



National Clearing Company of Pakistan Limited
8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/OCTOBER-25/06
October 10, 2025

Approved Amendments in NCCPL Regulations, 2015

Dear Clearing Members,

Please find attached herewith the approved amendment in the **National Clearing Company of Pakistan Limited** Regulations, 2015, Pertaining to Fee, Charges and Deposits Schedule pursuant to Transition from T+2 to T+1 Settlement Cycle.

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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Adnan Akhtar
Assistant General Manager - 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. Pakistan Stock Brokers Association

APPROVED AMENDMENTS IN THE NCCPL REGULATIONS, 2015

Existing Regulatory Provisions	Approved Amendments	Rationale
CHAPTER 2: INTERPRETATION AND DEFINITIONS		
<p>2.8 Definitions</p> <p>Applicant</p> <p>shall mean and include the following:</p> <ul style="list-style-type: none"> • an eligible person who has applied to the Company for admission as NCC Participant in accordance with these Regulations; • an NCC Participant who has applied to the Company for admission as a Lender/Borrower with respect to Securities Lending and Borrowing under Chapter 7A of these Regulations; • a NCC Participant who has applied to the Company for admission as a Margin Financier with respect to Margin Financing System under Chapter 7B of these Regulations; • a NCC Participant who has applied to the Company for admission as a Trading Financier with respect to Margin Trading System under Chapter 7C of these Regulations; • an Eligible Person who has applied to the Company for admission as a Reporting Member under Chapter 9 of these Regulations; • an Eligible Person who has applied to the Company for admission as a Professional Clearing Member under Chapter 9A of these Regulations; • a person who applies to the Company for admission as an NCS Client under Chapter 30 of these Regulations; • a Clearing Member who has applied to the Company for admission as a MSF Seller for Murabaha Share Financing under Chapter 7E of these Regulations; and 	<p>2.8 Definitions</p> <p>Applicant</p> <p>shall mean and include the following:</p> <ul style="list-style-type: none"> • an eligible person who has applied to the Company for admission as NCC Participant in accordance with these Regulations; • an NCC Participant who has applied to the Company for admission as a Lender/Borrower with respect to Securities Lending and Borrowing under Chapter 7A of these Regulations; • a NCC Participant who has applied to the Company for admission as a Margin Financier with respect to Margin Financing System under Chapter 7B of these Regulations; • a NCC Participant who has applied to the Company for admission as a Trading Financier with respect to Margin Trading System under Chapter 7C of these Regulations; • an Eligible Person who has applied to the Company for admission as a Reporting Member under Chapter 9 of these Regulations; • an Eligible Person who has applied to the Company for admission as a Professional Clearing Member under Chapter 9A of these Regulations; • a person who applies to the Company for admission as an NCS Client under Chapter 30 of these Regulations; • a Clearing Member who has applied to the Company for admission as a MSF Seller for Murabaha Share Financing under Chapter 7E of these Regulations; and 	<ul style="list-style-type: none"> ▪ At present, the NDNF request could be initiated by NDNF Participant on T+1. After the implementation of shorter settlement cycle, the NDNF request could not be initiated as the transaction will be settled on T+1. Accordingly, necessary changes have been proposed. ▪ Since after the implementation of T+1 settlement cycle, all the initiated transactions pertaining to Custodian Clearing Members will be processed at the end of the trade date on T+0 and an option will be provided to reject these transactions till T+1 as per designated time, therefore, necessary changes have been made to update the regulations according to the proposed mechanism.

<ul style="list-style-type: none"> • A Clearing Member who has applied to the Company for availing NDNF. <p>Application form</p> <p>means the following Application forms prescribed and made available by the Company from time to time:</p> <ul style="list-style-type: none"> • Application form for admission as NCC Participant; • Application form for admission of a NCC Participant as a Margin Financier under Chapter 7B of these Regulations; • Application form for admission of a NCC Participant as a Trading Financier under Chapter 7C of these Regulations; • Application form for admission of an Eligible Person as Reporting Member under Chapter 9 of these Regulations; • Application form for admission of an Eligible Person as Professional Clearing Member under Chapter 9A of these Regulations; • Application form for admission as an NCS Client under Chapter 30 of these Regulations; • Application form, for admission of a Clearing Member as a MSF Seller in the MSF System under Chapter 7E of these Regulations; and • Application form prescribed and made available by the Company from time to time, for allowing NDNF to a Clearing Member under these Regulations. <p>Available NDNF Amount</p> <p>means for any NDNF Transaction the amount specified by the Company on a Trade Date in accordance with Regulation 7F.3.2.2 as reduced by the total amount of NDNF/ESF Transaction Value of all NDNF/ESF Transactions already confirmed by</p>	<ul style="list-style-type: none"> • A Clearing Member who has applied to the Company for availing ESF. NDNF. <p>Application form</p> <p>means the following Application forms prescribed and made available by the Company from time to time:</p> <ul style="list-style-type: none"> • Application form for admission as NCC Participant; • Application form for admission of a NCC Participant as a Margin Financier under Chapter 7B of these Regulations; • Application form for admission of a NCC Participant as a Trading Financier under Chapter 7C of these Regulations; • Application form for admission of an Eligible Person as Reporting Member under Chapter 9 of these Regulations; • Application form for admission of an Eligible Person as Professional Clearing Member under Chapter 9A of these Regulations; • Application form for admission as an NCS Client under Chapter 30 of these Regulations; • Application form, for admission of a Clearing Member as a MSF Seller in the MSF System under Chapter 7E of these Regulations; and • Application form prescribed and made available by the Company from time to time, for allowing ESF NDNF to a Clearing Member under these Regulations. <p>Available NDNF Amount</p> <p>means for any NDNF Transaction the amount specified by the Company on a Trade Date in accordance with Regulation 7F.3.2.2 as reduced by the total amount of NDNF/ESF Transaction Value of all NDNF/ESF Transactions already confirmed by</p>	
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<p>NDNF/ESF Module on the relevant Trade Date.</p> <p>Custodian Clearing Member:</p> <p>means a person who is admitted by the Company as a Clearing Member under these Regulations for clearing, settlement and performance of risk management as pass through agent of all affirmed IDS trades executed on behalf of its clients.</p> <p>Haircut for NDNF</p> <p>means the percentage rates on which the relevant Securities are discounted for valuation purpose based on their liquidity and volatility as prescribed in the relevant Chapter of these Regulations.</p> <p>Maturity Date</p> <p>Means the following:</p> <ul style="list-style-type: none"> • in respect of SLB Contract, Business Day on which the NCSS will automatically initiate a SLB (R) Transaction before the opening of business, which shall be settled in accordance with the NCSS Procedures. • in respect of MT Contract for MT Eligible Securities as defined in Regulation 7C.3.2, falling under category A specified in Regulation 12.5.2(a) each of 15th, 30th, 45th and 60th calendar day of the MT Transaction Date on each of which day the MTS will automatically initiate a MT (R) Transaction for release of one fourth quantity of MT Transaction, nearest to the marketable lots, subject to adjustment of quantity released upon Accelerated Maturity Date(s), if any, before the opening of business, which shall be settled in accordance with these Regulations. Provided that, while releasing one fourth quantity of MT Transaction, nearest to the marketable lots, priority will be given to the MT(R) 	<p>NDNF/ESF Module on the relevant Trade Date.</p> <p>Custodian Clearing Member:</p> <p>means a person who is admitted by the Company as a Clearing Member under these Regulations for clearing, settlement and performance of risk management as pass through agent of all affirmed / <u>un-rejected</u> IDS trades executed on behalf of its clients.</p> <p>Haircut for NDNF</p> <p>means the percentage rates on which the relevant Securities are discounted for valuation purpose based on their liquidity and volatility as prescribed in the relevant Chapter of these Regulations.</p> <p>Maturity Date</p> <p>Means the following:</p> <ul style="list-style-type: none"> • in respect of SLB Contract, Business Day on which the NCSS will automatically initiate a SLB (R) Transaction before the opening of business, which shall be settled in accordance with the NCSS Procedures. • in respect of MT Contract for MT Eligible Securities as defined in Regulation 7C.3.2, falling under category A specified in Regulation 12.5.2(a) each of 15th, 30th, 45th and 60th calendar day of the MT Transaction Date <u>i.e. T+0</u> on each of which day the MTS will automatically initiate a MT (R) Transaction for release of one fourth quantity of MT Transaction, nearest to the marketable lots, subject to adjustment of quantity released upon Accelerated Maturity Date(s), if any, before the opening of business, which shall be settled in accordance with these Regulations. Provided that, while releasing one fourth quantity of MT Transaction, nearest to the marketable lots, priority will be given 	
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<p>Transaction(s) of the Financee.</p> <ul style="list-style-type: none"> Means in respect of MT Contract for MT Eligible Securities as defined in 7C.3.2 falling under category B, C or D specified in Regulation 12.5.2(a), the 30th calendar day of the MT Transaction Date, the MTS will automatically initiate a MT (R) Transaction for release of MT Transaction before the opening of business, which shall be settled in accordance with these Regulations. in respect of NDNF Transactions, the following Settlement Day on which the CM or client of a particular CM has credit balance of at least up to the extent of NDNF Transaction Value. <p>NDN Facility means next day netting facility made available by the Company in accordance with the regulations contained in Chapter 7F to temporarily fund the money obligations of an NDNF Participant or its client to be set off against the net credit of such NDNF Participant or its client on the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date.</p> <p>NDNF Amount means an amount allocated by the Company for NDNF Transactions from time to time.</p> <p>NDNF Contract means a combination of a NDNF Transaction and a NDNF (R) Transaction, wherein the NDNF (R) Transaction shall be settled on the Maturity Date automatically.</p> <p>NDNF Module</p>	<p>to the MT(R) Transaction(s) of the Financee.</p> <ul style="list-style-type: none"> Means in respect of MT Contract for MT Eligible Securities as defined in 7C.3.2 falling under category B, C or D specified in Regulation 12.5.2(a), the 30th calendar day of the MT Transaction Date <u>i.e. T+0</u>, the MTS will automatically initiate a MT (R) Transaction for release of MT Transaction before the opening of business, which shall be settled in accordance with these Regulations. <p>in respect of NDNF Transactions, the following Settlement Day on which the CM or client of a particular CM has credit balance of at least up to the extent of NDNF Transaction Value.</p> <p>NDN Facility means next day netting facility made available by the Company in accordance with the regulations contained in Chapter 7F to temporarily fund the money obligations of an NDNF Participant or its client to be set off against the net credit of such NDNF Participant or its client on the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date.</p> <p>NDNF Amount means an amount allocated by the Company for NDNF Transactions from time to time.</p> <p>NDNF Contract means a combination of a NDNF Transaction and a NDNF (R) Transaction, wherein the NDNF (R) Transaction shall be settled on the Maturity Date automatically.</p> <p>NDNF Module</p>	
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<p>means a provision of a module in NCSS for initiating, confirming and recording of NDNF Transactions.</p> <p>NDNF Participant means a Clearing Member, who has been admitted by the Company as an NDNF Participant under Regulation 7F.2.1.</p> <p>NDNF Request means the request initiated by an NDNF Participant in accordance with Regulation 7F.2.1 for availing NDN Facility.</p> <p>NDNF Service Charges means the service charges as defined in the Fee, Deposit and Charges Schedule by the Company from time to time.</p> <p>NDNF System ID means the code allocated by the Company to itself for recording and settlement of NDNF Transactions.</p> <p>NDNF Transaction means a Non-Exchange Transaction initiated as an NDNF Request and confirmed through the NDNF Module for availing NDN Facility.</p> <p>NDNF (R) Transaction means a Non-Exchange Transaction automatically initiated in the NDNF Module which will be adjusted automatically on the Maturity Date.</p> <p>NDNF Transaction Date means the date on which an NDNF Transaction is initiated in accordance with Regulation 7F.3.2.</p> <p>NDNF Transaction Value means the amount involved in the respective NDNF Transaction.</p> <p>NDNF (R) Transaction Value means the NDNF Transaction Value of the corresponding NDNF Transaction</p>	<p>means a provision of a module in NCSS for initiating, confirming and recording of NDNF Transactions.</p> <p>NDNF Participant means a Clearing Member, who has been admitted by the Company as an NDNF Participant under Regulation 7F.2.1.</p> <p>NDNF Request means the request initiated by an NDNF Participant in accordance with Regulation 7F.2.1 for availing NDN Facility.</p> <p>NDNF Service Charges means the service charges as defined in the Fee, Deposit and Charges Schedule by the Company from time to time.</p> <p>NDNF System ID means the code allocated by the Company to itself for recording and settlement of NDNF Transactions.</p> <p>NDNF Transaction means a Non-Exchange Transaction initiated as an NDNF Request and confirmed through the NDNF Module for availing NDN Facility.</p> <p>NDNF (R) Transaction means a Non-Exchange Transaction automatically initiated in the NDNF Module which will be adjusted automatically on the Maturity Date.</p> <p>NDNF Transaction Date means the date on which an NDNF Transaction is initiated in accordance with Regulation 7F.3.2.</p> <p>NDNF Transaction Value means the amount involved in the respective NDNF Transaction.</p> <p>NDNF (R) Transaction Value means the NDNF Transaction Value of the corresponding NDNF</p>	
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<p>plus NDNF Service Charges for such NDNF Transaction Value.</p> <p>Non Exchange Transaction:</p> <p>Means a Market Contract which includes the following:</p> <ul style="list-style-type: none"> • an institutional delivery system (IDS) transaction, as per the Procedures, which is not effected on the Exchange and is initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member based on an Exchange Trade; or and is recorded on NCSS in which the initiating Clearing Member notifies NCSS that the transaction shall be settled by an affirming Clearing Member on his behalf, provided that such affirmation is made by a Clearing Member (who is a non-TRE Certificate Holder of the Exchange.). • MT Transaction and MT (R) Transaction as defined in these Regulations. • SLB Transaction and SLB (R) Transaction, as defined in these Regulations including an institutional delivery system transaction, as per the terms and conditions prescribed in the Procedures. • MF Transaction and MF (R) Transaction as defined in these Regulations. Provided that Non Exchange Transaction excluding IDS transaction, shall not be allowed on trades executed in the NDM Reporting Interface for T+0 settlement cycle. 	<p>Transaction plus NDNF Service Charges for such NDNF Transaction Value.</p> <p>Non Exchange Transaction</p> <p>Means a Market Contract which includes the following:</p> <ul style="list-style-type: none"> • an institutional delivery system (IDS) transaction, as per the Procedures, which is not effected on the Exchange and is initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member based on an Exchange Trade; or and is recorded on NCSS in which the initiating Clearing Member notifies NCSS that the transaction shall be settled by an affirming/non-rejecting Clearing Member on his behalf, provided that such affirmation / non-rejection is made by a Clearing Member (who is a non-TRE Certificate Holder of the Exchange.). • MT Transaction and MT (R) Transaction as defined in these Regulations. • SLB Transaction and SLB (R) Transaction, as defined in these Regulations including an institutional delivery system transaction, as per the terms and conditions prescribed in the Procedures. • MF Transaction and MF (R) Transaction as defined in these Regulations. Provided that Non Exchange Transaction excluding IDS transaction, shall not be allowed on trades executed in the NDM Reporting Interface for T+0 settlement cycle. 	
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<p>Provided that the Company, through notification and subject to such term and conditions as it may deemed appropriate, may allow execution of Non-Exchange Transactions on T+0 settlement cycle.</p> <ul style="list-style-type: none"> • NDNF Transaction, as per the Regulations and Procedures, which is not effected on a Securities Exchange and is initiated by a Clearing Member in NDNF module based on net money obligation as explained under Chapter 7F of the Regulations. <p>Standing Instruction</p> <p>means a Standing Instruction submitted by a Custodian Clearing Member to the Company in the form prescribed by the Company from time to time and for the purpose of these Regulations shall be considered as acceptable Collateral against Margins and Marked-to-Market Losses that may be required by the Company.</p> <p>Provided that a Non-Broker Clearing Member which is a bank, shall be eligible to provide the Standing Instruction as advance against bid amount in terms of Regulation 9.16 of these Regulations and it shall also be considered as acceptable Collateral against Margins and Marked-to-Market Losses that may be required by the Company for trades and transactions executed in GDS Market.</p> <p>Such Standing Instruction shall allow the Company to directly collect the net amount payable to the Company against all affirmed IDS transactions by the Custodian Clearing Member and / or a bank admitted as a Clearing Member for advance against bid</p>	<p>Provided that the Company, through notification and subject to such term and conditions as it may deemed appropriate, may allow execution of Non-Exchange Transactions on T+0 settlement cycle.</p> <ul style="list-style-type: none"> • NDNF Transaction, as per the Regulations and Procedures, which is not effected on a Securities Exchange and is initiated by a Clearing Member in NDNF module based on net money obligation as explained under Chapter 7F of the Regulations. <p>Standing Instruction</p> <p>means a Standing Instruction submitted by a Custodian Clearing Member to the Company in the form prescribed by the Company from time to time and for the purpose of these Regulations shall be considered as acceptable Collateral against Margins and Marked-to-Market Losses that may be required by the Company.</p> <p>Provided that a Non-Broker Clearing Member which is a bank, shall be eligible to provide the Standing Instruction as advance against bid amount in terms of Regulation 9.16 of these Regulations and it shall also be considered as acceptable Collateral against Margins and Marked-to-Market Losses that may be required by the Company for trades and transactions executed in GDS Market.</p> <p>Such Standing Instruction shall allow the Company to directly collect the net amount payable to the Company against all affirmed / un-rejected IDS transactions by the Custodian Clearing Member and / or a bank admitted as a Clearing Member for</p>	
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<p>amount in terms of Regulation 9.16 and all transactions in GDS Market on the respective Settlement Date in accordance with these Regulations and NCSS Procedures through the Real-Time Gross Settlement (“RTGS”) mechanism as a special participant of the PRISM System.</p> <p>Provided further, that development financial institutions as defined in the regulation of the State Bank of Pakistan may also be allowed to provide Standing Instruction subject to such terms and conditions and in accordance with the manner prescribed in Procedures.</p>	<p>advance against bid amount in terms of Regulation 9.16 and all transactions in GDS Market on the respective Settlement Date in accordance with these Regulations and NCSS Procedures through the Real-Time Gross Settlement (“RTGS”) mechanism as a special participant of the PRISM System.</p> <p>Provided further, that development financial institutions as defined in the regulation of the State Bank of Pakistan may also be allowed to provide Standing Instruction subject to such terms and conditions and in accordance with the manner prescribed in Procedures.</p>	
CHAPTER 7B MARGIN FINANCING SYSTEM		
<p>7B.3.3 MF Transaction initiation and affirmation process</p> <p>1. Margin Financier will be required to define the requisite details in MF Module such as Margin Finanee, maximum Margin Financing amount, MF Eligible Security (ies), FPR and any other information that may be required by the Company from time to time.</p> <p>2. Margin Financing facility shall be available against ready market net purchases on each Trade Date and deliverable futures market net purchase determined at the end of the contract and shall be available to the MF Participants till T+1 in ready market and/or one day after close of the deliverable futures market contract period (hereinafter referred as T+1 jointly for ready market and deliverable futures market) in accordance with the Designated Time Schedule. For this purpose, the Company shall calculate the Margin Finanee-wise, Security-wise and UIN-wise (including proprietary account) net purchases from ready market trades and for deliverable futures market at the end of the contract</p>	<p>7B.3.3 MF Transaction initiation and affirmation process</p> <p>1. Margin Financier will be required to define the requisite details in MF Module such as Margin Finanee, maximum Margin Financing amount, MF Eligible Security (ies), FPR and any other information that may be required by the Company from time to time.</p> <p>2. Margin Financing facility shall be available against ready market net purchases on each Trade Date i.e T+0 and deliverable futures market net purchase determined at the end of the contract and shall be available to the MF Participants till T+1 T+0 in ready market and/or one day after close-of-on the closing day of the deliverable futures market contract period (hereinafter referred as T+0 jointly for ready market and deliverable futures market) in accordance with the Designated Time Schedule. For this purpose, the Company shall calculate the Margin Finanee-wise, Security-wise and UIN-wise (including proprietary account) net purchases from ready market trades and for deliverable futures</p>	<p>For existing T+2 settlement cycle, the Margin Finanee is allowed to initiate the MF Transaction till T+1 and the same can be affirmed by the Margin Financier till T+1. However, after the implementation of T+1 settlement cycle, both initiation and affirmation process will have to be completed on the Trade Date or T+0. Accordingly, requisite changes have been proposed to align with the operational model.</p>

<p>period available on that Trade date (i.e. leverage purchase on T+0 and T+1) received on NCSS for each Securities Broker as Margin Financee. The net purchases shall not include purchases that are financed in the MT Market.</p> <p>Margin Financing facility against ready market net purchases and deliverable futures market net purchase determined at the end of the contract may also be made available to the MF Participants on the Settlement Date as per the Designated Time Schedule. The net purchases shall not include purchases that are financed on Trade Date and T+1 as stated above. Such financing facility may only be extended by the Company to the MF participants if the Company, at its sole discretion, determines that requirement of financing by MF Participants on Settlement Date is genuine.</p> <p>3. Based on the above net purchases calculated by the Company as provided in paragraph 2 above, the Margin Financee may initiate MF Transaction (until affirmed by the Margin Financier, such transaction will be hereinafter referred to as “Initiated Transaction”) fully or partially in whole multiples of Marketable Lots on NCSS. Such Initiated Transactions can be initiated by the Margin Financee and transmitted to Margin Financier till T+1 within Designated Time Schedule.</p> <p>Provided that a PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier cannot provide Margin Financing to another PCM, TOSB (Keeping limited custody), TSSB and TCSB Clearing Members or its</p>	<p>market at the end of the contract period available on that Trade date (i.e. leverage purchase on T+0 and T+1) received on NCSS for each Securities Broker as Margin Financee. The net purchases shall not include purchases that are financed in the MT Market.</p> <p>Margin Financing facility against ready market net purchases and deliverable futures market net purchase determined at the end of the contract may also be made available to the MF Participants on the Settlement Date as per the Designated Time Schedule. The net purchases shall not include purchases that are financed on Trade Date <u>i.e. T+0 and T+1</u> as stated above. Such financing facility may only be extended by the Company to the MF participants if the Company, at its sole discretion, determines that requirement of financing by MF Participants on Settlement Date is genuine.</p> <p>3. Based on the above net purchases calculated by the Company as provided in paragraph 2 above, the Margin Financee may initiate MF Transaction (until affirmed by the Margin Financier, such transaction will be hereinafter referred to as “Initiated Transaction”) fully or partially in whole multiples of Marketable Lots on NCSS. Such Initiated Transactions can be initiated by the Margin Financee and transmitted to Margin Financier till <u>T+1 on Trade Date i.e. T+0</u> within Designated Time Schedule.</p> <p>Provided that a PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier cannot provide Margin Financing to another PCM, TOSB (Keeping limited custody), TSSB and TCSB Clearing Members or its</p>	
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<p>clients/Associated entity and its clients.</p> <p>Where Margin Finanee and Margin Financier is the same PCM, TOSB (Keeping limited custody), TCSB and TSSB Clearing Members, in such case, at the time of MF Transaction initiation, it shall be identified that funding will be provided by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier from its own resources to its client/Associated entity and its clients and/or funding is arranged from bank as specified in the Rules. In case where MF Transaction is initiated to provide funding by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier from its own resources, in such case, CDS MF house account in MF Blocked Status of a PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier will be linked with such initiated MF Transaction. In case where MF Transaction is initiated against arrangement of funding from bank, in such case, CDS MF sub account of a client/ Associated entity or its client in MF Blocked Status will be linked with such initiated MF Transaction.</p> <p>4. Upon initiation, the details of such Initiated Transaction shall be reflected on NCSS to the counter-party Margin Financier for its affirmation. However, affirmation shall be restricted up to FPR.</p> <p>5. Affirming Margin Financier shall not be allowed to edit the details of an Initiated Transaction and shall have an option to affirm or reject the entire Initiated Transaction within Designated Time Schedule till T+1.</p> <p>6. Initiating Margin Finanee can cancel an Initiated MF Transaction at any time before it is affirmed by the</p>	<p>clients/Associated entity and its clients.</p> <p>Further, where Margin Finanee and Margin Financier is the same PCM, TOSB (Keeping limited custody), TCSB and TSSB Clearing Members, in such case, at the time of MF Transaction initiation, it shall be identified that funding will be provided by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier from its own resources to its client/Associated entity and its clients and/or funding is arranged from bank as specified in the Rules. In case where MF Transaction is initiated to provide funding by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier from its own resources, in such case, CDS MF house account in MF Blocked Status of a PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier will be linked with such initiated MF Transaction. In case where MF Transaction is initiated against arrangement of funding from bank, in such case, CDS MF sub account of a client/ Associated entity or its client in MF Blocked Status will be linked with such initiated MF Transaction.</p> <p>4. Upon initiation, the details of such Initiated Transaction shall be reflected on NCSS to the counter-party Margin Financier for its affirmation. However, affirmation shall be restricted up to FPR.</p> <p>5. Affirming Margin Financier shall not be allowed to edit the details of an Initiated Transaction and shall have an option to affirm or reject the entire Initiated Transaction within Designated Time Schedule till T+1 <u>on Trade Date i.e. T+0.</u></p> <p>6. Initiating Margin Finanee can cancel an Initiated MF Transaction at any time before it is affirmed by the</p>	
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<p>Margin Financier. Upon cancellation of any Initiated Transaction by the initiating Margin Finnee or its rejection by the counter-party Margin Financier, NCSS shall allow generation of further MF Transactions up to limit of underlying net purchases in such MF Eligible Security.</p> <p>7. In order to avoid duplication of financing against ready market purchases available on that day or deliverable futures market net purchase determined at the end of the contract (i.e. leverage purchases on T+0 and T+1), the MF System shall compare such available purchases at UIN level in the ready market/ MTS Market at the end of each trading day and in the deliverable futures market at the end of contract with the volume of MF Transaction on that particular UIN. Accordingly, in case of any excess volume of MF Transactions of a Margin Finnee, such volume of MF Transaction shall be force released on that day.</p> <p>7a. Where an Initiated Transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule either on the Transaction Date or till T+1, NCSS shall automatically drop it from MF Module during End of Day process and such Initiated Transaction shall cease to exist.</p> <p>8. The initiation and affirmation of MF Transactions shall be subject to the fulfillment of the following conditions precedent:</p> <p>a) Credit line is available from Margin Financier along with list of MF Eligible Security(ies) and its respective FPR;</p> <p>b) An eligible Financier shall not finance any MF Eligible Security in excess of 10% of the free float of that MF Eligible Security.</p>	<p>Margin Financier. Upon cancellation of any Initiated Transaction by the initiating Margin Finnee or its rejection by the counter-party Margin Financier, NCSS shall allow generation of further MF Transactions up to limit of underlying net purchases in such MF Eligible Security.</p> <p>7. In order to avoid duplication of financing against ready market purchases available on that day or deliverable futures market net purchase determined at the end of the contract (i.e. leverage purchases on T+0 and T+1), the MF System shall compare such available purchases at UIN level in the ready market/ MTS Market at the end of each trading day and in the deliverable futures market at the end of contract with the volume of MF Transaction on that particular UIN. Accordingly, in case of any excess volume of MF Transactions of a Margin Finnee, such volume of MF Transaction shall be force released on that day.</p> <p>7a. Where an Initiated Transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule on the Transaction Date (<u>i.e T+0</u> or till T+1), NCSS shall automatically drop it from MF Module during End of Day process and such Initiated Transaction shall cease to exist.</p> <p>8. The initiation and affirmation of MF Transactions shall be subject to the fulfillment of the following conditions precedent:</p> <p>a) Credit line is available from Margin Financier along with list of MF Eligible Security(ies) and its respective FPR;</p> <p>b) An eligible Financier shall not finance any MF Eligible Security in excess of 10% of the free float of that MF Eligible Security.</p>	
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<p>c) Margin Finanee-wise, Security-wise and UIN-wise (including proprietary account) net purchases from ready market trades and / or deliverable futures market trades at the end of the contract are available for such MF Eligible Security(ies);</p> <p>d) Position limits (market-wide, Margin Finanee-wise, client-wide) as defined in relevant Chapter of these Regulations are available; and</p> <p>e) Capital adequacy limit as defined in relevant Chapter of these Regulations is not being exceeded.</p>	<p>c) Margin Finanee-wise, Security-wise and UIN-wise (including proprietary account) net purchases from ready market trades and / or deliverable futures market trades at the end of the contract are available for such MF Eligible Security(ies);</p> <p>d) Position limits (market-wide, Margin Finanee-wise, client-wide) as defined in relevant Chapter of these Regulations are available; and</p> <p>e) Capital adequacy limit as defined in relevant Chapter of these Regulations is not being exceeded.</p>	
<p>7B.3.4 Settlement of MF Transactions</p> <p>1. Settlement Date of each MF Transaction shall be the same of the underlying purchases of MF Eligible Securities in ready market and / or deliverable futures market at the end of the contract.</p> <p>Once the MF Transaction is affirmed by the respective counter-party Margin Financier, such MF Transactions shall be settled under balance order system as prescribed in these Regulations and the Procedures whereby, the Margin Financier shall be obliged to pay the affirmed MF Transaction Value on the Settlement Date. The remaining portion of the ready market purchases and / or deliverable futures market at the end of the contract shall be settled by the respective Margin Finanee on the respective Settlement Date. Upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF house account of the respective Margin Financier in MF Blocked Status, however, in case of a PCM or a TCSB providing services to the Associated Entity and its Clients, the margin Financed Securities may also be delivered to respective TOSBs</p>	<p>7B.3.4 Settlement of MF Transactions</p> <p>1. Settlement Date of each MF Transaction shall be the same of the underlying purchases of MF Eligible Securities in ready market and / or deliverable futures market at the end of the contract.</p> <p>Once the MF Transaction is affirmed by the respective counter-party Margin Financier, such MF Transactions shall be settled under balance order system as prescribed in these Regulations and the Procedures whereby, the Margin Financier shall be obliged to pay the affirmed MF Transaction Value on the Settlement Date. The remaining portion of the ready market purchases and / or deliverable futures market at the end of the contract shall be settled by the respective Margin Finanee on the respective Settlement Date. Upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF house account of the respective Margin Financier in MF Blocked Status, however, in case of a PCM or a TCSB providing services to the Associated Entity and its Clients, the margin Financed Securities may also be delivered to respective TOSBs</p>	<p>The MF financed securities are delivered to the MF Financier after the settlement of the ready delivery contract on T+2, in blocked status. However, after the implementation of T+1 settlement cycle, the MF financed securities will be delivered to MF Financier on T+1. Accordingly, necessary amendments have been proposed to align the provisions.</p>

<p>CDS Sub-Account in MF Blocked Status subject to such terms and conditions as shall be prescribed in the Procedures. Where MF Transactions reinitiated/affirmed against arrangement of funding from bank by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier, in such case, upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF sub-account of the respective client/Associated entity and its clients in MF Blocked Status.</p>	<p>CDS Sub-Account in MF Blocked Status subject to such terms and conditions as shall be prescribed in the Procedures. Where MF Transactions reinitiated/affirmed against arrangement of funding from bank by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier, in such case, upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF sub-account of the respective client/Associated entity and its clients in MF Blocked Status.</p>	
<p>MF Transaction(s) which are affirmed by the respective counter-party Margin Financier on the Settlement Date, such MF Transactions shall be settled in a manner whereby, the Margin Financier shall settle MF Transaction Value directly with the Margin Finantee and the money obligation of the ready market purchases and / or deliverable futures market at the end of the contract shall be settled by the respective Margin Finantee on the respective Settlement Date through NCSS. Upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF house account of the respective Margin Financier in MF Blocked Status, however, in case of a PCM or a TCSB providing services to the Associated Entity and its Clients, the margin Financed Securities may also be delivered to respective TOSBs CDS Sub-Account in MF Blocked Status subject to such terms and conditions as shall be prescribed in the Procedures.</p>	<p>MF Transaction(s) which are affirmed by the respective counter-party Margin Financier on the Settlement Date, such MF Transactions shall be settled in a manner whereby, the Margin Financier shall settle MF Transaction Value directly with the Margin Finantee and the money obligation of the ready market purchases and / or deliverable futures market at the end of the contract shall be settled by the respective Margin Finantee on the respective Settlement Date through NCSS. Upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF house account of the respective Margin Financier in MF Blocked Status, however, in case of a PCM or a TCSB providing services to the Associated Entity and its Clients, the margin Financed Securities may also be delivered to respective TOSBs CDS Sub-Account in MF Blocked Status subject to such terms and conditions as shall be prescribed in the Procedures.</p>	
<p>Where MF Transactions are affirmed against arrangement of funding from bank by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier on the Settlement Date, in such case, upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF subaccount</p>	<p>Where MF Transactions are affirmed against arrangement of funding from bank by PCM, TOSB (Keeping limited custody), TSSB and TCSB Margin Financier on the Settlement Date, in such case, upon settlement, all the Margin Financed Securities shall be delivered to the CDS MF subaccount</p>	

