

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

KSE/N-6565

**N O T I C E**

November 26, 2010

Reproduced hereunder circular No. NCCPL/CM/NOVEMBER-10/06 dated November 26, 2010 received from NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED, for information of all concerned.

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

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National Clearing Company of Pakistan Limited  
8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/November-10/06

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**Automation of Securities Settlement  
(Tagging of Client Codes / Back Office IDs with CDS Accounts)**

Dear Broker Clearing Members,

This is with reference to the implementation of Automation of Securities Settlement, whereby there would be complete straight-through-process in the settlement mechanism without involving any manual intervention. Accordingly, National Clearing and Settlement System ("NCSS") and Central Depository System ("CDS") would be linked in such a manner that UINs and their Client Codes (back office IDs) will be tagged with relevant house-account/sub-account to be maintained in CDS. Consequently, movement of securities, after sale and purchase through trading system, shall be based on respective CDS house-account and sub-account. In this respect detailed joint presentations on the business understanding and modus operandi have already been given by NCCPL, CDC and Stock Exchanges.

Since after the implementation of the said project linkage of Client Codes (back office IDs) with respective house and sub-account will become mandatory, a Client Code (back office ID) which is not linked with any CDS Account would not be considered eligible for trading and members would not be able to execute trade on such Client Codes (back office IDs). For that purposes, a change has been made in NCSS UIN Registration Screen whereby CDS Account Number will also be made available in that screen so as to enable Broker Clearing Members ("BCMs") to link CDS Account with each of the Client Codes (back office IDs). However, BCM may link one CDS Account with many Client Codes (back office IDs) of the same UIN or may opt for different CDS Accounts for different Client Codes (back office IDs) of the same UIN. Accordingly, the UINs appearing in CDS Accounts should be exactly similar to the UINs appearing in the Client Codes (back office IDs).

In this respect in order to get familiar with the aforementioned tagging/linkage of Client Codes (back office IDs) with the respective CDS Accounts, said mechanism shall be made available in Live NCSS effective from November 29, 2010 along with its Hands-on Training to all BCMS as per the following schedule: