



National Clearing Company of Pakistan Limited

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

NCCPL/CM/January-12/03

January 17, 2012

Implementation of Pre-Settlement Delivery through NCSS

Dear Clearing Members,

In order to undertake the continuous improvisation in the clearing & settlement processes and to provide facilitation to Clearing Members ("CM"), we are pleased to inform you that effective from **Monday January 30, 2012, Pre-Settlement Delivery ("PSD")** functionality will be implemented through National Clearing and Settlement System ("NCSS") whereby CMs will be given an option to deposit net-sold securities per UIN-wise with NCCPL on trade date. Consequently, NCSS delivery obligation and margin requirements, to the extent of such PSD, shall not be taken into account by the stock exchanges and NCCPL.

For your ready reference brief modus oprendi is explained hereunder:

1. CM desirous to avail PSD facility against net-sold Securities will be required to enter the following information through **PSD Initiation Screen**:
 - ❖ Seller Trader-Id location
 - ❖ Symbol
 - ❖ CDS Account
 - ❖ Market Type
 - ❖ Trade Type
 - ❖ Unique Identification Number ("UIN") (Auto Filled based on CDS Account)
 - ❖ Initiating CM ID (applicable only for Non-Exchange Transactions)
 - ❖ Initiating Trader-ID Location
 - ❖ PSD Volume
2. After system validation, PSD marked securities will be moved automatically from respective CDS Sub/House Account of CM and moved into NCCPL's CDS Participant Account.
3. Accordingly, after successful completion of PSD, necessary information will be transmitted by NCSS to the respective risk management systems of stock exchanges and NCCPL for release of margins to the extent of such PSD.
4. In case of insufficient balance in respective CDS Sub/House Account of CM, PSD marked securities will not be further processed.

5. In order to credit benefits of corporate entitlement in the rightful beneficiary account, PSD facility will not be available on a day before the Book Closure start date i.e. BC-1. Whereas, for Deliverable Futures Contract Market, PSD marked securities shall be returned to the concerned CMs on BC-1 as well.
6. CM can also generate a withdrawal request of deposited PSD Securities either fully or partially, before the Settlement Date through **PSD Release Screen** of NCSS by entering the following information:
 - ❖ Transaction Date
 - ❖ Settlement Date
 - ❖ Transaction Id
 - ❖ Symbol
 - ❖ CDS Account
 - ❖ Unique Identification Number (“UIN”)
 - ❖ Market Type
 - ❖ Trader ID Location
 - ❖ Transaction Status (Unprocessed, Rejected, Saved, Posted)
7. However, withdrawal request of deposited PSD Securities shall be processed by NCSS subject to the fulfillment of respective margin requirements or nil NCSS delivery obligation.
8. All PSD securities, to the extent of net-sold deliveries, shall be settled directly through NCSS Balance Order Mechanism on its respective Settlement Date.
9. In case of no settlement obligation against PSD marked securities such PSD Securities shall be returned on the relevant settlement date to the concerned CMs.
10. Following new Screens, Reports and Downloads will be made available on NCSS to CMs pertaining to PSD functionality:

A. PSD Initiation Screen

NCSS Main Menu → CM Module → PSD Initiation

B. PSD Release Screen

NCSS Main Menu → CM Module → PSD Release

C. PSD Settlement Report / Download:

NCSS Main Menu → Reports / Download → BO → PSD Settlement Report

D. PSD Activity Detail Report / Download

NCSS Main Menu → Reports / Download → CNS → PSD Activity Detail Report

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

City	Telephone Number	Fax Number	Email
Karachi	021-32460811-19	021-32460827	helpdesk@nccpl.pk
Lahore	042-36280815-7	042-36280818	helpdesk@nccpl.pk
Islamabad	051-2895460-2	051-2895463	helpdesk@nccpl.pk

Regards,

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Badiuddin Akber
Head of Operations

cc:

1. Director (PRDD) Securities and Exchange Commission of Pakistan - Islamabad
2. Managing Director - The Karachi Stock Exchange (Guarantee) Limited
3. Managing Director - The Lahore Stock Exchange (Guarantee) Limited
4. Managing Director - The Islamabad Stock Exchange (Guarantee) Limited
5. Chief Executive Officer - Central Depository Company of Pakistan Limited
6. Chief Executive Officer - Mutual Fund Association of Pakistan
7. Chairman - Pakistan Banking Association