<p>of the respective client/Associated entity and its clients in MF Blocked Status.</p> <p>2. If a Margin Financier /client/Associated entity and its clients does not receive the Margin Financed Securities in its CDS MF account in MF Blocked Status on T+2 on account of default by the seller of Margin Financed Securities, the Company shall initiate squaring up process in accordance with NCSS Procedures and the Margin Financed Securities purchased through squaring process shall be transferred to the CDS account of such Margin Financier/client/Associated entity and its clients, as the case may be, in MF Blocked Status on SD+1 basis. If the Company is unable to purchase the relevant eligible Security in the squaring up process, then the Company will initiate close-out process in accordance with NCSS Procedures and shall pay to such Margin Financier and finantee the close-out amount determined in accordance with NCSS Procedures proportionately as per the FPR and such Margin Financier shall initiate an MF (R) Transaction to the extent of undelivered eligible Securities against which the close-out has been paid as aforesaid. The Margin Finantee will have no obligation with regard to such MF (R) Transaction.</p>	<p>of the respective client/Associated entity and its clients in MF Blocked Status.</p> <p>2. If a Margin Financier /client/Associated entity and its clients does not receive the Margin Financed Securities in its CDS MF account in MF Blocked Status on T+21 on account of default by the seller of Margin Financed Securities, the Company shall initiate squaring up process in accordance with NCSS Procedures and the Margin Financed Securities purchased through squaring process shall be transferred to the CDS account of such Margin Financier/client/Associated entity and its clients, as the case may be, in MF Blocked Status on SD+1 basis. If the Company is unable to purchase the relevant eligible Security in the squaring up process, then the Company will initiate close-out process in accordance with NCSS Procedures and shall pay to such Margin Financier and finantee the close-out amount determined in accordance with NCSS Procedures proportionately as per the FPR and such Margin Financier shall initiate an MF (R) Transaction to the extent of undelivered eligible Securities against which the close-out has been paid as aforesaid. The Margin Finantee will have no obligation with regard to such MF (R) Transaction.</p>	
<p>7B.3.5 MF (R) Transaction initiation and affirmation process</p> <p>1. An MF(R) Transaction can be initiated by a Margin Finantee with its Margin Financier in whole multiples of Marketable Lots of net sales of Margin Financed Security from ready market or against net sale in deliverable futures market at the end of the contract at MF Transaction Value. For this purpose, the Company shall calculate the Margin Finantee-wise, Security-wise and UIN-wise (including</p>	<p>7B.3.5 MF (R) Transaction initiation and affirmation process</p> <p>1. An MF(R) Transaction can be initiated by a Margin Finantee with its Margin Financier in whole multiples of Marketable Lots of net sales of Margin Financed Security from ready market or against net sale in deliverable futures market at the end of the contract at MF Transaction Value. For this purpose, the Company shall calculate the Margin Finantee-wise, Security-wise and UIN-wise (including</p>	<p>MF (R) transaction is allowed to be executed against a ready or deliverable future contract market sale transaction or without any such condition, such MF (R) Transaction, as per the existing T+2 settlement cycle can be initiated and affirmed till T+1.</p> <p>However, after implementation of shorter settlement cycle of T+1, all such activities are required to be</p>

<p>proprietary account) net sales from ready market trades for each Trade Date and /or from deliverable future contract market at the end of the contract received on NCSS.</p> <p>2. A Margin Finanee may also initiate MF (R) Transactions without following the requirements specified in paragraph 1 above. Upon affirmation by the relevant Margin Financier, MF Transaction Value and mark-up thereof shall be settled directly between the relevant MF Participants outside the NCSS. In such case, Margin Financed Securities shall be unblocked from the MF Blocked Status of relevant Margin Financier/clients account as the case may be and shall be transferred automatically in available status in normal CDS account of such Margin Finanee or sub-accounts of its clients, as the case may be.</p> <p>Where PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier fails to deliver Margin Financed Securities from the CDS sub-account of a client, due to un-release of pledge Position by bank or PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier fails to deliver Margin Financed Securities from its CDS MF House Account or CDS MF sub-account of the Associated Entity or its Clients, as the case may be due to unreleased of pledge Position by Company, as the case may be, in such circumstances, Margin Financed Securities shall not be transferred in the normal CDS sub-account of such client, Associated entity and its Clients through balance order mechanism.</p> <p>Provided that PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier will be allowed to release the pledge Position by submission of other Margin Eligible Securities in favour of the bank</p>	<p>proprietary account) net sales from ready market trades for each Trade Date i.e. T+0 and /or from deliverable future contract market at the end of the contract received on NCSS.</p> <p>2. A Margin Finanee may also initiate MF (R) Transactions without following the requirements specified in paragraph 1 above. Upon affirmation by the relevant Margin Financier, MF Transaction Value and mark-up thereof shall be settled directly between the relevant MF Participants outside the NCSS. In such case, Margin Financed Securities shall be unblocked from the MF Blocked Status of relevant Margin Financier/clients account as the case may be and shall be transferred automatically in available status in normal CDS account of such Margin Finanee or sub-accounts of its clients, as the case may be.</p> <p>Where PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier fails to deliver Margin Financed Securities from the CDS sub-account of a client, due to un-release of pledge Position by bank or PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier fails to deliver Margin Financed Securities from its CDS MF House Account or CDS MF sub-account of the Associated Entity or its Clients, as the case may be due to unreleased of pledge Position by Company, as the case may be, in such circumstances, Margin Financed Securities shall not be transferred in the normal CDS sub-account of such client, Associated entity and its Clients through balance order mechanism.</p> <p>Provided that PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier will be allowed to release the pledge Position by submission of other Margin Eligible Securities in favour of the bank</p>	<p>settled on the Trade Date i.e. T+0. Accordingly, necessary changes have been proposed in NCCPL Regulations, 2015 to align the regulatory requirements.</p>
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<p>subject to terms and conditions prescribed under the financing agreement entered in to with bank as per clause 7B.3.2(a)(1) or Company as the case may be. In case where the financing is provided by the PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier to its client from funding obtained from bank, Marked-to-Market Profit (if any) deposited by PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier as per clause 12.5.10.3 upto the extent of Securities that are not delivered, shall be made available to normal CDS sub-account of the respective client.. The Company will facilitate re-execution of MF (R) Transaction to MF Participants.</p> <p>3. Initiating Margin Financee can cancel the initiated MF (R) Transactions at any time before it is affirmed by the counter-party Margin Financier.</p> <p>4. Upon initiation of an MF (R) Transaction, the same details shall be reflected through MF Module to the counter-party Margin Financier for its affirmation. Affirming Margin Financier shall not be allowed to edit the details of the initiated MF(R) Transaction and shall have an option to affirm or reject the initiated MF (R) Transactions within Designated Time Schedule on the Trade Date or till T+1.</p> <p>5. If an initiated MF (R) Transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule on the Transaction Date, NCSS shall automatically drop it during End of Day process for further processing.</p> <p>6. A Margin Financier may also initiate an MF (R) Transaction in accordance with Regulation 7B.10.3.</p>	<p>subject to terms and conditions prescribed under the financing agreement entered in to with bank as per clause 7B.3.2(a)(1) or Company as the case may be. In case where the financing is provided by the PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier to its client from funding obtained from bank, Marked-to-Market Profit (if any) deposited by PCM, TOSB (keeping limited custody), TSSB and TCSB Margin Financier as per clause 12.5.10.3 up to the extent of Securities that are not delivered, shall be made available to normal CDS sub-account of the respective client. The Company will facilitate re-execution of MF (R) Transaction to MF Participants.</p> <p>3. Initiating Margin Financee can cancel the initiated MF (R) Transactions at any time before it is affirmed by the counter-party Margin Financier.</p> <p>4. Upon initiation of an MF (R) Transaction, the same details shall be reflected through MF Module to the counter-party Margin Financier for its affirmation. Affirming Margin Financier shall not be allowed to edit the details of the initiated MF(R) Transaction and shall have an option to affirm or reject the initiated MF (R) Transactions within Designated Time Schedule on the Trade Date or till T+1 <u>(i.e. on T+0).</u></p> <p>5. If an initiated MF (R) Transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule on the Transaction Date <u>i.e. T+0</u>, NCSS shall automatically drop it during End of Day process for further processing.</p> <p>6. A Margin Financier may also initiate an MF (R) Transaction in accordance with Regulation 7B.3.510.3.</p>	<p>Reference correction.</p>
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<p>7. The MF Contract Period for each MF Contract shall be decided by MF Participants.</p>	<p>7. The MF Contract Period for each MF Contract shall be decided by MF Participants.</p>	
<p>7B.3.5 (a) MF Rollover Transaction</p> <p>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.</p> <p>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.</p> <p>2. A rollover of MF transaction can be initiated by a Margin Financier with Margin Financee 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.</p> <p>3. Initiating Margin Financier can cancel the initiated MF rollover transactions at any time before it is affirmed by the counter-party Margin Financee.</p> <p>4. Upon initiation of an MF rollover transaction, the same details shall be reflected through MF Module to the counter-party Margin Financee for its affirmation. Affirming Margin Financee 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</p>	<p>7B.3.5 (a) MF Rollover Transaction</p> <p>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.</p> <p>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.</p> <p>2. A rollover of MF transaction can be initiated by a Margin Financier with Margin Financee 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.</p> <p>3. Initiating Margin Financier can cancel the initiated MF rollover transactions at any time before it is affirmed by the counter-party Margin Financee.</p> <p>4. Upon initiation of an MF rollover transaction, the same details shall be reflected through MF Module to the counter-party Margin Financee for its affirmation. Affirming Margin Financee 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</p>	<p>In order to align the prevailing provisions of MF rollover with T+1 settlement cycle.</p>

<p>Designated Time Schedule on the Trade Date and till T+1.</p> <p>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, NCSS shall automatically drop it during End of Day process for further processing.</p> <p>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 Finanee 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.</p> <p>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 Finanee 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-</p>	<p>Designated Time Schedule on the Trade Date i.e. T+0 and till T+1.</p> <p>5. If an initiated MF rollover transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule on the <u>MF rollover</u> Transaction Date <u>i.e. T+0 or till T+1</u>, NCSS shall automatically drop it during End of Day process for further processing.</p> <p>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 Finanee 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.</p> <p>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 Finanee before initiation of <u>based on</u> 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</p>	
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<p>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.</p>	<p>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.</p>	
<p>CHAPTER 7C MARGIN TRADING SYSTEM</p>		
<p>7C.4.10 Settlement mechanism</p> <p>1. The MT Transactions and MT (R) Transactions shall be settled under balance order system as prescribed in these Regulations and the Procedures as follows:</p> <p>2. (a) in the case of a MT Transaction, the Trading Financier shall pay for the ready market purchases to the extent of the MT Transaction Value determined for each MT Transaction on the basis of applicable FPR. The remaining portion of the ready market purchases shall be settled by the respective Finnee on the respective Settlement Date. Upon settlement, all the MT Financed Securities shall be delivered to the CDS account of the respective Trading Financier or sub-account of its client/Associated entity and its clients, as the case may be, in Blocked Status;</p> <p>(b) If a Trading Financier does not receive the MT Financed Securities in its CDS account or sub-account of its client/Associated entity and its clients, as the case may be, in Blocked Status on T+2 on account of default by the seller of MT Financed Securities in the ready market, the Company shall initiate squaring up process in accordance with NCCS Procedures and the MT Financed Securities purchased through squaring-up process shall be transferred to the CDS account of such Trading Financier or sub-account of its client/Associated entity and its clients, as the case may be, in Blocked Status on SD+1 basis. If the Company is unable to purchase the relevant MT</p>	<p>7C.4.10 Settlement mechanism</p> <p>1. The MT Transactions and MT (R) Transactions shall be settled under balance order system as prescribed in these Regulations and the Procedures as follows:</p> <p>2. (a) in the case of a MT Transaction, the Trading Financier shall pay for the ready market purchases to the extent of the MT Transaction Value determined for each MT Transaction on the basis of applicable FPR. The remaining portion of the ready market purchases shall be settled by the respective Finnee on the respective Settlement Date. Upon settlement, all the MT Financed Securities shall be delivered to the CDS account of the respective Trading Financier or sub-account of its client/Associated entity and its clients, as the case may be, in Blocked Status;</p> <p>(b) If a Trading Financier does not receive the MT Financed Securities in its CDS account or sub-account of its client/Associated entity and its clients, as the case may be, in Blocked Status on T+2 <u>T+1</u> on account of default by the seller of MT Financed Securities in the ready market, the Company shall initiate squaring up process in accordance with NCCS Procedures and the MT Financed Securities purchased through squaring-up process shall be transferred to the CDS account of such Trading Financier or sub-account of its client/Associated entity and its clients, as the case may be, in Blocked Status on SD+1 basis. If the Company</p>	<p>The MT financed securities are delivered to the MT Financier after the settlement of the ready delivery contract on T+2, in blocked status. However, after the implementation of T+1 settlement cycle, the MT financed securities will be delivered to MT Financier on T+1. Accordingly, necessary amendments have been proposed to align the provisions.</p>

<p>Eligible Security in the squaring up process, then the Company will initiate close-out process in accordance with NCCS Procedures and shall pay to such Trading Financier and Financee the close-out amount, determined in accordance with NCCS Procedures, proportionately as per the FPR. Accordingly, the Company shall initiate MT (R) Transaction to the extent of undelivered MT Eligible Securities against which the close-out has been paid as aforesaid. The MT Participants will have no further obligation with regard to such MT (R) Transaction and such MT Contract shall also stand closed.</p> <p>3. (a) in the case of MT (R) Transaction, the Financee shall be obliged to pay the MT Contract Price, determined after adjustment of Marked-to-Market Losses and amount paid so far by such Financee to such Trading Financier upon each Maturity Date(s) or Accelerated Maturity Date(s) (in order to align the MT Contract Price) and the Trading Financier shall be obliged to deliver the quantity of MT Financed Securities corresponding to such release transaction. Corporate actions of the MT Financed Securities shall be handled by Company in accordance with the Procedures.</p>	<p>is unable to purchase the relevant MT Eligible Security in the squaring up process, then the Company will initiate close-out process in accordance with NCCS Procedures and shall pay to such Trading Financier and Financee the close-out amount, determined in accordance with NCCS Procedures, proportionately as per the FPR. Accordingly, the Company shall initiate MT (R) Transaction to the extent of undelivered MT Eligible Securities against which the close-out has been paid as aforesaid. The MT Participants will have no further obligation with regard to such MT (R) Transaction and such MT Contract shall also stand closed.</p> <p>3. (a) in the case of MT (R) Transaction, the Financee shall be obliged to pay the MT Contract Price, determined after adjustment of Marked-to-Market Losses and amount paid so far by such Financee to such Trading Financier upon each Maturity Date(s) or Accelerated Maturity Date(s) (in order to align the MT Contract Price) and the Trading Financier shall be obliged to deliver the quantity of MT Financed Securities corresponding to such release transaction. Corporate actions of the MT Financed Securities shall be handled by Company in accordance with the Procedures.</p>	
<p>CHAPTER 7F NEXT DAY NETTING FACILITY EARLY SETTLEMENT FACILITY</p>		
<p>7F.1. APPLICATIONS FOR AVAILING NDNF</p> <p>7F.1.1 All Clearing Members will be eligible to apply to the Company for availing NDNF. The Company may admit an Applicant for the purpose of NDN Facility by a written notice issued to such Applicant, if the Company is satisfied that such Applicant:</p> <p>1. has made an application for availing NDN Facility by</p>	<p>7F.1. APPLICATIONS FOR AVAILING NDNF</p> <p>7F.1.1 All Clearing Members will be eligible to apply to the Company for availing NDNF. The Company may admit an Applicant for the purpose of NDN Facility by a written notice issued to such Applicant, if the Company is satisfied that such Applicant:</p> <p>2. has made an application for availing NDN Facility by</p>	<p>At present, the NDNF request could be initiated by NDNF Participant on T+1. After the implementation of shorter settlement cycle, the NDNF request could not be initiated. Accordingly, necessary changes have been proposed.</p>

