National Clearing Company of Pakistan Limited

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

NCCPL/CM/OCTOBER-21/15
October 28, 2021

REMINDER-CAPITAL ADEQUACY REQUIREMENT
REVIEWED/AUDITED FINANCIAL STATEMENTS CONTAINING CERTIFICATE OF NET CAPITAL BALANCE "NCB" and LIQUID CAPITAL "LC" STATEMENT

Dear Broker Clearing Members,

This is in continuation to our circular NCCPL/CM/SEPTEMBER-21/20 dated September 28, 2021

All Broker Clearing Members "BCMs" whose financial year end is **June 30** are hereby notified to submit annual audited Financial Statement latest by **November 01, 2021** disclosing;

(i) **Net Capital Balance "NCB"** statement as of June 30, 2021 in accordance with Regulation 6(3) of Securities Brokers (Licensing & Operation) Regulations, 2016;

(ii) **Liquid Capital "LC"** statement as of June 30, 2021 in accordance with Securities and Exchange Commission of Pakistan (SECP) letter (Ref No. SMD/SE/220/2016/134) dated June30, 2021.

Further, BCMs' who wish to allocate a portion of their **LC** for **Debt Market** trading are requested to intimate allocated values to NCCPL accordingly in line with the NCCPL regulations 2015.

Note: Reference to NCCPL Circular # NCCPL/CM/SEPTEMBER-21/20 dated September 28, 2021 on "Implementation of Financial Resource Requirements On Securities Brokers"; The exposure will be allowed based on the Lower of Audited and Unaudited Liquid Capital Certificate submitted to NCCPL as per NCCPL Regulations 2015.

Please note that above stated submissions shall only be accepted during **business hours (i.e. till 5:30 PM)** and the subsequent NCB & LC value adjustment in NCCPL systems shall take place within **two working** days' post submission.

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*;***

"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."

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

Regards,

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Muhammad Asif
General Manager / Head of Operations

Regards,

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
6. Pakistan Stock Brokers Association
7. Managing Director – Pakistan Mercantile Exchange Limited (For Circulation to all Authorized Intermediaries of PMEX)