



National Clearing Company of Pakistan Limited

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

NCCPL/CM/March-12/16

March 30, 2012

Settlement of Un-affirmed/Rejected Broker to Broker (BTB) and Institutional Delivery System (IDS) Transactions and Optional BTB for Inter-Exchange Proprietary Trades

Dear Clearing Members,

A. Settlement of Un-affirmed/Rejected Broker to Broker (BTB) and Institutional Delivery System (IDS) Transactions:

- Presently, all un-affirmed and rejected Broker to Broker (BTB) and Institutional Delivery System (IDS) Transactions are being settled by the initiating Clearing Member (CM) through their respective CDS main account. In this respect, in order to minimize the use of CDS Main Account, necessary development has been made in NCSS whereby all un-affirmed and rejected BTB and IDS Transactions will be settled by the initiating Clearing Member, **effective from Monday, April 02, 2012**, in the following manner:
- All un-affirmed BTB Transactions will now be settled through CDS House Account of the Initiating CM. However, if CDS sub-account of the counter CM is maintained with the Initiating CM, un-affirmed BTB Transactions will be settled through such CDS Sub-Account of the counter CM.
- All rejected BTB Transactions will now be settled through CDS House Account of the Initiating CM.
- All IDS Transactions remained un-affirmed or rejected by Non-broker Clearing Members (NBCMs) will now be settled through CDS House Account of the Initiating CM.

B. Optional BTB for Inter-Exchange Proprietary Trades

- At present, all Inter-Exchange trades including proprietary trades of Broker Clearing Member ("BCM") of the other exchange are being Auto-Initiated through BTB Module of NCSS. In this respect, in order to provide facilitation in settlement processes, **BTB Functionality will become optional for the Inter-Exchange trades to be executed for proprietary account of BCM of other stock exchange effective from Monday, April 02, 2012**.
- Accordingly, UIN Set-up Screen of NCSS has been modified in a manner whereby, at the time of UIN Registration of proprietary account of BCM of the other exchange, registering BCMs will now be required to **Mark or Un-Mark "BTB Eligible" for such proprietary accounts**.



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- In case where registering BCM, **mark** the proprietary account of BCM of other stock exchange as “**BTB Eligible**”, than all trades executed on such client code will be **Auto-Initiated as per the existing BTB mechanism of NCSS**.
- In case where registering BCM **does not mark** the proprietary account of BCM of other stock exchange as “**BTB Eligible**”, than all trades executed on such client code will **NOT** be **Auto-Initiated**. In such case, tagging of CDS sub-account with the proprietary client code of BCM of other stock exchange will be mandatory by registering BCM.
- Effective from **Monday, April 02, 2012**, all existing proprietary account of BCMs maintained with the BCM of the other exchange will be **marked as eligible for BTB Initiation**.

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