<p>submitting a completely filled Application Form accompanied by the documents required by the Application Form;</p> <p>2. has deposited, a Security Deposit of Rs. 100,000 in the bank account designated by the Company for such purpose;</p>	<p>submitting a completely filled Application Form accompanied by the documents required by the Application Form;</p> <p>2. has deposited, a Security Deposit of Rs. 100,000 in the bank account designated by the Company for such purpose;</p>	
<p>7F.2. NDNF TRANSACTION PROCESS AND SETTLEMENT:</p> <p>7F.2.1 Company's System ID in NCSS:</p> <p>1. The Company will create its own ID in NCSS for confirmation of NDNF Transactions in accordance with the manner prescribed in Procedures.</p> <p>2. Accordingly, such NDNF System ID of the Company will be linked with Company's CDS participant account and Company's bank account for the settlement of securities and money obligations respectively arising out of NDNF Contracts, as per the existing process of NCSS Balance Order Settlement mechanism.</p>	<p>7F.2. NDNF TRANSACTION PROCESS AND SETTLEMENT:</p> <p>7F.2.1 Company's System ID in NCSS:</p> <p>1. The Company will create its own ID in NCSS for confirmation of NDNF Transactions in accordance with the manner prescribed in Procedures.</p> <p>2. Accordingly, such NDNF System ID of the Company will be linked with Company's CDS participant account and Company's bank account for the settlement of securities and money obligations respectively arising out of NDNF Contracts, as per the existing process of NCSS Balance Order Settlement mechanism.</p>	As explained above.
<p>7F.2.2 NDNF Initiation and Confirmation Process:</p> <p>7F.2.2.1 Initiation Process:</p> <p>1. An NDNF Participant may initiate NDNF Request, for itself or on behalf of its client, on T+1 (i.e. Settlement Date (SD) -1) through NDNF Module in NCSS subject to the following conditions:</p> <p>a) NDNF Participant shall initiate an NDNF Request after close of trading session within the Designated Time Schedule;</p> <p>b) NDNF Request can only be initiated for the net money obligations due for settlement on the Settlement Date immediately following NDNF Transaction Date;</p> <p>c) NDNF Transaction Value specified in the NDNF Request shall in no case</p>	<p>7F.2.2 NDNF Initiation and Confirmation Process:</p> <p>7F.2.2.1 Initiation Process:</p> <p>1. An NDNF Participant may initiate NDNF Request, for itself or on behalf of its client, on Trade Date T+1 (i.e. Settlement Date (SD) -1) through NDNF Module in NCSS subject to the following conditions:</p> <p>a) NDNF Participant shall initiate an NDNF Request after close of trading session within the Designated Time Schedule;</p> <p>b) NDNF Request can only be initiated for the net money obligations due for settlement on the Settlement Date immediately following NDNF Transaction Date;</p> <p>c) NDNF Transaction Value specified in the NDNF Request shall in no case</p>	As explained above.

<p>exceed the net credit of the NDNF Participant or its respective client on the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date. The net credit of NDNF Participant or its client shall be calculated based on the current market value of relevant securities in accordance with sub-paragraph (d) below;</p> <p>d) NDNF Participant may initiate an NDNF Request in respect of all or part of its own net buy securities or the net buy securities of a client. For this purposes security-wise net buy positions of such NDNF Participant and its client, shall be displayed on the NDNF Module along with the current market value. However, market value for this purpose will be determined on the basis of current day's Closing Price after applying NDNF Haircuts in accordance with the applicable VaR regime under the relevant provision of these Regulations. However, the Haircut shall be a minimum of 25% or VaR based haircut whichever is higher.</p> <p>An NDNF Participant may cancel any initiated NDNF Transaction before the end of NDNF session as per Designated Time Schedule.</p> <p>3. An NDNF Participant cannot avail NDN Facility for its own net buy securities against the net credit obligations of any of its clients and vice versa.</p> <p>4. In case where initiated NDNF Transaction could not be confirmed by NDNF Module for any reason whatsoever, the money obligations (for which such NDNF Request was initiated) shall remain the settlement obligation of the concerned NDNF Participant as a Clearing Member in the normal course of settlement in the</p>	<p>exceed the net credit of the NDNF Participant or its respective client on the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date. The net credit of NDNF Participant or its client shall be calculated based on the current market value of relevant securities in accordance with sub-paragraph (d) below;</p> <p>d) NDNF Participant may initiate an NDNF Request in respect of all or part of its own net buy securities or the net buy securities of a client. For this purposes security-wise net buy positions of such NDNF Participant and its client, shall be displayed on the NDNF Module along with the current market value. However, market value for this purpose will be determined on the basis of current day's Closing Price after applying NDNF Haircuts in accordance with the applicable VaR regime under the relevant provision of these Regulations. However, the Haircut shall be a minimum of 25% or VaR based haircut whichever is higher.</p> <p>An NDNF Participant may cancel any initiated NDNF Transaction before the end of NDNF session as per Designated Time Schedule.</p> <p>3. An NDNF Participant cannot avail NDN Facility for its own net buy securities against the net credit obligations of any of its clients and vice versa.</p> <p>4. In case where initiated NDNF Transaction could not be confirmed by NDNF Module for any reason whatsoever, the money obligations (for which such NDNF Request was initiated) shall remain the settlement obligation of the concerned NDNF Participant as a Clearing Member in the normal course of settlement in the</p>	
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<p>NCSS in the same manner as if no NDNF Request had been initiated in respect of such money obligations.</p> <p>5. NDNF (R) Transaction Value shall be payable by the respective NDNF Participant in priority to any payments to be made by such NDNF Participant on account of any transactions executed after the NDNF Transaction Date. In order to ensure compliance with this regulation, NCSS shall make a debit entry of NDNF (R) Transaction Value in such NDNF Participant's Money Account for the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date.</p>	<p>the NCSS in the same manner as if no NDNF Request had been initiated in respect of such money obligations.</p> <p>5. NDNF (R) Transaction Value shall be payable by the respective NDNF Participant in priority to any payments to be made by such NDNF Participant on account of any transactions executed after the NDNF Transaction Date. In order to ensure compliance with this regulation, NCSS shall make a debit entry of NDNF (R) Transaction Value in such NDNF Participant's Money Account for the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date.</p>	
<p>7F.2.2.2 Confirmation Process:</p> <p>1. On each Trade Date, NDNF Amount shall be specified into NDNF Module of NCSS by the Company for such Trade Date within the Designated Time Schedule in accordance with the manner and subject to such terms and conditions as may be prescribed by the Company in the Procedures.</p> <p>2. The Company through NCSS shall process such NDNF Request on "first come first served" basis to the extent of Available NDNF Amount. For avoidance of doubt, in case the amount of an NDNF Request, initiated on such Trade Date, exceeds the Available NDNF Amount, such NDNF Transaction will be confirmed to the extent of Available NDNF Amount, the Company may also prescribe the mode and manner in Procedures whereby a NDNF Request may be partially processed by the Company based on the Available NDNF Amount or the Company may allow reinitiations of rejected NDNF Request to the Clearing Member based on the Available NDNF Amount on the Trade Date;</p>	<p>7F.2.2.2 Confirmation Process:</p> <p>1. On each Trade Date, NDNF Amount shall be specified into NDNF Module of NCSS by the Company for such Trade Date within the Designated Time Schedule in accordance with the manner and subject to such terms and conditions as may be prescribed by the Company in the Procedures.</p> <p>2. The Company through NCSS shall process such NDNF Request on "first come first served" basis to the extent of Available NDNF Amount. For avoidance of doubt, in case the amount of an NDNF Request, initiated on such Trade Date, exceeds the Available NDNF Amount, such NDNF Transaction will be confirmed to the extent of Available NDNF Amount, the Company may also prescribe the mode and manner in Procedures whereby a NDNF Request may be partially processed by the Company based on the Available NDNF Amount or the Company may allow reinitiations of rejected NDNF Request to the Clearing Member based on the Available NDNF Amount on the Trade Date;</p>	<p>As explained above.</p>

<p>3. Once an NDNF Request is confirmed, NDNF Participant shall not be allowed to alter, modify or cancel the resulting NDNF Transaction.</p> <p>4. Necessary reports shall be made available in NCSS for all NDNF Transactions and allocated NDNF Amount for each Trade Date.</p>	<p>3. Once an NDNF Request is confirmed, NDNF Participant shall not be allowed to alter, modify or cancel the resulting NDNF Transaction.</p> <p>4. Necessary reports shall be made available in NCSS for all NDNF Transactions and allocated NDNF Amount for each Trade Date.</p>	
<p>7F.2.3 Settlement of NDNF Contracts:</p> <p>7F2.3.1 Upon confirmation of an NDNF Request, money obligation of such NDNF Participant to the extent of the NDNF Transaction Value of the resulting NDNF Transaction shall be excluded from NCSS pay and collect for the respective Settlement Date, whereas, underlying buy securities of such NDNF Transaction shall remain in the Company's CDS Participant Account till the Maturity Date. Accordingly, money and securities settlement in respect of NDNF Contracts shall be settled on respective Settlement Dates as per the Balance Order Settlement mechanism as per these Regulations and Procedures.</p> <p>7F2.3.2 For the adjustment of money obligation of NDNF Transactions, system will create debit entry in the Company account and credit entry in the Money Account of the respective NDNF Participant to the extent of NDNF Transaction Value on the NDNF Transaction Date. Simultaneously, system will create credit entry in the Company's bank account and debit entry in the Money Account of the respective NDNF Participant for the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date for an amount equal to the NDNF (R) Transaction Value.</p>	<p>7F.2.3 Settlement of NDNF Contracts:</p> <p>7F2.3.1 Upon confirmation of an NDNF Request, money obligation of such NDNF Participant to the extent of the NDNF Transaction Value of the resulting NDNF Transaction shall be excluded from NCSS pay and collect for the respective Settlement Date, whereas, underlying buy securities of such NDNF Transaction shall remain in the Company's CDS Participant Account till the Maturity Date. Accordingly, money and securities settlement in respect of NDNF Contracts shall be settled on respective Settlement Dates as per the Balance Order Settlement mechanism as per these Regulations and Procedures.</p> <p>7F2.3.2 For the adjustment of money obligation of NDNF Transactions, system will create debit entry in the Company account and credit entry in the Money Account of the respective NDNF Participant to the extent of NDNF Transaction Value on the NDNF Transaction Date. Simultaneously, system will create credit entry in the Company's bank account and debit entry in the Money Account of the respective NDNF Participant for the Settlement Date falling next after the Settlement Date immediately following the NDNF Transaction Date for an amount equal to the NDNF (R) Transaction Value.</p>	<p>As explained above.</p>

<p>7F2.3.3 On the Maturity Date, NDNF (R) Transaction as per NDNF Transaction Value shall be settled in the NCSS in accordance with these Regulations and the Procedures.</p> <p>7F2.3.4 In case where any corporate action has been announced with respect to any securities, under such circumstances, NDN facility shall not be available with respect to net buy position in any such securities that will be settled on Book Closure - 1. Further, NDN facility shall also not be available with respect to net buy position in the securities placed on the defaulter's counter at the Securities Exchange.</p>	<p>7F2.3.3 On the Maturity Date, NDNF (R) Transaction as per NDNF Transaction Value shall be settled in the NCSS in accordance with these Regulations and the Procedures.</p> <p>7F2.3.4 In case where any corporate action has been announced with respect to any securities, under such circumstances, NDN facility shall not be available with respect to net buy position in any such securities that will be settled on Book Closure - 1. Further, NDN facility shall also not be available with respect to net buy position in the securities placed on the defaulter's counter at the Securities Exchange.</p>	
<p>7F.2.4 Functions of the Company:</p> <p>1. The Company shall act as the NDN Facility provider to the extent of NDNF Amount for the purposes of provision of money netting facility between two Settlement Dates to the respective NDNF Participants.</p> <p>2. The availability of NDN Facility will be limited to the amount determined by the Company from time to time in its sole discretion. The Company is not obliged to guarantee availability of any minimum amount of NDN Facility on any particular day.</p> <p>3. The Company is not making any representation or warranty with regard to the availability of NDN Facility on any particular Trade Date or for any particular period. The Company may discontinue NDN Facility temporarily or on permanent basis at any time in its sole discretion by giving a ten (10) days prior notice.</p> <p>4. The Company shall not be deemed to guarantee the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument passing through the NCSS and the only obligation of the</p>	<p>7F.2.4 Functions of the Company:</p> <p>1. The Company shall act as the NDN Facility provider to the extent of NDNF Amount for the purposes of provision of money netting facility between two Settlement Dates to the respective NDNF Participants.</p> <p>2. The availability of NDN Facility will be limited to the amount determined by the Company from time to time in its sole discretion. The Company is not obliged to guarantee availability of any minimum amount of NDN Facility on any particular day.</p> <p>3. The Company is not making any representation or warranty with regard to the availability of NDN Facility on any particular Trade Date or for any particular period. The Company may discontinue NDN Facility temporarily or on permanent basis at any time in its sole discretion by giving a ten (10) days prior notice.</p> <p>4. The Company shall not be deemed to guarantee the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument passing through the NCSS and the only obligation of the</p>	<p>As explained above.</p>

<p>Company with regard to the settlement of the NDNF Contracts shall be to facilitate the delivery and payment in respect of the NDNF Contracts between the NDNF Participants in accordance with these Regulations and Procedures.</p> <p>5. The Company shall not be liable or responsible or liable for any loss, damage or claim that any NDNF Participant or its client may suffer on account of non-availability or insufficiency of the NDN Facility or any error or malfunction witnessed in the NDNF module of NCSS.</p>	<p>Company with regard to the settlement of the NDNF Contracts shall be to facilitate the delivery and payment in respect of the NDNF Contracts between the NDNF Participants in accordance with these Regulations and Procedures.</p> <p>5. The Company shall not be liable or responsible or liable for any loss, damage or claim that any NDNF Participant or its client may suffer on account of non-availability or insufficiency of the NDN Facility or any error or malfunction witnessed in the NDNF module of NCSS.</p>	
<p>7F.2.5 Liability of the NDNF Participants with respect to NDNF Contracts</p> <p>All outstanding NDNF Contracts shall be binding upon the relevant NDNF Participants until settled in accordance with these Regulations and Procedures.</p>	<p>7F.2.5 Liability of the NDNF Participants with respect to NDNF Contracts</p> <p>All outstanding NDNF Contracts shall be binding upon the relevant NDNF Participants until settled in accordance with these Regulations and Procedures.</p>	As explained above.
<p>7F.2.6 Money Default Management</p> <p>If a corresponding Clearing Member (who owes any money obligation to an NDNF Participant) fails to settle his money obligation, the Company shall initiate default proceedings against such Clearing Member in accordance with the provisions of Chapter 13 of these Regulations.</p>	<p>7F.2.6 Money Default Management</p> <p>If a corresponding Clearing Member (who owes any money obligation to an NDNF Participant) fails to settle his money obligation, the Company shall initiate default proceedings against such Clearing Member in accordance with the provisions of Chapter 13 of these Regulations.</p>	As explained above.
<p>7F.2.7 Early Settlement Facility</p> <p>7F.2.7.1 The Company may also extend early settlement facility to its Clearing Members or their clients whereby the Clearing Member or its client having a net credit position on a future Settlement Date will be facilitated in obtaining the credit with respect to such net sale transaction subject to following terms and conditions:</p> <p>1. All Clearing Members will be eligible to apply to the Company for availing Early Settlement Facility “ESF”. The</p>	<p>7F.2.7.1 7F.2.7.1 Early Settlement Facility</p> <p>7F.2.7.1.1 The Company may also extend early settlement facility to its Clearing Members or their clients whereby the Clearing Member or its client having a net credit position on a future Settlement Date will be facilitated in obtaining the credit with respect to such net sale transaction subject to following terms and conditions:</p> <p>1. All Clearing Members will shall be eligible to apply to the Company for availing Early Settlement Facility</p>	At present, the ESF request could be initiated on T+1. After the implementation of shorter settlement cycle, the ESF request could be initiated on Trade Date. Accordingly, necessary changes have been proposed.

