



ISO 27001 Certified

National Clearing Company of Pakistan Limited

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

NCCPL/CM/JULY-18/09

July 12, 2018

Implementation of Liquid Capital Requirements on Securities Brokers

Dear Clearing Members,

Please find attached the Securities and Exchange Commission of Pakistan (SECP) letter No. SMD/SE/2(267)/2016 dated July 12, 2018 on the captioned matter, which is self-explanatory, for your information.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN No. 021-111-111-622.

Regards,

_____sd_____

Muhammad Asif
Head of Operations

CC:

1. Director/HOD - Policy, Regulation and Development Department - SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Managing Director - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited
4. Chairman - Pakistan Banking Association

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Securities and Exchange Commission of Pakistan
Securities Market Division
Policy, Regulation and Development Department

No. SMD/SE/2(267)/2016

July 12, 2018

Mr. Richard Morin
Chief Executive Officer,
Pakistan Stock Exchange Limited
Karachi.

Mr. Muhammad Lukman
Chief Executive Officer,
National Clearing Company of Pakistan Limited
Karachi.

Subject: Implementation of Liquid Capital Requirements on Securities Brokers

Dear Sirs,

This is in continuation to the Securities and Exchange Commission of Pakistan (SECP) letter dated March 19, 2018 on the subject matter.

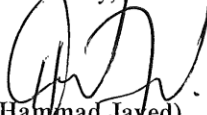
The NCCPL, vide letter dated July 11, 2018 to the SECP conveyed the requests from securities brokers to extend the implementation timeline of Liquid Capital ("LC") requirements due to prevailing market conditions and reduced trading activity.

The SECP in exercise of its powers conferred under the Securities Brokers (Licensing and Operations) Regulations, 2016, while considering the aforementioned, has approved phased implementation of minimum LC amounts, with revised timeline, as follows:

- i. All securities brokers shall be required to maintain minimum LC of Rs. 7.5 million effective December 31, 2018 and onwards. However, effective June 30, 2019 and onwards all securities brokers shall be required to maintain enhanced minimum LC amount of Rs. 10 million.
- ii. All securities brokers shall continue to submit unaudited monthly certificates and half-yearly audited certificates of NCB and LC till such time that NCB requirements are discontinued.

Revised timeline for implementation of LC requirements on Securities Brokers may accordingly be communicated to relevant stakeholders.

Yours truly,



(Hammad Jayed)
Joint Director