The issuer of Security is not placed on the defaulter's counter of the Exchange

(b) SLB Eligible Securities - Category B for any purpose shall be selected in the following manner:

1. The Listed Security is in book entry form.

2. The issuer of Security is not placed on the defaulter's counter of the Exchange.

3. Any Security that has been listed on the Exchange and notified to the Company, shall be made available in Category B SLB Eligible Securities from the date it has been listed on the Exchange.

(c) Exchange Traded Fund 'ETF' shall be declared as SLB Eligible Security with immediate effect and all SLB Participants will be allowed to act as Lender or Borrower.

Provided that where ETF that has been quoted on the defaulter's segment of the Exchange and notified to the Company, in such case requirements prescribed under Regulation 7A.3.5 of these Regulations, will be followed.

7A.3.3 Interim Review

The satisfaction of criteria described in Regulation (7A.3.2 (a) (Eligibility criteria) above are subject to 45 days' review. Such review shall be carried out at the same frequency and simultaneously with the interim review carried out for MT eligible securities and Margin Eligible Securities. Where any Security does not meet any of these criteria it shall be excluded from the list of SLB Eligible Securities after giving notice of 15 days to NCC Participants.

7A.3.4 Eligibility Review

The list of SLB Eligible Securities will be reviewed by the Company in the first 15 days of January and July every year based on their data of immediate preceding 6 calendar months made available by the Exchange. Such review shall be carried out at the same frequency and simultaneously with the review carried out for MT Eligible Securities, MF Eligible Securities and Margin Eligible Securities. In consequence of any additions and/or deletions to the existing list, the Company will give at least 15 days prior notice to the NCC Participants for introduction of incoming and phasing out of outgoing SLB Eligible Securities. After expiry of the said notice period, SLB Positions in the outgoing Securities shall be frozen and will be available only for release for the purposes of settlement or squaring-up. Any unreleased Position in an SLB Contract on the expiry of notice period relating to outgoing Securities shall stand released on its respective Maturity Date(s) or Accelerated Maturity Date(s).

7A.4. SLB Contracts and Settlement

7A.4.1 SLB Portal

SLB Portal will be made available by the Company to all SLB Participants.

7A.4.2 Undisclosed Trading

All SLB Contracts shall be facilitated by the Company by acting as an authorized intermediary for the respective SLB Participants, which are underlying parties to a SLB Contract. SLB Participants will not be able to access the identity of the underlying counter-party to any of the SLB Contracts.

7A.4.3 Procedure

1. All Offers and Bids for the SLB Transactions will be displayed directly on the SLB Portal.

2. An Offer shall specify the following:

(i) SLB Eligible Securities that the Lender intends to lend;

(ii) The applicable rate of Premium;

(iii) SLB ID of the Lender and UIN details of its client/ Associated entity and its clients as the case may be, where securities of such client/ Associated entity and its clients are being used; and

(iv) UIN Registration Details filled in the UIN Registration Screen of NCSS.

Provided that the information relating to (iii) and (iv) above shall not be displayed on the SLB Portal.

1. A Bid shall specify the following:

(i) SLB Eligible Securities that the Borrower intends to borrow;

(ii) The applicable rate of Premium; (iii)Trader ID of the Borrower; and

(iv) UIN Registration Details filled in the UIN Registration Screen of NCSS

Provided that the information relating to (iii) and (iv) above shall not be displayed on the SLB Portal.;

4. The execution of a SLB Transaction will be confirmed when an Offer is matched with a Bid or *vice versa.* Once confirmed, an SLB Transaction shall be irrevocable except as provided in these Regulations and simultaneously a SLB(R) Transaction shall be generated by the SLB System.

7A.4.3.1 Institutional Delivery System (IDS) module shall facilitate Non Broker Clearing Members only for clearing and settlement of SLB transactions executed through respective TOSB, TSSB and TCSB Clearing Members in SLB Market through SLB System.