<p>admission process as prescribed in Regulation 7F.1 shall also be applicable for availing ESF, however, security deposit shall not be required.</p> <p>2. For the purpose of determination of net credit position, NDNF amount if already availed for the same settlement shall be also be considered.</p> <p>3. The ESF transaction and settlement process shall be similar to the process as explained in regulation 7F.2 of this Chapter, to the extent applicable and subject to following additional terms and conditions:</p> <p>a) A Clearing Member shall initiate ESF request for itself or its client, on T or T+1 through the ESF module in NCSS.</p> <p>b) ESF can be initiated for the net delivery obligation due for settlement on the settlement date following the ESF transaction date, however the time duration under all normal circumstances, could not exceed a period of two Business days.</p> <p>c) ESF transaction value specified in the request shall in no case exceed the net credit of the Clearing Member or its respective client on the Settlement Date for which the ESF transaction is executed. The net credit of Clearing Member or its client shall be calculated based on the current market value of relevant securities in accordance Regulation 7F2.2.1 of this Chapter.</p> <p>d) On each Trade Date, amount available to the Company for ESF shall be specified into ESF module in the</p>	<p>“ESF”. The admission process as prescribed in Regulation 7F.1 for it shall be <u>prescribed in the Procedures by the Company.</u> also be applicable for availing ESF, however, security deposit shall not be required.</p> <p>2. For the purpose of determination of net credit position, NDNF amount if already availed for the same settlement shall be also be considered.</p> <p>3.2. The ESF transaction and settlement process shall <u>be in accordance with the manner as prescribed in the Procedures similar to the process as explained in regulation 7F.2 of this Chapter, to the extent applicable</u> and subject to following terms and conditions:</p> <p>a) A Clearing Member shall initiate ESF request for itself or its client, on <u>Trade Day (i.e T+0) or T+1</u> through the ESF module in NCSS.</p> <p>b) ESF can be initiated for the net delivery obligation due for settlement on the settlement date following the ESF transaction date <u>i.e. T+0</u>, however the time duration under all normal circumstances, could not exceed a period of <u>two One</u> Business days.</p> <p>c) ESF transaction value specified in the request shall in no case exceed the net credit of the Clearing Member or its respective client on the Settlement Date for which the ESF transaction is executed. The net credit of Clearing Member or its client shall be calculated based on the current market value of relevant securities in accordance with <u>the manner prescribed in the Procedures. Regulation 7F2.2.1 of this Chapter.</u></p> <p>d) On each Trade Date <u>i.e. T+0</u>, amount available to the Company for ESF shall be specified into ESF module</p>	
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<p>NCSS such Trade Date within the Designated Time Schedule in accordance with the manner and subject to such terms and conditions as may be prescribed by the Company in the Procedures.</p> <p>e) Upon confirmation of an ESF request, delivery obligation of such ESF participant to the extent of the ESF transaction value shall be excluded from NCSS for the respective Settlement Date, whereas, the Clearing Member requesting the ESF shall deliver the net sold securities in the Company’s CDS Participant Account for meeting the settlement obligation on the Settlement Date. The Company shall release the credit after receiving the securities within the Designated Time Schedule subject to such terms and conditions as are prescribed in the Procedures.</p> <p>7F2.7.2 Any such facility shall only be extended by the Company in such mode and manner and subject to such terms and conditions as are prescribed by the Company in the Procedures.</p> <p>7F2.7.3 Any such early settlement facility shall be provided only to the extent of funds available with the Company on “first come first serve basis” similar to the manner prescribed in Regulation 7F.2 of these Regulations, to the extent applicable, subject to such terms and conditions as prescribed by the Company in the Procedures. Further, the amount of fee, mode and manner of its collection as prescribed for NDNF shall also be applicable to early settlement facility.</p>	<p>in the NCSS on such Trade Date within the Designated Time Schedule in accordance with the manner and subject to such terms and conditions as may be prescribed by the Company in the Procedures.</p> <p>e) Upon confirmation of an ESF request, delivery obligation of such ESF participant to the extent of the ESF transaction value shall be excluded from NCSS for the respective Settlement Date, whereas, the Clearing Member requesting the ESF shall deliver the net sold securities in the Company’s CDS Participant Account for meeting the settlement obligation on the Settlement Date. The Company shall release the credit after receiving the securities within the Designated Time Schedule subject to such terms and conditions as are prescribed in the Procedures.</p> <p>7F2.7.2 Any such facility shall only be extended by the Company in such mode and manner and subject to such terms and conditions as are prescribed by the Company in the Procedures.</p> <p>7F2.7.3.1.2 Any such early settlement facility shall be provided only to the extent of funds available with the Company on “first come first serve basis” similar to in the manner prescribed in Procedures Regulation 7F.2 of these Regulations, to the extent applicable, subject to such terms and conditions as prescribed by the Company in the Procedures. Further, the amount of fee, mode and manner of its collection as <u>may be prescribed for NDNF in these Regulations from time to time</u>, shall also be applicable to early settlement facility.</p>	
<p>7F.2.8 Fee and charges</p> <p>The Company shall charge a maximum fee for the NDNF at the rate of</p>	<p>7F.2.8 Fee and charges</p> <p>The Company shall charge a maximum fee for the NDNF at the</p>	<p>After the implementation of shorter settlement cycle, the NDNF request could not be initiated. Accordingly, necessary changes have been</p>

<p>KIBOR+5%. The amount of fee shall be collected from the concerned Clearing Member on monthly basis through NCSS pay and collect.</p>	<p>rate of KIBOR+5%. The amount of fee shall be collected from the concerned Clearing Member on monthly basis through NCSS pay and collect.</p>	<p>proposed to remove the provisions governing NDNF fee and charges.</p>
<p>CHAPTER 9 GENERAL PROVISIONS</p>		
<p>9.8 Entries in the Money Account in respect of Non-Deliverable Futures Contracts, Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market</p> <p>9.8.1 Data in respect of Marked-to-Market Loss to be collected from a Clearing Member and/or the amount of profit to be disbursed to a Clearing Member in respect of Non-Deliverable Futures Contracts and/or Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market representing the daily variation Margin or the Margin determined upon closing of any such contracts may be Transmitted by Exchange to the Company by the Designated Time on a Trade Date, and the Company shall, before the End of Day on such Trade Date:</p> <p>(a) debit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non-Deliverable Futures Contracts and/or Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market to be collected from such Clearing Member; and</p> <p>(b) credit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non-Deliverable Futures Contracts and/or Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market to be disbursed to such Clearing Member.</p> <p>Provided that Marked-to-Market Losses of Non-Deliverable Futures Contracts and/or Deliverable Future</p>	<p>9.8 Entries in the Money Account in respect of Non-Deliverable Futures Contracts, <u>and</u> Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market</p> <p>9.8.1 Data in respect of Marked-to-Market Loss to be collected from a Clearing Member and/or the amount of profit to be disbursed to a Clearing Member in respect of Non-Deliverable Futures Contracts and/or Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market representing the daily variation Margin or the Margin determined upon closing of any such contracts may be Transmitted by Exchange to the Company by the Designated Time <u>shall be determined</u> on a Trade Date <u>i.e. T+0</u>, and the Company shall, before the End of Day on such Trade Date:</p> <p>(a) debit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non-Deliverable Futures Contracts and/or Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market to be collected from such Clearing Member; and</p> <p>(b) credit the Money Account of the Clearing Member with the marked-to-market amount in respect of Non-Deliverable Futures Contracts and/or Deliverable Future Contracts and/or futures trading in provisionally Listed Companies Market to be disbursed to such Clearing Member.</p> <p>Provided that Marked-to-Market Losses of Non-Deliverable Futures Contracts and/or Deliverable Future</p>	<p>Provisionally Listed Companies Market does not exist anymore, therefore, necessary changes are proposed.</p>

<p>Contracts and/or futures trading in provisionally Listed Companies Market shall be collected from the respective Clearing Members on the Trade Date i.e. T+0. However, profit on such contracts shall be disbursed to the respective Clearing Members in accordance with the mechanism described in Chapter 12 of these Regulations.</p>	<p>Contracts and/or futures trading in provisionally Listed Companies Market shall be collected from the respective Clearing Members on the Trade Date i.e. T+0. However, profit on such contracts shall be disbursed to the respective Clearing Members in accordance with the mechanism described in Chapter 12 of these Regulations.</p>	
<p>9.10.2 Clearing & Settlement of Custodian Clearing Member</p> <p>1. Institutional Delivery System (IDS) module shall facilitate Custodian Clearing Members for clearing and settlement of trades executed by their clients, through respective TOSB, TSSB and TCSB Clearing Members in any of the Markets, through NCSS.</p> <p>2. Such IDS transactions shall be initiated, in any of the NCSS live securities based on Exchange Trade received in NCSS as locked-in contract, by PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member only on Trade Date and affirmed by Custodian Clearing Members on T+1 within specified time as per Designated Time Schedule.</p> <p><u>New Insertion</u></p>	<p>9.10.2 Clearing & Settlement of Custodian Clearing Member</p> <p>1. Institutional Delivery System (IDS) module shall facilitate Custodian Clearing Members for clearing and settlement of trades executed by their clients, through respective TOSB, TSSB and TCSB Clearing Members in any of the Markets, through NCSS.</p> <p>2. Such IDS transactions shall be initiated, in any of the NCSS live securities based on Exchange Trade received in NCSS as locked-in contract, by PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member only on Trade Date <u>i.e. T+0.</u></p> <p><u>All such IDS transaction initiated on the Trade Date i.e. T+0 by the PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member to a Custodian Clearing Member shall be affirmed / rejected as per the Designated Time Schedule on the Trade Date i.e. T+0, thereafter, all IDS Transactions that have not been affirmed or rejected shall be assumed to be in order at the end of the Trade Date i.e. T+0 and shall be processed for settlement in accordance with the manner and subject to terms and conditions as are prescribed in the Procedures.</u></p>	<p>IDS module provided by the company allows the PCM and Broker Clearing Members to shift the margins and settlement obligation of the transactions executed on behalf of the Custodian Clearing Members to them. However, all such transactions are passed on to Custodian Clearing Members through IDS module for affirmation till T+1. Once the transactions are affirmed, the settlement obligation is shifted to the respective Custodian Clearing Members and transactions that are not affirmed or rejected are required to be settled by the respective PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member.</p> <p>After implementation of shorter settlement cycle following mechanism has been proposed:</p> <ol style="list-style-type: none"> 1. PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member shall initiate the transaction on Trade Date for CCM's affirmation. 2. Instead of waiting for the affirmation after DTS, such initiated transactions shall be assumed to be in order and processed for settlement, on Settlement Date i.e. T+1. 3. However, all these transactions shall be simultaneously made

<p>However, in case where Exchange Trades are executed by a TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of a IBD as permitted by the Company for trading on behalf of its clients/Associated entity and its clients, as the case may be, such IDS transactions can be initiated by PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member up to T+1 within specified time as per Designated Time Schedule.</p> <p>3. Such IDS transactions may be cancelled by initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member at any time before it is affirmed by the Counter Custodian Clearing Members.</p> <p>4. The quantity, price and Settlement Date of each IDS transaction shall be the same as of actual underlying Exchange trade. However, IDS transaction can be generated for partial quantity of the underlying Exchange trade.</p> <p>In case where Exchange Trades are executed by a TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of an IBD as permitted by the company for trading on behalf of its clients,</p>	<p><u>Further, all such affirmed / processed IDS transactions for settlement shall be made available to Custodian Clearing Members for rejection till T+1 within specified time as per Designated Time Schedule in accordance with the manner and subject to such terms and conditions as are prescribed in the Procedures.</u></p> <p>However, in case where Exchange Trades are executed by a TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of a IBD as permitted by the Company for trading on behalf of its clients/Associated entity and its clients, as the case may be, such IDS transactions can shall also be initiated by PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member <u>up to T+1 on Trade Date i.e. T+0</u> within specified time as per Designated Time Schedule <u>and shall be affirmed/ processed as per the mechanism explained in these Regulations.</u></p> <p>3. Such IDS transactions may be cancelled by initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member at any time before it is <u>either</u> affirmed by the Counter Custodian Clearing Members <u>on Trade Day (i.e. T+0) or processed for settlement.</u></p> <p>4. The quantity, price and Settlement Date of each IDS transaction shall be the same as of actual underlying Exchange trade. However, IDS transaction can be generated for partial quantity of the underlying Exchange trade.</p> <p>In case where Exchange Trades are executed by a TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of an IBD as permitted by the company for trading on behalf of its clients,</p>	<p>available to CCM on T+1 for rejection as per Designated Time Schedule.</p> <p>4. In case these transactions are rejected by the concerned CCM, they will be settled by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member.</p> <p>5. In case where net money obligation arises for the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member due to rejection of such IDS Transactions by the respective Custodian Clearing Member, the Company may facilitate such PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member by providing funding to meet liquidity requirement for a day.</p> <p>6. In case net delivery obligation arises due to rejection of such IDS Transactions by the respective Custodian Clearing Member, all such transactions will be settled in accordance with the manner prescribed in the Procedures.</p> <p>7. The Company shall provide funding, subject to availability of funds and any lack of funding from Company shall not absolve the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member from its obligation to meet the money settlement.</p> <p>8. Any failure to refund the funded amount to the Company within a period of one day shall be treated as a settlement default and default proceedings will be initiated in accordance with the manner prescribed in Chapter 13 of NCCPL Regulations, 2015.</p>
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<p>Associated entity and its client such respective PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member shall be required to provide the UIN of respective clients of IBD to generate IDS transactions. Further, IDS transaction can only be initiated, if CDS sub-account of such clients/Associated entity and its Client are maintained with the respective Custodian Clearing Member.</p> <p>4(a). If such initiated IDS transaction is rejected within the specified time as per Designated Time Schedule, such rejected IDS transactions can be re-initiated after rectifying the UIN provided at the time of initiation of rejected IDS transaction by the PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member for affirmation by the Custodian Clearing Member as per Designated Time Schedule. However, respective Clearing Members shall be required to maintain documentary evidence along with reason and justification thereof in relation to rectification of such IDS transaction.</p> <p>5. If such initiated/re-initiated IDS transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule, NCSS shall automatically drop it during End of Day (EOD) process from further processing. Accordingly, such transactions shall be settled by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member through their CDS main account in accordance with these Regulations and the Procedures.</p> <p>However, in case of a TCSB and PCM providing services to Associated Entities and its Clients which is a TOSB (keeping no custody), such un-affirmed / rejected IDS Transaction shall be settled from CDS main</p>	<p>Associated entity and its client such respective PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member shall be required to provide the UIN of respective clients of IBD to generate IDS transactions. Further, IDS transaction can only be initiated, if CDS sub-account of such clients/Associated entity and its Client are maintained with the respective Custodian Clearing Member.</p> <p>4(a). If such initiated IDS transaction is rejected within the specified time as per Designated Time Schedule, such rejected IDS transactions can be re-initiated after rectifying the UIN provided at the time of initiation of rejected IDS transaction by the PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member for affirmation by to the Custodian Clearing Member as per Designated Time Schedule. However, respective Clearing Members shall be required to maintain documentary evidence along with reason and justification thereof in relation to rectification of such IDS transaction.</p> <p>5. If such initiated/re-initiated IDS transaction is neither affirmed nor rejected within the specified time as per Designated Time Schedule, NCSS shall automatically drop it during End of Day (EOD) process from further processing. Accordingly, such rejected transactions shall be settled by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member through their CDS main account in accordance with these Regulations and the Procedures.</p> <p>However, in case of a TCSB and PCM providing services to Associated Entities and its Clients which is a TOSB (keeping no custody), such un-affirmed rejected IDS Transaction shall be settled from CDS main</p>	<p>Accordingly, necessary changes have been proposed to implement the updated model. Further, some text improvements have also been made.</p>
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<p>account of PCM or TCSB in accordance with the manner prescribed in the Procedures. However, in case of IDS transactions which are initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of IBD as permitted by the Company for trading on behalf of its clients/Associated entity and its clients, IDS transactions that are neither affirmed nor rejected within the specified time as per Designated Time Schedule shall be settled by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member through CDS sub-account of the respective IBD in accordance with these Regulations and the Procedures.</p> <p>6. Custodian Clearing Members shall not be allowed to edit the details of such initiated IDS transaction posted by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member and shall be required to affirm or reject such transaction within specified time as per Designated Time Schedule.</p> <p>In case where IDS Transactions are initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of an IBD as permitted by the Company for trading on behalf of its clients, Custodian Clearing Member shall be required to provide the respective CDS sub-account numbers of IBD clients at the time of affirming IDS transactions. It shall be mandatory that UIN of such sub-account and UIN provided by PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member at the time of initiation/re-initiation of such IDS Transaction are the same and such Custodian Clearing Member is</p>	<p>account of PCM or TCSB in accordance with the manner prescribed in the Procedures. However, in case of IDS transactions which are initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of IBD as permitted by the Company for trading on behalf of its clients/Associated entity and its clients, IDS transactions that are neither affirmed nor rejected within the specified time as per Designated Time Schedule shall be settled by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member through CDS sub-account of the respective IBD in accordance with these Regulations and the Procedures.</p> <p>6. Custodian Clearing Members shall not be allowed to edit the details of such initiated IDS transaction posted by the initiating PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member and. However, a Custodian Clearing Member shall be required to affirm or be allowed to affirm / reject such transaction within specified time as per Designated Time Schedule.</p> <p>In case where IDS Transactions are initiated by a PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member with a client code of an IBD as permitted by the Company for trading on behalf of its clients, Custodian Clearing Member shall be required to provide the respective CDS sub-account numbers of IBD clients at the time of rejecting <u>affirming /</u> rejecting IDS transactions. It shall be mandatory that UIN of such sub-account and UIN provided by PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member at the time of initiation/re-initiation of such IDS Transaction are the same and such Custodian Clearing Member is</p>	
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<p>maintaining such sub-account under its CDS Participant account.</p> <p>All affirmed IDS transactions shall be settled by the affirming Custodian Clearing Members in accordance with these Regulations and the Procedures.</p> <p>IDS Module shall also facilitate the Custodian Clearing Members for clearing and settlement of trades and transactions executed on behalf of the clients in the Debt and GDS markets in accordance with the manner and subject to such terms and conditions as are prescribed in the Procedures / Joint Procedures.</p> <p><u>New Insertion</u></p>	<p>maintaining such sub-account under its CDS Participant account.</p> <p>All affirmed IDS transactions that are affirmed and not rejected shall be settled by the affirming respective Custodian Clearing Members in accordance with these Regulations and the Procedures.</p> <p>IDS Module shall also facilitate the Custodian Clearing Members for clearing and settlement of trades and transactions executed on behalf of the clients in the Debt and GDS markets in accordance with the manner and subject to such terms and conditions as are prescribed in the Procedures / Joint Procedures.</p> <p><u>7. The Company shall facilitate the PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member to meet the money obligation on Settlement Date (i.e. T+1) arising on account of rejection of IDS transactions initiated to the Custodian Clearing Members subject to such terms and conditions as are prescribed in the Procedures, after exercising all other available options as per the established market practices.</u></p> <p><u>Provided that any such financial facilitation to meet the money obligation arising on account of rejected IDS transactions on a Settlement Date shall be extended for a maximum period of one-day subject to provision of such collateral as may be determined by the Company after applying appropriate haircuts in accordance with the manner prescribed in the Procedures.</u></p> <p><u>Provided further, the Clearing Member shall be severally liable to repay the amount to the Company during banking hours on the Business</u></p>	
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	<p><u>Day immediately following the Settlement Date on which funds were provided by the Company to Clearing Member to meet the money obligation. Any failure to repay the amount shall be considered a settlement failure and shall be dealt with in accordance with Chapter 13 "Money Default Management", Chapter 18: "Restriction, Suspension or Termination of access to services offered by the Company" of these Regulations and the Procedures.</u></p> <p><u>Provided further, extending any such facility is not obligatory to the Company and is completely subject to availability of the required funds at the disposal of the Company for this purpose. In case of inability of the Company to provide the funding to meet the money obligation arising on account of rejection of IDS transactions on T+1 by the Custodian Clearing Members, the respective PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member who has initiated the IDS Transaction shall remain liable to meet the money obligation on the Settlement Date.</u></p> <p><u>Provided furthermore, in case where the PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member has a delivery obligation on Settlement Date (i.e. T+1) arising on account of rejected IDS transactions initiated to the Custodian Clearing Members, all such transactions shall be settled in accordance with the manner and subject to terms and conditions prescribed in the Procedures.</u></p> <p><u>8. The Company will conduct a Balance Order Accounting Operation based upon Balance Order Contracts for settlement of IDS transactions affirmed and / or un-rejected by the Custodian Clearing Members in</u></p>	
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	<p><u>accordance with the manner and subject to terms and conditions prescribed in the Procedures.</u></p>	
<p>CHAPTER 9B: ADMISSION OF PROFESSIONAL CLEARING MEMBER “PCM” 9B.10 IDS and IDSC Transactions:</p> <p>a) The PCM shall be allowed for initiation of IDSC transactions for all Markets, as applicable. Where the IDSC transaction is affirmed by the CCM, settlement obligation will shift to the CCM. However, where such IDSC transactions remained un-affirmed or are rejected by the CCM, Balance Order will be generated in the CDS main account of PCM.</p> <p>Provided that in case of a TOSB (keeping limited custody) that has been inducted as Clearing Member under these Regulations for clearing and settlement of trades and transactions carried out on proprietary basis and on behalf of its directors, sponsors and its close relatives in accordance with the terms and conditions prescribed by the Commission availing service of the PCM for its clients other than above, for IDSC Transactions that remained un-affirmed or are rejected by the CCM, such transactions will be reverted back to the PCM and shall be settled through CDS main account of PCM.</p> <p>b) Where the trades are executed by the TOSB for the Non Broker Clearing Members ‘NBCM’, IDS transaction will be auto-initiated. Where the IDS transaction are affirmed by the NBCM,</p>	<p>CHAPTER 9B: ADMISSION OF PROFESSIONAL CLEARING MEMBER “PCM” 9B.10 IDS and IDSC Transactions:</p> <p>a) The PCM shall be allowed for initiation of IDSC transactions for all Markets, as applicable. Where the IDSC transaction is affirmed <u>and / or un-rejected</u> by the CCM, settlement obligation will shift to the CCM, <u>however, and the margins deposited by the PCM shall be released to the extent of such IDS Transactions where the margins are duly deposited by the respective Custodian Clearing Member till T+1. the Settlement Date.</u> However, where such IDSC transactions remained un-affirmed or are rejected by the CCM, Balance Order will be generated in the CDS main account of PCM.</p> <p>Provided that in case of a TOSB (keeping limited custody) that has been inducted as Clearing Member under these Regulations for clearing and settlement of trades and transactions carried out on proprietary basis and on behalf of its directors, sponsors and its close relatives in accordance with the terms and conditions prescribed by the Commission availing service of the PCM for its clients other than above, for IDSC Transactions that remained un-affirmed or are rejected by the CCM, such transactions will be reverted back to the PCM and shall be settled through CDS main account of PCM.</p> <p>b) Where the trades are executed by the TOSB for the Non Broker Clearing Members ‘NBCM’, IDS transaction will be auto-initiated. Where the IDS transaction are affirmed by the</p>	<p>PCM clears and settles the trades executed by Securities Brokers on behalf of clients of Custodian Clearing Members, availing its services. Accordingly, necessary updates have been proposed to align the provisions.</p>

