



National Clearing Company of Pakistan Limited

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

NCCPL/CM/FEBRUARY-24/04

February 06, 2024

Approved Amendments in NCCPL Regulations, 2015

Dear Clearing Members,

This is with reference to NCCPL Circular No. NCCPL/CM/FEBRUARY-23/17 Dated February 24, 2023 whereby NCCPL notified Approved Amendments (Attached as Annexure “A”) to the NCCPL Regulations, 2015 pertaining to the Rollover Facility of Margin Financing (“MF”) Transactions.

In this respect, it may please be noted that above mentioned facility shall be implemented effective from **February 19, 2024**. In order to provide complete understanding to the Market Participants, NCCPL is conducting an awareness session on Wednesday February 07, 2024 at 3:45 PM through zoom as per following login credentials:

Join Zoom Meeting:

<https://us06web.zoom.us/j/84334356626?pwd=8xZfV6swdUtKcPbMdGiPScHb0TXNaa.1>

Meeting ID: 843 3435 6626

Passcode: 926730

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN 021-111-111-622 or visit our website www.nccpl.com.pk

You can approach our Customer Support services through WhatsApp vide 021-111-111-622 or Click [here](#).

Regards,

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Muhammad Asif

General Manager / HOD - Operations

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. Pakistan Stock Brokers Association



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APPROVED AMENDMENTS IN NCCPL REGULATIONS 2015

Annexure "A"

7B.3.5 (a) MF Rollover Transaction

1. A rollover of MF Transaction can be initiated between MF Participants only when a change in the mark-up rate and/or MF Transaction Value and/or recovery of accrued mark-up is required.

Provided rollover of MF Transaction for recovery of accrued mark-up can be initiated, at regular respective interval of 5 Business Days, 10 Business Days or 22 Business Days commencing from the date of MF Transaction or the last rollover carried out for recovery of mark-up, further, the principle amount of MF Transaction under all such rollovers for recovery of mark-up shall remain unchanged.

2. A rollover of MF transaction can be initiated by a Margin Financier with Margin Finnee in whole multiples of Marketable Lots of Margin Financed Securities against any open MF Transaction Position in accordance with the mechanism prescribed by the Company in the Procedures.

3. Initiating Margin Financier can cancel the initiated MF rollover transactions at any time before it is affirmed by the counter-party Margin Finnee.

4. Upon initiation of an MF rollover transaction, the same details shall be reflected through MF Module to the counter-party Margin Finnee for its affirmation. Affirming Margin Finnee shall not be allowed to edit the details of the initiated MF rollover transaction and shall have an option to affirm or reject the initiated MF rollover transactions within Designated Time Schedule on the Trade Date and till T+1.

5. If an initiated MF rollover transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule on the Transaction Date or till T+1, NCCS shall automatically drop it during End of Day process for further processing.

Provided that where rollover of MF Transaction is initiated by Margin Financier on account of change in MF Transaction Value, the Broker Margin Financier will be required to ensure collection of Mark-to-Market losses from its clients in the form of cash only whereas Non-Broker Margin Financier will collect Mark-to-Market losses from Margin Finnee as per terms and conditions set out in the Margin Financing Agreement. The Company shall ensure compliance of this requirement through appropriate procedures including auditing and inspection of records. Any discrepancy found may be subject to disciplinary action under Regulation 14.1 and Regulation 7B.9 of these Regulations.

Provided further that, the only obligation of Company with respect to MF rollover transaction or early recovery of accrued mark-up, on account of change in MF Transaction Value, is to provide a screen for initiation of MF Rollover transaction between MF Participants. Margin Financier shall be responsible for collection of Mark-to-Market losses or accrued mark-up from Margin Finnee before initiation of MF Rollover transaction. The Company shall not be held responsible for any obligation or dispute arising due to rollover of MF Transaction Value or change in the mark-up rate or based on early recovery of the accrued mark-up, all such matters shall be solely dealt with and handled by the Margin Financier and Margin Finnee without having any recourse to the Company under all circumstances.