Such IDS transaction shall not be reflected on the SLB portal and is initiated by SLB Participant based on a SLB Transaction; and/or is recorded on NCSS in which the initiating SLB Participant notifies NCSS that the transaction shall be settled by an affirming SLB Participant on its behalf, provided that such affirmation is made by a SLB Participant.

Provided that institutional delivery system transactions initiated by a SLB Participant based on an SLB (R) Transaction shall be considered auto affirmed by other SLB Participant (who is a non-TRE Certificate Holder of the Exchange). However, all such IDS transactions relating to SLB Market shall remain subject to such terms and conditions as prescribed in the Procedures.

7A.4.6 SLB Participants shall not be allowed to lend and borrow the same SLB Eligible Security for the same client/ Associated entity and its clients or for proprietary Position until settlement of existing SLB Contract in such SLB Eligible Security. No SLB Participant shall further lend any Borrowed Securities.

Provided that NCCPL may provide SLB Participant an option to opt for SLB(R) transaction on Accelerated Maturity Date whereby the SLB Participant may initiate SLB(R) transaction on any business day before the Maturity Date. In such case, initiating SLB Participant shall be liable to pay / receive mutually agreed Premium for remaining period of SLB Contract to / from the affirming SLB Participant, as the case may be, in accordance with the manner prescribed in the Procedures.

7A.4.8 Functions of the Company

(i) Subject to Regulation 7A.4.10,the Company in its role as the authorized intermediary shall act as a common agent of SLB Participants for settlement of the SLB Contracts between the SLB Participants and for delivering securities to and receiving securities from and for receiving or paying any amounts payable to or payable by such SLB Participants in connection with any of the SLB Contracts and to do all things necessary or proper for carrying out the foregoing purposes in accordance with these Regulations without incurring any liability or obligations as a Principal.

7A.4.12 Cost of SLB Contract

The applicable rate of Premium on SLB Transactions shall be determined by the matching of Offer and Bids. Such rate, however, shall be quoted in terms of mark-up rate to be charged as a cost of lending/borrowing for each day of SLB Contract period and shall not be greater than the mark-up rate prescribed by the Company in the Procedures from time to time under intimation to the Commission.

7A.5. **Risk Management**

The risk management of SLB Participants for SLB Contracts shall be managed by the Company as per Chapter 12 of these Regulations.

In the Regulations, Chapter 12 (RISK MANAGEMENT BY THE COMPANY) Sub Clauses no. 12.5.1, 12.6.3 and 12.7.1 have been amended and will be read as follows:

12.5 EXPOSURE MARGINS:

12.5.1 Margin requirements:

(a) All trades/transactions in any Security or Securities shall be subject to the Margin requirements prescribed in these Regulations or such other additional Margins in this regard as the Company may, with the prior approval of the Commission, prescribe from time to time in addition hereto.

(b) However, the total Margins requirements (including initial Margins, concentration Margins and/or special Margins) added together, for particular scrip under a UIN should not exceed its Exposure amount in any case. In case, where total Margin requirements exceed the Exposure amount, special Margins requirements shall be reduced to the extent of the exceeding amount.

(c) Pre-Settlement under Ready Delivery Contract Market, GEM, Debt Market or Deliverable Futures Contract Market: In case where a UIN-wise net-seller in a Security Deposits the net-sold deliveries and/or net-buyer in a Security Deposits net cash against such net-buy with the Company, all his Margin requirements and Mark-to-Market Losses/Profits to the extent of such pre-settlement shall not be taken into account by the Company, while calculating such Clearing Member's Capital Adequacy limits and Margin requirements for respective Market. The pre-settlement delivery mechanism shall be managed by the Company in accordance with the Procedures.

(d) The SLB Participants shall deposit Exposure Margins in respect of their SLB Transaction on the day that the same is executed. Upon settlement of the SLB Transaction, the VaR based Exposure Margins shall be collected till settlement of SLB (R) Transaction. Further, in case of IDS SLB Transactions, the Exposure Margin with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB(R) Transaction shall be deposited by the affirming Non - Broker Clearing Member SLB Participant.