<p>the settlement obligation will be shifted and the margins submitted by the PCM shall be released. In case where the IDS transaction remained un-affirmed or is rejected by the NBCM, the Balance Order will be generated in proprietary CDS sub-account of the TOSB maintained with the PCM. Provided in case of a TOSB (keeping limited custody) that has been inducted as a Clearing Member under these Regulations for clearing and settlement of trades and transactions carried out on proprietary basis and on behalf of its directors, sponsors and its close relatives in accordance with the terms and conditions prescribed by the Commission availing service of the PCM for its clients other than above, for IDS Transactions that remained un-affirmed or are rejected by the NBCM, such transactions will be reverted back to the PCM and shall be settled through proprietary CDS sub-account of the TOSB maintained with the PCM..</p> <p>c) All provisions stipulated under these Regulations pertaining to clearing and settlement of IDS and IDSC transactions shall remain applicable to the PCM subject to such terms and conditions, if any, as may be prescribed by the Company in the Procedures / Joint Procedures.</p>	<p>NBCM, the settlement obligation will be shifted and the margins submitted by the PCM shall be released. In case where the IDS transaction remained un-affirmed or is rejected by the NBCM, the Balance Order will be generated in proprietary CDS sub-account of the TOSB maintained with the PCM. Provided in case of a TOSB (keeping limited custody) that has been inducted as a Clearing Member under these Regulations for clearing and settlement of trades and transactions carried out on proprietary basis and on behalf of its directors, sponsors and its close relatives in accordance with the terms and conditions prescribed by the Commission availing service of the PCM for its clients other than above, for IDS Transactions that remained un-affirmed or are rejected by the NBCM, such transactions will be reverted back to the PCM and shall be settled through proprietary CDS sub-account of the TOSB maintained with the PCM.➤</p> <p>c) All provisions stipulated under these Regulations pertaining to clearing and settlement of IDS and IDSC transactions shall remain applicable to the PCM subject to such terms and conditions, if any, as may be prescribed by the Company in the Procedures / Joint Procedures.</p>	
<p>CHAPTER 12 RISK MANAGEMENT BY THE COMPANY</p>		
<p>12.4 EXPOSURE AND NETTING:</p> <p>12.4.1 Determination of Exposure:</p> <p>(a) Security-wise, UIN-wise and Market-wise Exposure of each Clearing Member will be calculated by the risk management system of the Company at any point of time subject to applicable netting rules, as prescribed by these Regulations.</p> <p>Provided that in case of Ready Delivery Contract Market and GEM,</p>	<p>12.4 EXPOSURE AND NETTING:</p> <p>12.4.1 Determination of Exposure:</p> <p>(a) Security-wise, UIN-wise and Market-wise Exposure of each Clearing Member will be calculated by the risk management system of the Company at any point of time subject to applicable netting rules, as prescribed by these Regulations.</p> <p>Provided that in case of Ready Delivery Contract Market and GEM,</p>	<p>Relevant risk management function related provisions have been proposed to be updated to align the same with the T+1 settlement cycle operations.</p>

<p>Exposure of each Clearing Member shall be calculated at the higher of the values determined either by summing-up all settlement day wise net outstanding buy Positions or all settlement day wise net outstanding sale Positions of the same client/Associated entity and its clients in the same Security in the Ready Delivery Contract Market and GEM separately at any point in time, subject to the applicable netting rules as prescribed by these Regulations.</p> <p>(b) the Non-Broker Clearing Members shall be required to affirm their auto-initiated institutional delivery system (IDS) transaction(s) which are executed by the TOSB (keeping limited custody), TSSB & TCSB Clearing Member as per their instructions in terms of these Regulations and Procedures. Further, the Non-Broker Clearing shall be required to affirm the IDS transaction(s) initiated by PCM and/or TCSB Clearing Member on behalf of its Associated Entities and its Clients and per the terms and conditions prescribed in the Procedures. The Custodian Clearing Members shall be required to affirm their initiated IDS transaction(s) on behalf of their clients after successful pre-matching which are executed by the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members as per the instructions of clients in terms of these Regulations and Procedures. Whereas, CDC, being a Non-Broker Clearing Member, shall also be required to affirm auto-initiated IDS transaction(s) of its clients which are executed by the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in terms of these Regulations and Procedures made there under. Further, asset management companies, being a Non-Broker Clearing Member, shall also be required to affirm auto-initiated IDS</p>	<p>Exposure of each Clearing Member shall be calculated at the higher of the values determined either by summing-up all settlement day wise net outstanding buy Positions or all settlement day wise net outstanding sale Positions of the same client/Associated entity and its clients in the same Security in the Ready Delivery Contract Market and GEM separately at any point in time, subject to the applicable netting rules as prescribed by these Regulations.</p> <p>(b) the Non-Broker Clearing Members shall be required to affirm their auto-initiated institutional delivery system (IDS) transaction(s) which are executed by the TOSB (keeping limited custody), TSSB & TCSB Clearing Member as per their instructions in terms of these Regulations and Procedures. Further, the Non-Broker Clearing shall be required to affirm the IDS transaction(s) initiated by PCM and/or TCSB Clearing Member on behalf of its Associated Entities and its Clients and per the terms and conditions prescribed in the Procedures. The Custodian Clearing Members shall be required to affirm / reject their initiated IDS transaction(s) on behalf of their clients after successful pre-matching which are executed by the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members as per the instructions of clients in terms of these Regulations and Procedures. Whereas, CDC, being a Non-Broker Clearing Member, shall also be required to affirm auto-initiated IDS transaction(s) of its clients which are executed by the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in terms of these Regulations and Procedures made there under. Further, asset management companies, being a Non-Broker Clearing Member, shall</p>	
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<p>transaction(s) of its eligible collective investment schemes which are executed by the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in terms of these Regulations and Procedures. Accordingly, the Company shall manage the risk of its Non-Broker Clearing Members in terms of this Chapter in respect of the IDS transactions affirmed by such Clearing Members in order to monitor and mitigate the risks arising out of such affirmed IDS transactions. In case an auto-initiated IDS transaction is not affirmed or is rejected by the Non-Broker Clearing Member and / or Non-Broker Debt Market Clearing Member, the Company shall impose a penalty, as provided in Fee, Charges and Deposits Schedule, on the concerned Non-Broker Clearing Member and / or Non-Broker Debt Market Clearing Member or the PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member as the case may be in accordance with the Procedures.</p>	<p>also be required to affirm auto-initiated IDS transaction(s) of its eligible collective investment schemes which are executed by the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in terms of these Regulations and Procedures. Accordingly, the Company shall manage the risk of its Non-Broker Clearing Members in terms of this Chapter in respect of the IDS transactions affirmed / <u>un-rejected</u> by such Clearing Members in order to monitor and mitigate the risks arising out of such affirmed / <u>un-rejected</u> IDS transactions. In case an auto-initiated IDS transaction is not affirmed or is rejected by the Non-Broker Clearing Member and / or Non-Broker Debt Market Clearing Member, the Company shall impose a penalty, as provided in Fee, Charges and Deposits Schedule, on the concerned Non-Broker Clearing Member and / or Non-Broker Debt Market Clearing Member or the PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member as the case may be in accordance with the Procedures.</p>	
<p>(c) the Exposure of a PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member in respect of the affirmed institutional delivery system (IDS) transactions of his Non-Broker Clearing Member client(s) shall be reduced to the extent of such IDS transactions provided that such affirming Non-Broker Clearing Members have duly deposited the Exposure Margins and Mark-to-</p>	<p><u>However, in case of Custodian Clearing Members, any such penalty for rejecting the IDS Transactions that were processed for settlement in accordance with Regulation 9.10 of these Regulations, shall be imposed subject to such terms and conditions as are prescribed in the Procedures.</u></p> <p>(c) the Exposure of a PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member in respect of the affirmed institutional delivery system (IDS) transactions of his Non-Broker Clearing Member client(s) shall be reduced to the extent of such IDS transactions provided that such affirming Non-Broker Clearing Members have duly deposited the Exposure Margins and Mark-to-</p>	

<p>Market Losses to the Company in accordance with these Regulations. However, in case of IDS transactions affirmed by the asset management companies carried out on behalf of the eligible collective investment schemes under their management, the exposure of the PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member shall be reduced only to the extent of the transactions that have been allocated to the respective eligible collective investment scheme by the asset management company and the related margins have been duly deposited by the relevant collective investment scheme with the Company. Asset management company shall be responsible for ensuring that all IDS transactions affirmed by it are accurately allocated to eligible collective investment scheme within the Designated Time Schedule. Provided that un-affirmed/rejected IDS transactions shall be the proprietary trades of the PCM,TOSB (keeping limited custody), TSSB & TCSB Clearing Member in the same Market and shall be included while calculating Exposure and relevant Margins of the PCM,TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p>	<p>Market Losses to the Company in accordance with these Regulations. However, in case of IDS transactions affirmed by the asset management companies carried out on behalf of the eligible collective investment schemes under their management, the exposure of the PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member shall be reduced only to the extent of the transactions that have been allocated to the respective eligible collective investment scheme by the asset management company and the related margins have been duly deposited by the relevant collective investment scheme with the Company. Asset management company shall be responsible for ensuring that all IDS transactions affirmed by it are accurately allocated to eligible collective investment scheme within the Designated Time Schedule. Provided that un-affirmed/rejected IDS transactions shall be the proprietary trades of the PCM,TOSB (keeping limited custody), TSSB & TCSB Clearing Member in the same Market and shall be included while calculating Exposure and relevant Margins of the PCM,TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p>	
<p>(d) The Exposure of a TOSB (keeping limited custody), TSSB & TCSB Clearing Member in respect of the affirmed IDS transactions pertaining to clients of Custodian Clearing Member shall be reduced to the extent of such affirmed IDS transactions against which applicable margins have been either deposited from the account(s) of respective client(s) or by the Custodian Clearing Member on behalf of its clients to the Company in accordance with the Procedures. The Custodian Clearing Members after affirming the IDS transaction shall be depositing the</p>	<p>(d) The Exposure of a TOSB (keeping limited custody), TSSB & TCSB Clearing Member in respect of the affirmed <u>/ un-rejected</u> IDS transactions pertaining to clients of Custodian Clearing Member shall be reduced to the extent of such affirmed <u>/ un-rejected</u> IDS transactions against which applicable margins have been either deposited from the account(s) of respective client(s) or by the Custodian Clearing Member on behalf of its clients to the Company in accordance with the Procedures. The Custodian Clearing Members after affirming <u>/ not</u></p>	

