



National Clearing Company of Pakistan Limited

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

NCCPL/CM/MARCH-19/02

March 4, 2019

2nd REMINDER for CAPITAL ADEQUACY REQUIREMENT **AUDITED CERTIFICATE OF NET CAPITAL BALANCE**

Dear Broker Clearing Members,

This is with reference to NCCPL Circular NCCPL/CM/JANUARY-19/13 dated January 25, 2019 on the captioned subject.

All Broker Clearing Members "BCMs" are hereby notified to submit audited certificate of Net Capital Balance "NCB" as of **December 31, 2018** latest by close of business **March 15, 2019**. The half yearly NCB certificate must be duly audited/ verified by the **Statutory Auditor** of respective BCM as per the requirement of the Securities Broker (Licensing & Operations) Regulations, 2016 and in line with the Clarification/Guidelines/Regulations issued by the Commission.

Moreover, failure to comply with above stated requirements may result in regulatory action as prescribed under **Regulation 6.6 of Securities Brokers (Licensing & Operation) Regulations, 2016, quoted below:**

"In case of non-submission of statements of net capital balance and liquid capital within a time period as may be notified by the exchange, and clearing house or any shortfall in the net capital balance and/or liquid capital, either reported by the securities broker or identified by the securities exchange, clearing house or the Commission, the securities exchange, and clearing house shall immediately restrict the trading facility of such securities broker and shall only allow it to close out the open position in a controlled environment."

However, with reference to SECP Letter (Ref: SMD/SE/220/2016) submission of audited bi-annual liquid capital statement has been waived till June 30, 2019.

Please note that submission of **NCB** certificate shall only be accepted during **business hours (i.e. till 5:30 PM of the day)** which will be updated in the system within **two working** days. Please also mention allocation of your **NCB** in respect of **Debt Market**.



National Clearing Company of Pakistan Limited

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

In addition to the half yearly audited statement of NCB; BCMs shall continue to submit monthly statement of NCB with securities exchange and clearing house as per **Regulation 6.3. of Securities Broker (Licensing & Operation) Regulations, 2016**, in a timely manner.

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

Regards,

sd

Rehan Saif
Head of PD & CSS

CC:

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