(e) All trades in any MT Eligible Security shall be subject to the Margin requirements prescribed in these Regulations or such other additional Margins in this regard as the Company may, with the prior approval of the Commission, from time to time prescribe in addition thereto.

(f) In case of Debt Market, the Exposure Margins shall be calculated on the following rule based Margin slabs:

Issue Size of Listed Debt Market Securities	Margin% on Exposure
Upto Rs.1 billion	1%
Between Rs.1 billion and Rs.3 billion	1.5%
Above Rs. 3 billion	2%

(g) In case of Provisionally Listed Companies Market, where a Clearing Member delays any payment to the Company beyond specified time, its Margin requirement (deposit payable) will be doubled.

(h) in case of Deliverable Future Contracts, where a Clearing Member delays any payment to the Company for meeting any of his obligations beyond the specified time thrice in a calendar year, he would be liable to deposit Rs.1,000,000/- with the Company for a period of 3 months. In case where delay in payment has occurred for fourth time in a calendar year, the deposit amount would be enhanced to Rs. 2,000,000/- to be held by the Company for a period of 6 months.

Provided that the deposit amount shall not be utilized by the Company against the Exposure Margins of such Securities Broker.

12.6.3 **MARK-TO-MARKET LOSSES DEPOSIT:**

(a) Each Clearing Member will pay its Mark-to-Market Losses to the Company at any point in time (as demanded by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company.

(b) Mark-to-Market Losses of Clearing Members (client/Associated entity and its clients as well as proprietary Positions) having total Exposures in the Deliverable Future Contracts Market or index options market of more than Rs.200 million will be collected twice a day, including at the end of each Trade Date. Each PCM, Clearing Member entering into Deliverable Future Contracts shall pay Mark-to-Market Losses in accordance with these Regulations.

(c) the obligation of the SLB Participants to deposit their respective Mark-to-Market Losses shall commence from the SLB Transaction Date and shall continue till such time that SLB Transaction is settled. Thereafter, Mark-to-Market Losses shall be collected from the SLB Participants on SLB (R) Transaction till the Settlement Date of such SLB (R) Transaction. However, in case of IDS SLB Transactions, the Mark-to-Market Losses with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB (R) Transaction shall be deposited by the affirming Non – Broker Clearing Member SLB Participant. Mark-to-Market Losses shall be deposited by each SLB Participant with the Company before such time as may be specified by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company.

(d) Mark-to-Market Losses by each MT Participant shall be deposited with the Company on demand by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next day. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company.

PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers shall deposit their respective Mark-to-Market Losses as per schedule-II in this Chapter on the Trade Date on which such PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers offer is accepted and MT Transaction is executed. The Mark-to-Market Losses will be collected till such time that MT Transaction is settled. Thereafter, Mark-to-Market Losses shall not be collected from PCM, TOSB (Keeping limited custody), TSSB & TCSB Trading Financier on MT (R) Transaction. Such Mark-to-Market Losses shall be collected by the Company in respect of obligation of the PCM, TOSB (Keeping limited custody), TSSB & TCSB Trading Financier to settle the Ready Delivery Contract Market trade in proportion to FPR. Financees will however continue to pay Mark-to-Market Losses in proportion to FPR, in cash only, until MT (R) Transaction is settled in accordance with these Regulations. Such Mark-to-Market Losses collected from Financee shall be paid to respective PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers. Upon payment of the Mark-to-Market Losses, the MT Contract Price shall be adjusted to maintain Financee's FPR.

(e) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Deliverable Future Contracts and shall be transferred to the next Trade Date. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market loss will be calculated. Such Mark-to-Market Losses shall be deposited by the Clearing Members with the Company on a daily basis till the satisfaction of the settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Deliverable Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Exposures will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company.