<p>applicable margins in the form of acceptable Market Collateral with the Company within the Designated Time Schedule.</p> <p>Provided that those IDS transactions against which margins have not been deposited to the Company by Custodian Clearing Member which is not eligible to provide Standing Instruction, the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members shall continue to be responsible for requisite margins and risk management in respect of such trades in accordance with these Regulations up to the time that such trades are settled by respective Custodian Clearing Members through NCCS subject to the clause 13.2.1 of the Chapter 13 of these Regulations.</p> <p>Provided that un-affirmed/rejected IDS transactions shall be the proprietary trades of the initiating the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in the same market and shall be included while calculating Exposure and relevant margins of the TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p> <p>(e) The Custodian Clearing Members shall deposit to the Company the margins applicable on affirmed IDS transactions either to the extent such margins are available from the respective client, or may provide the margins to the Company on behalf of its clients in such form of Market Collateral as specified in schedule II of this Chapter.</p> <p>(f) the Exposure of a TOSB (keeping limited custody), TSSB & TCSB Clearing Member in respect of the affirmed NCS Transactions shall</p>	<p>rejecting the IDS transaction shall be depositing the applicable margins in the form of acceptable Market Collateral with the Company within the Designated Time Schedule.</p> <p>Provided that those IDS transactions against which margins have not been deposited to the Company by Custodian Clearing Member which is not eligible to provide Standing Instruction, the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members shall continue to be responsible for requisite margins and risk management in respect of such trades in accordance with these Regulations up to the time that such trades are settled by respective Custodian Clearing Members through NCCS subject to the clause 13.2.1 of the Chapter 13 of these Regulations.</p> <p>Provided that un-affirmed/rejected IDS transactions shall be the proprietary trades of the initiating TOSB (keeping limited custody), TSSB & TCSB Clearing Member in the same market and shall be included while calculating Exposure and relevant margins of the TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p> <p>(e) The Custodian Clearing Members shall deposit to the Company the margins applicable on affirmed / un-rejected IDS transactions either to the extent such margins are available from the respective client, or may provide the margins to the Company on behalf of its clients in such form of Market Collateral as specified in schedule II of this Chapter.</p> <p>(f) the Exposure of a TOSB (keeping limited custody), TSSB & TCSB Clearing Member in respect of the affirmed NCS Transactions shall</p>	
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<p>also be reduced to the extent of the TOSB (keeping limited custody), TSSB & TCSB extent of such NCS Transactions. Provided that un-affirmed/rejected NCS Transactions shall remain in the account of the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in the same market and included while calculating Exposure and relevant Margins of the TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p> <p>(g) The Company shall manage the risk of its Debt Market Clearing Members in terms of this Chapter in respect of Debt Market and GDS Market trades executed and / or affirmed IDS transactions based on Debt Market and GDS Market trades by such Debt Market Clearing Members in order to monitor and mitigate the risks arising out of such Debt Market trades.</p> <p>Provided that a Non-Broker Debt Market Clearing Member admitted as a Market Maker for listed Debt Securities and / or GDS by the Securities Exchange shall not be eligible to use IDS facility for Debt Market and / or GDS Market Trades executed by such Non-Broker Debt Market Clearing Member as a Market Maker for listed Debt Securities and GDS.</p> <p>Provided further, a Non-Broker Debt Market Clearing Member admitted as a Trading Participant for CDS eligible GDS by the Securities Exchange, in accordance with Chapter 6 of its Regulations, shall not be eligible to use IDS facility for proprietary Trades executed directly by Non-Broker Debt Market Clearing Member as a Trading Participant without involvement of Securities Broker.</p> <p>However, the IDS facility will continue to remain available for all proprietary</p>	<p>also be reduced to the TOSB (keeping limited custody), TSSB & TCSB extent of such NCS Transactions. Provided that un-affirmed/rejected NCS Transactions shall remain in the account of the TOSB (keeping limited custody), TSSB & TCSB Clearing Member in the same market and included while calculating Exposure and relevant Margins of the TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p> <p>(g) The Company shall manage the risk of its Debt Market Clearing Members in terms of this Chapter in respect of Debt Market and GDS Market trades executed and / or affirmed IDS transactions based on Debt Market and GDS Market trades by such Debt Market Clearing Members in order to monitor and mitigate the risks arising out of such Debt Market trades.</p> <p>Provided that a Non-Broker Debt Market Clearing Member admitted as a Market Maker for listed Debt Securities and / or GDS by the Securities Exchange shall not be eligible to use IDS facility for Debt Market and / or GDS Market Trades executed by such Non-Broker Debt Market Clearing Member as a Market Maker for listed Debt Securities and GDS.</p> <p>Provided further, a Non-Broker Debt Market Clearing Member admitted as a Trading Participant for CDS eligible GDS by the Securities Exchange, in accordance with Chapter 6 of its Regulations, shall not be eligible to use IDS facility for proprietary Trades executed directly by Non-Broker Debt Market Clearing Member as a Trading Participant without involvement of Securities Broker.</p> <p>However, the IDS facility will continue to remain available for all proprietary</p>	
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<p>trades executed through the Securities Broker.</p> <p>The clearing, settlement and risk management of proprietary trades executed by a Non-Broker Debt Market Clearing Member in CDS eligible GDS as a Trading Participant shall be subject to such terms and conditions as are prescribed in the Joint Procedures.</p> <p>(h) The Company shall continue to monitor and manage the Exposure of their respective PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Members for their Exchange trades executed for the respective clients of Custodian Clearing Members which are not eligible to provide Standing Instructions, and the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members shall be responsible for depositing all Margins and fulfilling other obligations related to risk management in respect of such trades in accordance with these Regulations up to the time that such trades are settled by respective Custodian Clearing Members through NCSS.</p> <p>(i) No netting whatsoever, in any Market, shall be allowed for the purpose of calculation of Exposure and relevant Margins in lieu of Margin Financing Transactions. Provided that MF (R) Transactions, executed as per clause 7B.3.5 (1) and Margin Financed Securities of such clients/Associated entity and its clients and pledged as per clause 7B.3.4 a (2) of these Regulations, Exposure Margins of such ready market sales will be collected from the respective the TOSB (keeping limited custody), TSSB & TCSB Clearing Members proprietary account.</p> <p>(j) PCM, TOSB (keeping limited custody), TSSB & TCSB Trading</p>	<p>trades executed through the Securities Broker.</p> <p>The clearing, settlement and risk management of proprietary trades executed by a Non-Broker Debt Market Clearing Member in CDS eligible GDS as a Trading Participant shall be subject to such terms and conditions as are prescribed in the Joint Procedures.</p> <p>(h) The Company shall continue to monitor and manage the Exposure of their respective PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Members for their Exchange trades executed for the respective clients of Custodian Clearing Members which are not eligible to provide Standing Instructions, and the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members shall be responsible for depositing all Margins and fulfilling other obligations related to risk management in respect of such trades in accordance with these Regulations up to the time that such trades are settled by respective Custodian Clearing Members through NCSS.</p> <p>(i) No netting whatsoever, in any Market, shall be allowed for the purpose of calculation of Exposure and relevant Margins in lieu of Margin Financing Transactions. Provided that MF (R) Transactions, executed as per clause 7B.3.5 (1) and Margin Financed Securities of such clients/Associated entity and its clients and pledged as per clause 7B.3.4 a (2) of these Regulations, Exposure Margins of such ready market sales will be collected from the respective TOSB (keeping limited custody), TSSB & TCSB Clearing Members proprietary account.</p> <p>(j) PCM, TOSB (keeping limited custody), TSSB & TCSB Trading</p>	
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<p>Financier shall deposit Exposure Margins in respect of its obligation to pay for the Ready Delivery Contract Market purchase of the Finantee, to the extent of FPR, on the day that the MT Transaction is executed. The Margins will be held till MT Transaction is settled by the PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financier. After settlement and deposit of MT Financed Securities in Blocked Status Exposure Margin shall be released to the PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financier. After settlement of MT Transaction, PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financier shall not pay any Exposure Margin on the corresponding MT (R) Transaction.</p>	<p>Financier shall deposit Exposure Margins in respect of its obligation to pay for the Ready Delivery Contract Market purchase of the Finantee, to the extent of FPR, on the day that the MT Transaction is executed. The Margins will be held till MT Transaction is settled by the PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financier. After settlement and deposit of MT Financed Securities in Blocked Status Exposure Margin shall be released to the PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financier. After settlement of MT Transaction, PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financier shall not pay any Exposure Margin on the corresponding MT (R) Transaction.</p>	
<p>12.4.6 NETTING WITHIN DELIVERABLE FUTURES MARKET (INCLUDING PROVISIONALLY LISTED SECURITIES):</p> <p>Netting shall be allowed between buy and sell Positions in the same Security for the same client/Associated entity and its clients in the same contract period. Likewise buy and sell Positions in same Security in the same contract period for the proprietary trades of a Clearing Member can be netted against each other.</p>	<p>12.4.6 NETTING WITHIN DELIVERABLE FUTURES MARKET (INCLUDING PROVISIONALLY LISTED SECURITIES):</p> <p>Netting shall be allowed between buy and sell Positions in the same Security for the same client/Associated entity and its clients in the same contract period. Likewise buy and sell Positions in same Security in the same contract period for the proprietary trades of a Clearing Member can be netted against each other.</p>	<p>Provisionally Listed Companies Market does not exist anymore, therefore, necessary changes are proposed.</p>
<p>12.5 EXPOSURE MARGINS:</p> <p>12.5.1 Margin requirements:</p> <p>(a) All trades/transactions in any Security or Securities shall be subject to the Margin requirements prescribed in these Regulations or such other additional Margins in this regard as the Company may, with the prior approval of the Commission, prescribe from time to time in addition hereto.</p> <p>(b) However, the total Margins requirements (including initial</p>	<p>12.5 EXPOSURE MARGINS:</p> <p>12.5.1 Margin requirements:</p> <p>(a) All trades/transactions in any Security or Securities shall be subject to the Margin requirements prescribed in these Regulations or such other additional Margins in this regard as the Company may, with the prior approval of the Commission, prescribe from time to time in addition hereto.</p> <p>(b) However, the total Margins requirements (including initial</p>	<p>Provisionally Listed Companies Market does not exist anymore, therefore, necessary changes are proposed.</p>

<p>Margins, concentration Margins and/or special Margins) added together, for particular scrip under a UIN should not exceed its Exposure amount in any case. In case, where total Margin requirements exceed the Exposure amount, special Margins requirements shall be reduced to the extent of the exceeding amount.</p> <p>(c) Pre-Settlement under Ready Delivery Contract Market, GEM, Debt Market or Deliverable Futures Contract Market: In case where a UIN-wise net-seller in a Security Deposits the net-sold deliveries and/or net-buyer in a Security Deposits net cash against such net-buy with the Company, all his Margin requirements, Mark-to-Market Losses/Profits, position limits to the extent of such presettlement shall not be taken into account by the Company, while calculating such Clearing Member's Capital Adequacy limits, position limits and Margin requirements for respective Market. The pre-settlement delivery mechanism shall be managed by the Company.</p> <p>(d) The SLB Participants shall deposit Exposure Margins in respect of their SLB Transaction on the day that the same is executed. Upon settlement of the SLB Transaction, the VaR based Exposure Margins shall be collected till settlement of SLB (R) Transaction. Further, in case of IDS SLB Transactions, the Exposure Margin with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB(R) Transaction shall be deposited by the affirming Non - Broker Clearing Member SLB Participant.</p> <p>(e) All trades in any MT Eligible Security shall be subject to the Margin requirements prescribed in these Regulations or such other additional</p>	<p>Margins, concentration Margins and/or special Margins) added together, for particular scrip under a UIN should not exceed its Exposure amount in any case. In case, where total Margin requirements exceed the Exposure amount, special Margins requirements shall be reduced to the extent of the exceeding amount.</p> <p>(c) Pre-Settlement under Ready Delivery Contract Market, GEM, Debt Market or Deliverable Futures Contract Market: In case where a UIN-wise net-seller in a Security Deposits the net-sold deliveries and/or net-buyer in a Security Deposits net cash against such net-buy with the Company, all his Margin requirements, Mark-to-Market Losses/Profits, position limits to the extent of such pre-settlement shall not be taken into account by the Company, while calculating such Clearing Member's Capital Adequacy limits, position limits and Margin requirements for respective Market. The pre-settlement delivery mechanism shall be managed by the Company.</p> <p>(d) The SLB Participants shall deposit Exposure Margins in respect of their SLB Transaction on the day that the same is executed. Upon settlement of the SLB Transaction, the VaR based Exposure Margins shall be collected till settlement of SLB (R) Transaction. Further, in case of IDS SLB Transactions, the Exposure Margin with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB(R) Transaction shall be deposited by the affirming Non - Broker Clearing Member SLB Participant.</p> <p>(e) All trades in any MT Eligible Security shall be subject to the Margin requirements prescribed in these Regulations or such other additional</p>	
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<p>Margins in this regard as the Company may, with the prior approval of the Commission, from time to time prescribe in addition thereto.</p> <p>(f) In case of Debt Market, the Exposure Margins shall be calculated on the following rule based Margin slabs:</p> <table border="1" data-bbox="108 633 549 981"> <thead> <tr> <th>Issue Size of Listed Debt Market Securities</th> <th>Margin% on Exposure</th> </tr> </thead> <tbody> <tr> <td>Upto Rs.1 billion</td> <td>1%</td> </tr> <tr> <td>Between Rs.1 billion and Rs.3 billion</td> <td>1.5%</td> </tr> <tr> <td>Above Rs. 3 billion</td> <td>2%</td> </tr> </tbody> </table>	Issue Size of Listed Debt Market Securities	Margin% on Exposure	Upto Rs.1 billion	1%	Between Rs.1 billion and Rs.3 billion	1.5%	Above Rs. 3 billion	2%	<p>Margins in this regard as the Company may, with the prior approval of the Commission, from time to time prescribe in addition thereto.</p> <p>(f) In case of Debt Market, the Exposure Margins shall be calculated on the following rule based Margin slabs:</p> <table border="1" data-bbox="576 633 1016 981"> <thead> <tr> <th>Issue Size of Listed Debt Market Securities</th> <th>Margin% on Exposure</th> </tr> </thead> <tbody> <tr> <td>Upto Rs.1 billion</td> <td>1%</td> </tr> <tr> <td>Between Rs.1 billion and Rs.3 billion</td> <td>1.5%</td> </tr> <tr> <td>Above Rs. 3 billion</td> <td>2%</td> </tr> </tbody> </table>	Issue Size of Listed Debt Market Securities	Margin% on Exposure	Upto Rs.1 billion	1%	Between Rs.1 billion and Rs.3 billion	1.5%	Above Rs. 3 billion	2%	
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<p>(g) In case of Provisionally Listed Companies Market, where a Clearing Member delays any payment to the Company beyond specified time, its Margin requirement (deposit payable) will be doubled.</p> <p>(h) in case of Deliverable Future Contracts, where a Clearing Member delays any payment to the Company for meeting any of his obligations beyond the specified time thrice in a calendar year, he would be liable to deposit Rs.1,000,000/- with the Company for a period of 3 months. In case where delay in payment has occurred for fourth time in a calendar year, the deposit amount would be enhanced to Rs. 2,000,000/- to be held by the Company for a period of 6 months. Provided that the deposit amount shall not be utilized by the Company against the Exposure Margins of such Securities Broker.</p>	<p>(g) In case of Provisionally Listed Companies Market, where a Clearing Member delays any payment to the Company beyond specified time, its Margin requirement (deposit payable) will be doubled.</p> <p>(h)(g) in case of Deliverable Future Contracts, where a Clearing Member delays any payment to the Company for meeting any of his obligations beyond the specified time thrice in a calendar year, he would be liable to deposit Rs.1,000,000/- with the Company for a period of 3 months. In case where delay in payment has occurred for fourth time in a calendar year, the deposit amount would be enhanced to Rs. 2,000,000/- to be held by the Company for a period of 6 months. Provided that the deposit amount shall not be utilized by the Company against the Exposure Margins of such Securities Broker.</p>																	
<p>12.5.10 MF Market</p> <p>1. Margins will initially apply on the Margin Finnee on the Ready Delivery Contract Market purchase as per the risk management</p>	<p>12.5.10 MF Market</p> <p>1. Margins will initially apply on the Margin Finnee on the Ready Delivery Contract Market purchase as per the risk management</p>	<p>At present, MF Financier is required to deposit the margins till the settlement of the leverage purchase on T+2. After the implementation of T+1</p>																

