



National Clearing Company of Pakistan Limited

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

NCCPL/CM/MARCH-20/10

March 11, 2020

REMINDER CAPITAL ADEQUACY REQUIREMENT
REVIEWED/AUDITED NET CAPITAL BALANCE “NCB” in accordance with the
Securities Brokers (Licensing & Operations) Regulations, 2016

Dear Broker Clearing Members,

This is with reference to NCCPL Circular NCCPL/CM/MARCH-20/05 dated March 04, 2020 on the captioned subject.

In pursuance of provisions contained under Regulation **6(3)** of **Securities Brokers (Licensing & Operation) Regulations, 2016**, All Broker Clearing Members “BCM” are hereby notified to submit **their Net Capital Balance “NCB”** as of **December 31, 2019** as follows:

- a. BCMS’ with financial year ending on June 30, 2020 - shall submit their NCB Statement as on December 31, 2019 duly reviewed by their external auditor to NCCPL latest by **March 16, 2020**.
- b. BCMS’ with financial year ended on **December 31, 2019** shall submit their **annual audited financial statements** disclosing **NCB** as on December 31, 2019 latest by **April 30, 2020**.

The relevant extracts from Securities Brokers (Licensing & Operations) Regulations, 2016 have been reproduced below for ready reference;

“A securities broker shall file monthly statements of net capital balance and liquid capital with the securities exchange and clearing house computed in a manner specified in Schedule II and III respectively, immediately after coming into force of these regulations, and shall also submit reviewed statement of net capital balance as on close of second quarter of its year of accounts and shall also disclose the net capital balance in its annual audited financial statements in accordance with regulation 34.”

Please note that above stated documents shall only be accepted during **business hours (i.e. till 5:30 PM)** and corresponding NCB value update in NCCPL systems shall take place within **two working days’** post submission.

Further, BCMS’ for allocating a part of their **NCB** in relation to **Debt Market** trading are requested to provide such allocated amount in writing at the time of submission of NCB.



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Please be advised that non-compliance of above stated timelines may result in enforcement action as prescribed under **Regulation 6(6) of Securities Brokers (Licensing & Operation) Regulations, 2016**.

Please note that the requirement for submission of liquid capital is waived by SECP till June 30, 2020 as intimated through PSX circular ref: PSX/1677 dated December 31, 2019.

In addition to the above explained submission requirements; BCMs shall continue to submit monthly unaudited **Net Capital Balance "NCB"** and **Liquid Capital "LC"** statements with Pakistan Stock Exchange and NCCPL 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

Syed Abdul Ahad Hasan
Senior Manager – PD & CSS

CC:

1. Executive 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