The Company may distribute up to 50% of Mark-to-Market Profits, (after adjustment of Mark-to-Market Losses), of the Clearing Members on his proprietary or client/Associated entity and its clients account on UIN basis, in a particular contract, subject to availability of requisite amount of cash with the Company and in accordance with the Procedures until last trading day of the current Deliverable Future Contracts on T+1 basis through Clearing Member designated settling bank account i.e. the 50% Mark-to-Market Profits will be disbursed on the next working day falling after the day on which the Mark-to-Market Loss is collected by the Company. Provided where any Mark-To-Market Profit is determined on the last trading day of the current Deliverable Future Contract, the same shall be disbursed on the Settlement Date instead of being disbursed on T+1 basis. In case of failure of any Clearing Member to deposit Exposure Margins/ Mark-to-Market Losses, it will not be allowed to take any fresh Position. However, the said Clearing Member will be allowed to reduce its Positions. Mark-to-Market Profits retained by the Company shall be paid to the respective Clearing Member on T+2 settlement basis.

Provided further, the Company may, with the prior approval of the Board, withhold partially or completely disbursement of Mark-to-Market Profit in Deliverable Futures Contracts keeping in view the underlying risk, prevailing market condition and exceptional circumstances.

(f) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Cash-Settled Futures Contracts. The Company will consider such revalued amounts as traded values for collection of Mark-to-Market Losses and for making payment of Mark-to-Market Profits. Net Mark-to-Market Losses shall be collected from Clearing Members in cash on T+0 settlement basis (by day-end on Trade Date). Net Mark-to-Market Profits shall be disbursed to Clearing Members in cash on T+1 settlement basis. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Cash Settled Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company.

(g) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing provisionally Listed Companies Market. The Company shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Mark-to-Market Losses in provisionally Listed Companies Market shall be deposited by a Clearing Member with the Company on a daily basis till the satisfaction of his settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing provisionally listed companies market at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member in particular scrip until its final settlement. Such Mark-to-Market Profits, if any, will be adjusted against the Mark-to-Market Losses in the same scrip of such Clearing Member. Total Mark-to-Market Losses collected up to the Settlement Date on account of a provisionally Listed Company shall be adjusted by the Company against money obligation of the Clearing Member on the Settlement Date.

(h) in the case of stock index options market, Mark-to-Market Losses determined by the Company at the end of a Trade Date based on the daily settlement price shall be collected only from the option writer by the Company. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the MtM loss on the Trade Date within the time prescribed by the Company.

The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member on his proprietary or clients/Associated entity and its clients account in an option contract until the settlement of such option contract.

12.7.1 CONCENTRATION MARGINS:

Concentration Margins shall be payable by:

(a) a Clearing Member in respect of a Security in Deliverable Future Contracts and Cash-Settled Futures Contracts Markets determined in accordance with Schedule-VI. Concentration Margin shall be calculated at the end of each Trade Date; and

(b) a Financee till settlement of MT (R) Transaction in respect of a MT Eligible Security in MT Market determined in accordance with Schedule-VI and shall be calculated at the end of each Business Day.

(c) SLB Participants till settlement of SLB (R) Transaction in respect of a SLB Eligible in SLB Market determined in accordance with Schedule-VI and shall be calculated at the end of each Business Day. However, in case of IDS SLB Transactions, by Non-Broker Clearing Member SLB Participant till the settlement of auto affirmed SLB(R) Transaction.

12.7.14 Where a SLB Participant fails to deposit Market Collaterals against Exposure Margins, Mark-to-Market

Losses, where applicable, special Margins, and/or fails to settle SLB Transaction and SLB (R) Transaction, as the case may be, or fails to comply with any other requirement(s) of these Regulations, the Company shall initiate Default Proceedings in accordance with the provisions of Chapter 13 (Money Default Management) and other relevant provisions of these Regulations and Procedures.

Provided, where market halt has been implemented by the Pakistan Stock Exchange on a Trade Date in accordance with its regulations and the SLB Participant fails to pay the Mark-to-Market determined by the Company within the designated time, it will not be allowed to take any further position during the day before paying the amount of Mark-toMarket Loss. The amount of Mark-to-Market loss determined by the Company at the end of the Trade Date shall be deposited by the SLB Participant in accordance with Regulation 12.6.3 of this Chapter.

The company may also impose non-payment charges on the SLB Participant for its failure to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company in accordance with these Regulations.

In case of, IDS SLB Transaction and auto affirmed SLB(R) Transactions, the provisions of Regulation 12.7.14 shall be applicable to the affirming Non-Broker Clearing Member SLB Participant.

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Karachi, the 27th April, 2022

In exercise of the powers conferred on a Clearing House by section 26 of the Securities Act, 2015 (Act No. III of 2015), the National Clearing Company of Pakistan Limited, being a Clearing House, has made with the prior approval of the Securities and Exchange Commission of Pakistan (“Commission”) the following regulations called the “National Clearing Company of Pakistan Limited Regulations, 2015” which shall notified in the official Gazette and come into force on the date as may be specified in the notification.

AMENDMENTS IN NCCPL REGULATIONS, 2015 PERTAINING TO REFORMS IN MURABAHA SHARE FINANCING

In the Regulations, Chapter 7E (MURABAHA SHARE FINANCING SYSTEM) Sub Clause no. 7E.3 has been amended and will be read as follows:

7E.3 Corporate Actions

Corporate actions (any right including right to dividend, right to vote etc.) in respect of MSF Transactions and MSF Collateral as the case may be will vest with the MSF Seller before the execution of MSF Transaction. However, corporate entitlement shall vest with MSF Buyer only after execution of MSF Transaction.

Provided that, an option shall be provided in MSF System which may be used by MSF Seller to mark MSF Buyer as entitled for corporate entitlements in respect of all MSF Transactions and MSF Collateral, as the case may be, as per DTS. In such case, corporate entitlement shall vest with MSF Buyer before and after the execution of MSF Transaction. Such corporate actions shall be handled by Company in accordance with the Procedures. Such corporate actions shall be handled by Company in accordance with the Procedures.

In the Regulations, Chapter 7E (MURABAHA SHARE FINANCING SYSTEM) – MSF TRANSACTION Sub Clauses no. 2.6 and 2.7 have been amended and will be read as follows:

2.6 On the agreed date, in accordance with the terms and conditions of MMA, MSF Transaction will be recorded by MSF Seller in MSF System within Designated Time Schedule based on activity performed by the MSF Seller and MSF Buyer on Trade Date. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

At the time of recording of MSF Transaction in the MSF System, MSF Seller will intimate the transaction to relevant MSF Buyer for affirmation of the arrangement. The MSF Buyer, within the Designated Time Schedule, will affirm through MSF System the MSF Transaction as per the terms covered in MMA. In case where MSF Seller does not intimate relevant information of such sale to MSF Buyer or relevant information of such sale initiated in MSF System by MSF Seller to the relevant MSF Buyer, but the MSF Buyer does not affirm or rejects such transaction, in such case, MSF Transaction shall not be recorded in MSF System and MSF System will facilitate MSF Seller to re-initiate the transaction to the MSF Buyer.

Provided where MSF Transaction initiated by MSF Seller is not affirmed or rejected within the Designated Time Schedule, MSF System will only facilitate re-initiation of the transaction two time and after that MSF System will facilitate the MSF Seller in moving the securities to its CDS house account.

2.7 In accordance with the provisions agreed in MMA whereby MSF Buyer undertakes the Company to make arrangement for transfer of its purchased securities through MSF Transaction to its designated account, and subsequently, if required by MSF Seller and agreed by MSF Buyer through MSF system at the time of recording of MSF transaction, to move such securities to the MSF Blocked Status as MSF Collateral, the Company shall deliver such purchased Securities from the CDS house account of MSF Seller maintained under MSF Blocked Status to the normal CDS account of MSF Buyer and if required by MSF Participants, to deliver such securities to the CDS account of MSF Buyer maintained under MSF Blocked Status, as the case may be, as MSF Collateral in accordance with the mechanism and subject to such terms and conditions as prescribed in the Procedures. MSF Seller will obtain Securities Deposit directly from MSF Buyer.

In the Regulations, Chapter 12 (RISK MANAGEMENT BY THE COMPANY) Schedule II (Note: 2) has been amended and will be read as follows:

Note: 2. The cash amount deposited with the Company as Exposure Margin, Mark-to-Market Losses and other Margins, if applicable, shall be placed on behalf of the

Clearing Member in the Saving/ Remunerative accounts with Conventional or Islamic Banks/ Islamic window of Conventional Banks, as opted by the Clearing Member and accordingly, return earned on such deposits will be shared with the Clearing Member at the rate paid by the respective banks opted by the Clearing Member after retaining 1.5% as service charges by the Company.

In exercise of the powers conferred on a Clearing House by section 26 of the Securities Act, 2015 (Act No. III of 2015), the National Clearing Company of Pakistan Limited, being a Clearing House, has made with the prior approval of the Securities and Exchange Commission of Pakistan ("Commission") the following regulations called the "National Clearing Company of Pakistan Limited Regulations, 2015" which shall notified in the official Gazette and come into force on the date as may be specified in the notification.

AMENDMENTS IN NCCPL REGULATIONS, 2015 PERTAINING TO RISK MANAGEMENT REFORMS IN RELATION TO MARK-TO-MARKET PROFIT DISTRIBUTION ON DFC; CONCENTRATION MARGIN AND CRITERIA FOR DETERMINING SECURITIES ELIGIBLE FOR MARGIN FINANCING

In the Regulations, Chapter 12 (RISK MANAGEMENT BY THE COMPANY) Sub Clause no. 12.6.3 (e) has been amended and will be read as follows:

12.6.3 MARK-TO-MARKET LOSSES DEPOSIT:

(e) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Deliverable Future Contracts and shall be transferred to the next Trade Date. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market loss will be calculated. Such Mark-to-Market Losses shall be deposited by the Clearing Members with the Company on a daily basis till the satisfaction of the settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Deliverable Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Exposures will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company may distribute up to 50% of Mark-to-Market Profits, (after adjustment of Mark-to-Market Losses), of the Clearing Members on his proprietary or client/Associated entity and its clients account on UIN basis, in a particular contract, subject to availability of requisite amount of cash with the Company and in accordance with the Procedures until last trading day of the current Deliverable Future Contracts on T+1 basis through Clearing Member designated settling bank account *i.e.* the 50% Mark-to-Market Profits will be disbursed on the next working day falling after the day on which the Mark-to Market Loss is collected by the Company. Provided where any Mark-To-Market Profit is determined on the last trading day of the current Deliverable Future Contract, the same shall be disbursed on the Settlement Date instead of being disbursed on T+1 basis. In case of failure of any Clearing Member to deposit Exposure Margins/ Mark-to-Market Losses, it will not be allowed to take any fresh Position. However, the said Clearing Member will be allowed to reduce its Positions. Mark-to-Market Profits retained by the Company shall be paid to the respective Clearing Member on T+2 settlement basis:

Provided further, the Company may, with the prior approval of the Board, withhold partially or completely disbursement of Mark-to-Market Profit in Deliverable Futures Contracts keeping in view the underlying risk, prevailing market condition and exceptional circumstances.

However, in case, where the prevailing Contract Price of a DFC Contract increase or decrease by 50% compared to the contract open price of such security, under such circumstances, the disbursement of mark-to-market profits will be withheld by the Company till the maturity of the DFC Contract.

In the Regulations, Chapter 12 (RISK MANAGEMENT BY THE COMPANY) Schedule VI (Concentration Margin Deposits) have been amended and will be read as follows:

Schedule-VI

CONCENTRATION MARGINS DEPOSITS

%Age of DFC/CSF Position to Total DFC/CSF Position		AND	%Age of DFC/CSF Position to Free-Float of SCRIP		Concentration Margins
MARKET-WIDE SECURITY CONCENTRATION SLABS AND RATES					
Greater Than	2	"	Greater Than	5.00	1.00
Greater Than	6	"	Greater Than	7.50	2.00
Greater Than	8	"	Greater Than	10.00	3.00
Greater Than	10	"	Greater Than	15.00	4.00
Greater Than	12	"	Greater Than	25.00	5.00
Greater Than	14	"	Greater Than	35.00	6.00
Greater Than	16	"	Greater Than	45.00	7.00
SECURITIES BROKER-WIDE SECURITY CONCENTRATION SLABS AND RATES					
Greater Than	5	"	Greater Than	1.00	1.00
Greater Than	10	"	Greater Than	1.50	2.00
Greater Than	20	"	Greater Than	2.00	3.00
Greater Than	30	"	Greater Than	2.50	4.00
Greater Than	40	"	Greater Than	3.00	5.00
Greater Than	60	"	Greater Than	3.50	6.00
Greater Than	80	"	Greater Than	4.50	7.00
UIN-WIDE SECURITY CONCENTRATION SLABS AND RATES					
Greater Than	1	"	Greater Than	0.50	0.50
Greater Than	2	"	Greater Than	0.75	1.00
Greater Than	5	"	Greater Than	1.00	1.50
Greater Than	10	"	Greater Than	1.25	2.50
Greater Than	20	"	Greater Than	1.50	3.50
Greater Than	30	"	Greater Than	1.75	4.50
Greater Than	40	"	Greater Than	2.00	5.00

* Market -wide (enhanced) concentration margin shall be applicable on the total current open position of DFC eligible security during 90 day's average open position of that particular security computed on rolling basis based on the following factors subject to fulfilment of the aforesaid requirements:

(% Variation in Avg. Open position of DFC eligible security)	Proposed Factor	Enhanced CM
% Variation is less than & equal to 50%	Nil	Actual Concentration Margin Computed
% Variation is greater than 50% and less than100%	1.1x — 1.49x	Actual Concentration Margin Computed to be multiplied by proportionate enhanced factor
% Variation is greater than 100% and less than 200%	1.5x	Actual Concentration Margin Computed to be multiplied by flat enhanced factor
% Variation is greater than 200% and less than 300%	2x	Actual Concentration Margin Computed multiply by flat enhanced factor
% Variation is greater than 300%	3x	Actual Concentration Margin Computed multiply by flat enhanced factor

Note: 1. All three tier Concentration Margins in DFC and CSF will be applied on 'AND' basis and shall be applicable on the basis of average of the Margins corresponding to the two applicable slabs.

2. First three slabs of market wide concentration margins shall only be collected from the Clearing Members on which either the Securities Broker-wide security concentration slab or UIN-wide security concentration slabs, specified in the above table, have been reached.

3. Market wide concentration margins determined under the last three market-wide security concentration slabs shall be collected from all Clearing Members.

In the Regulation, Chapter 7B (MARGIN FINANCING SYSTEM) Sub Clause no. 7B.3.1.3 has been amended and will be read as follows:

7B.3.1.3 **Eligibility Review**

Any Security that has been listed on the Exchange and notified to the Company, hall be made available in MF Market from the date it has been listed on the Exchange.

This list of MF Eligible Securities will be reviewed by the Company in the first 15 days of January and July every year based on their data of immediate preceding 6 calendar months made available by Exchange. Such review shall be carried out at the same frequency and simultaneously with the review carried out for MT Eligible Securities, SLB Eligible Securities and Margin Eligible Securities. In consequence of any additions and/or deletions to the existing list, the Company will give at least 30 days prior notice to the NCC Participants for introduction of incoming MF Eligible Securities and 60 days prior notice to the NCC Participants for phasing out of outgoing MF Eligible Securities. After expiry of the said notice period, MF Positions in the outgoing Securities shall be frozen and will be available only for release for the purposes of settlement or squaring-up.

CORRECTION OF FATHER'S NAME

I Ali Irteza son of Parvez Akhtar Hussain, hereby request that my father's name is wrongly written in my Masters Degree.

Kindly read my father's name as Parvez Akhtar Hussain instead of Parvez Akhter.

ALI IRTEZA
S/o Parvez Akhtar Hussain.