<p>requirements of the Company at the time of execution of trades. However, Margin Finances will continue to pay Margins to respective TOSB (keeping limited custody), TSSB & TCSB Margin Financier until MF (R) Transaction is settled.</p> <p>2. The PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier shall be required to pay Exposure Margin on the MF Transaction Value till its settlement on T+2. Thereafter, no Margins shall be required by the Company from the PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier on the corresponding MF (R) Transaction, provided that Margin Financed Securities have been delivered and held in the CDS house account/clients' and/or associated entity accounts as the case may be of the PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier in MF Blocked Status. Provided further, that such requirement of Margin from PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier shall not be applicable where Margin Finanee and PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier is a same PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p>	<p>requirements of the Company at the time of execution of trades. However, Margin Finances will continue to pay Margins to respective TOSB (keeping limited custody), TSSB & TCSB Margin Financier until MF (R) Transaction is settled.</p> <p>2. The PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier shall be required to pay Exposure Margin on the MF Transaction Value till its settlement on T+2<u>1</u>. Thereafter, no Margins shall be required by the Company from the PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier on the corresponding MF (R) Transaction, provided that Margin Financed Securities have been delivered and held in the CDS house account/clients' and/or associated entity accounts as the case may be of the PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier in MF Blocked Status. Provided further, that such requirement of Margin from PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier shall not be applicable where Margin Finanee and PCM, TOSB (keeping limited custody), TSSB & TCSB Margin Financier is the same PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member.</p>	<p>settlement cycle, this requirement will be reduced by a day. Accordingly, necessary changes have been proposed to align the regulatory provisions.</p>
<p>12.6.1 DETERMINATION OF MARK-TO-MARKET LOSSES:</p> <p>(a) Mark-to-Market Loss (or Profit) shall be calculated on trade to trade basis including affirmed IDS transactions of the Non-Broker Clearing Members//Custodian Clearing Members, separately for each scrip, for each client/Associated entity and its clients and for proprietary open Positions of a Clearing Member on the basis of the last executed prices where the index based market halts are implemented by Pakistan Stock Exchange, during</p>	<p>12.6.1 DETERMINATION OF MARK-TO-MARKET LOSSES:</p> <p>(a) Mark-to-Market Loss (or Profit) shall be calculated on trade to trade basis including affirmed /<u>un-rejected</u> IDS transactions of the Non-Broker Clearing Members//Custodian Clearing Members, separately for each scrip, for each client/Associated entity and its clients and for proprietary open Positions of a Clearing Member on the basis of the last executed prices where the index based market halts are implemented by Pakistan Stock Exchange, during</p>	<p>Relevant risk management function related provisions have been proposed to be updated to align the same with the T+1 settlement cycle operations.</p>

<p>trading hours on a Trading Date. The final determination and collection of Mark-to-Market Losses at the end of Trade Date shall be at the Closing Prices.</p> <p>Provided where in case of institutional delivery transactions allocated by the asset management company to the respective eligible collective investment schemes in accordance with Regulations 9.10a of these Regulations, the Mark-to-Market Loss (or Profit) shall be calculated on trade to trade basis separately for each scrip, for each eligible collective investment scheme that is also a Non-Broker Clearing Member of the Company on the basis of the last allocated transactions on a Trading Date. The final determination and collection of Mark-to-Market Losses at the end of Trade Date shall be at the Closing Prices.</p>	<p>trading hours on a Trading Date. The final determination and collection of Mark-to-Market Losses at the end of Trade Date i.e. T+0 shall be at the Closing Prices.</p> <p>Provided where in case of institutional delivery transactions allocated by the asset management company to the respective eligible collective investment schemes in accordance with Regulations 9.10a of these Regulations, the Mark-to-Market Loss (or Profit) shall be calculated on trade to trade basis separately for each scrip, for each eligible collective investment scheme that is also a Non-Broker Clearing Member of the Company on the basis of the last allocated transactions on a Trading Date. The final determination and collection of Mark-to-Market Losses at the end of Trade Date i.e. T+0 shall be at the Closing Prices.</p>	
<p>12.6.2 NETTING:</p> <p>(a) While determining the Mark-to-Market Losses (or profit) payable by a Clearing Member, netting shall be permissible across trades in different securities for the same client/ Associated entity and its clients or across trades in different securities for proprietary trades of a Clearing Member, in the same Settlement Date or contract period. Provided that where MF (R) Transactions are executed as per clause 7B.3.5 (1) and Margin Financed Securities of such clients /Associated entity and its clients are pledged as per clause 7B.3.4 a(2) of these Regulations, Mark-to-Market Losses of such ready Market sales will be collected from the respective PCM,TOSB (keeping limited custody), TSSB & TCSB Clearing Members proprietary account.</p> <p>(b) In the case of index options market, when determining the Mark-</p>	<p>12.6.2 NETTING:</p> <p>(a) While determining the Mark-to-Market Losses (or profit) payable by a Clearing Member, netting shall be permissible across trades in different securities for the same client/ Associated entity and its clients or across trades in different securities for proprietary trades of a Clearing Member, in the same Settlement Date or contract period. Provided that where MF (R) Transactions are executed as per clause 7B.3.5 (1) and Margin Financed Securities of such clients /Associated entity and its clients are pledged as per clause 7B.3.4 a(2) of these Regulations, Mark-to-Market Losses of such ready Market sales will be collected from the respective PCM,TOSB (keeping limited custody), TSSB & TCSB Clearing Members proprietary account.</p> <p>(b) In the case of index options market, when determining the Mark-</p>	<p>Provisionally Listed Companies Market does not exist anymore, therefore, necessary changes are proposed.</p>

<p>to-Market Losses payable by a Clearing Member, netting shall be permitted between Mark-to-Market Profits and Losses of buy and sell Positions of an option writer and/or option seller in the same type of option contract with same expiration day and same underlying index for the same client /Associated entity and its clients or between proprietary buy and sell Positions in the same type of option contract with same expiration day for the same underlying index. No other netting of profits and losses arising on Positions in the index options market shall be permitted inter-alia including netting of profits and losses across different Markets, across different clients/Associated entity and its clients or across option contracts/option series based on different underlying indices.</p> <p>(c) Netting shall only be permitted in profits and losses of the same client /Associated entity and its clients or Clearing Member’s proprietary Position in different SIF contracts with different expiries. No other netting of profits and losses arising on Positions in SIF contracts shall be permitted inter-alia including netting of profits and losses across different Markets, across different clients / Associated entity and its clients or across futures contracts based on different indices.</p> <p>(d) Netting shall be allowed between buy and sell Positions of the same client /Associated entity and its clients or Clearing Member’s proprietary Position in the same scrip on the same contract period for the Deliverable Futures Contract Market.</p> <p>(e) The Mark-To-Market Losses and profits of the same client/Associated entity and its clients or Clearing Member’s proprietary Position shall be netted for same Securities and in the same contract period within</p>	<p>to-Market Losses payable by a Clearing Member, netting shall be permitted between Mark-to-Market Profits and Losses of buy and sell Positions of an option writer and/or option seller in the same type of option contract with same expiration day and same underlying index for the same client /Associated entity and its clients or between proprietary buy and sell Positions in the same type of option contract with same expiration day for the same underlying index. No other netting of profits and losses arising on Positions in the index options market shall be permitted inter-alia including netting of profits and losses across different Markets, across different clients/Associated entity and its clients or across option contracts/option series based on different underlying indices.</p> <p>(c) Netting shall only be permitted in profits and losses of the same client /Associated entity and its clients or Clearing Member’s proprietary Position in different SIF contracts with different expiries. No other netting of profits and losses arising on Positions in SIF contracts shall be permitted inter-alia including netting of profits and losses across different Markets, across different clients / Associated entity and its clients or across futures contracts based on different indices.</p> <p>(d) Netting shall be allowed between buy and sell Positions of the same client /Associated entity and its clients or Clearing Member’s proprietary Position in the same scrip on the same contract period for the Deliverable Futures Contract Market.</p> <p>(e) The Mark To Market Losses and profits of the same client/Associated entity and its clients or Clearing Member’s proprietary Position shall be netted for same Securities and in the same contract period within</p>	
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<p>Provisionally Listed Companies Market.</p> <p>(f) While determining the Mark-to-Market Losses payable by SLB Participants, no netting such as across clients/Associated entity and its clients, across Markets, across contract periods, across securities, across Settlement Dates etc shall be allowed whatsoever.</p> <p>(g) While determining the Mark-to-Market Losses payable by a MT Participant, no netting, including without limitation, across trades, across clients/Associated entity and its clients, across Markets, across contract periods, across securities, across Settlement Dates etc., shall be allowed.</p> <p>(h) While determining the Mark-to-Market Losses payable by a Debt Market Clearing Member, netting shall not be permissible across Debt Market and / or GDS Market trades in same and/or different Securities for the same UIN in the same Settlement Date and across Settlement Date. Only netting will be allowed in multiple of trades, on same Settlement Date, where same UIN of a Clearing Member involved in buying and selling of same Security with the counter Clearing Member having same combination of another or same UIN involved in counter selling and buying of the same Security.</p>	<p>Provisionally Listed Companies Market.</p> <p>(f)(e) While determining the Mark-to-Market Losses payable by SLB Participants, no netting such as across clients/Associated entity and its clients, across Markets, across contract periods, across securities, across Settlement Dates etc. shall be allowed whatsoever.</p> <p>(g)(f) While determining the Mark-to-Market Losses payable by a MT Participant, no netting, including without limitation, across trades, across clients/Associated entity and its clients, across Markets, across contract periods, across securities, across Settlement Dates etc., shall be allowed.</p> <p>(h)(g) While determining the Mark-to-Market Losses payable by a Debt Market Clearing Member, netting shall not be permissible across Debt Market and / or GDS Market trades in same and/or different Securities for the same UIN in the same Settlement Date and across Settlement Date. Only netting will be allowed in multiple of trades, on same Settlement Date, where same UIN of a Clearing Member involved in buying and selling of same Security with the counter Clearing Member having same combination of another or same UIN involved in counter selling and buying of the same Security.</p>	
<p>12.6.3 MARK-TO-MARKET LOSSES DEPOSIT:</p> <p>(a) Each Clearing Member will pay its Mark-to-Market Losses to the Company at any point in time (as demanded by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall</p>	<p>12.6.3 MARK-TO-MARKET LOSSES DEPOSIT:</p> <p>(a) Each Clearing Member will pay its Mark-to-Market Losses to the Company at any point in time (as demanded by the Company or at the end of each Trade Date <u>i.e. T+0</u> but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing</p>	<p>At present, the Clearing Members are required to deposit the MTM losses before opening of the market on next Business Day. Further, 50% of MTM losses collected on the open position of a Clearing Member or its clients in DFC market is disbursed on T+1 basis. Even after the implementation of the shorter settlement cycle, it has been</p>

<p>be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company.</p> <p>(b) Mark-to-Market Losses of Clearing Members (client/Associated entity and its clients as well as proprietary Positions) having total Exposures in the Deliverable Future Contracts Market or index options market of more than Rs.200 million will be collected twice a day, including at the end of each Trade Date. Each PCM, Clearing Member entering into Deliverable Future Contracts shall pay Mark-to-Market Losses in accordance with these Regulations.</p> <p>(c) the obligation of the SLB Participants to deposit their respective Mark-to-Market Losses shall commence from the SLB Transaction Date and shall continue till such time that SLB Transaction is settled. Thereafter, Mark-to-Market Losses shall be collected from the SLB Participants on SLB (R) Transaction till the Settlement Date of such SLB (R) Transaction. However, in case of IDS SLB Transactions, the Mark-to-Market Losses with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB (R) Transaction shall be deposited by the affirming Non – Broker Clearing Member SLB Participant. Mark-to-Market Losses shall be deposited by each SLB Participant with the Company before such time as may be specified by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date.</p> <p>Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade</p>	<p>Member shall be required to pay the Mark-to-Market loss on the Trade Date <u>i.e. T+0</u> within the time prescribed by the Company.</p> <p>(b) Mark-to-Market Losses of Clearing Members (client/Associated entity and its clients as well as proprietary Positions) having total Exposures in the Deliverable Future Contracts Market or index options market of more than Rs.200 million will be collected twice a day, including at the end of each Trade Date <u>i.e. T+0</u>. Each PCM, Clearing Member entering into Deliverable Future Contracts shall pay Mark-to-Market Losses in accordance with these Regulations.</p> <p>(c) the obligation of the SLB Participants to deposit their respective Mark-to-Market Losses shall commence from the SLB Transaction Date <u>i.e. T+0</u> and shall continue till such time that SLB Transaction is settled. Thereafter, Mark-to-Market Losses shall be collected from the SLB Participants on SLB (R) Transaction till the Settlement Date of such SLB (R) Transaction. However, in case of IDS SLB Transactions, the Mark-to-Market Losses with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB (R) Transaction shall be deposited by the affirming Non – Broker Clearing Member SLB Participant. Mark-to-Market Losses shall be deposited by each SLB Participant with the Company before such time as may be specified by the Company or at the end of each Trade Date <u>i.e. T+0</u> but not later than prior to opening of trading on the next Trade Date.</p> <p>Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade</p>	<p>proposed to keep the MtM losses related process unchanged.</p> <p>The MTM related provisions governing provisionally listed securities have been proposed to be removed. Further, certain text improvements have also been made.</p>
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<p>Date within the time prescribed by the Company.</p> <p>(d) Mark-to-Market Losses by each MT Participant shall be deposited with the Company on demand by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next day. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company.</p> <p>PCM,TOSB (keeping limited custody), TSSB & TCSB Trading Financiers shall deposit their respective Mark-to-Market Losses as per schedule-II in this Chapter on the Trade Date on which such PCM,TOSB (keeping limited custody), TSSB & TCSB Trading Financiers offer is accepted and MT Transaction is executed. The Mark-to-Market Losses will be collected till such time that MT Transaction is settled. Thereafter, Mark-to-Market Losses shall not be collected from PCM,TOSB (Keeping limited custody), TSSB & TCSB Trading Financier on MT (R) Transaction. Such Mark-to-Market Losses shall be collected by the Company in respect of obligation of the PCM,TOSB (Keeping limited custody), TSSB & TCSB Trading Financier to settle the Ready Delivery Contract Market trade in proportion to FPR. Finances will however continue to pay Mark-to-Market Losses in proportion to FPR, in cash only, until MT (R) Transaction is settled in accordance with these Regulations. Such Mark-to-Market Losses collected from Financee shall be paid to respective PCM,TOSB (keeping limited custody), TSSB & TCSB Trading Financiers. Upon payment of the Mark-to-Market Losses, the MT Contract Price shall be adjusted to maintain Financee's FPR.</p>	<p>Date <u>i.e. T+0</u> within the time prescribed by the Company.</p> <p>(d) Mark-to-Market Losses by each MT Participant shall be deposited with the Company on demand by the Company or at the end of each Trade Date <u>i.e. T+0</u> but not later than prior to opening of trading on the next day. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date <u>i.e. T+0</u> within the time prescribed by the Company.</p> <p>PCM,TOSB (keeping limited custody), TSSB & TCSB Trading Financiers shall deposit their respective Mark-to-Market Losses as per schedule-II in this Chapter on the Trade Date <u>i.e. T+0</u> on which such PCM,TOSB (keeping limited custody), TSSB & TCSB Trading Financiers offer is accepted and MT Transaction is executed. The Mark-to-Market Losses will be collected till such time that MT Transaction is settled. Thereafter, Mark-to-Market Losses shall not be collected from PCM, TOSB (Keeping limited custody), TSSB & TCSB Trading Financier on MT (R) Transaction. Such Mark-to-Market Losses shall be collected by the Company in respect of obligation of the PCM, TOSB (Keeping limited custody), TSSB & TCSB Trading Financier to settle the Ready Delivery Contract Market trade in proportion to FPR. Finances will however continue to pay Mark-to-Market Losses in proportion to FPR, in cash only, until MT (R) Transaction is settled in accordance with these Regulations. Such Mark-to-Market Losses collected from Financee shall be paid to respective PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers. Upon payment of the Mark-to-Market</p>	
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<p>(e) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Deliverable Future Contracts and shall be transferred to the next Trade Date. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market loss will be calculated. Such Mark-to-Market Losses shall be deposited by the Clearing Members with the Company on a daily basis till the satisfaction of the settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Deliverable Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Exposures will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company may distribute up to 50% of Mark-to-Market Profits, (after adjustment of Mark-to-Market Losses), of the Clearing Members on his proprietary or client/Associated entity and its clients account on UIN basis, in a particular contract, subject to availability of requisite amount of cash with the Company and in accordance with the Procedures until last trading day of the current Deliverable Future Contracts on T+1 basis through Clearing Member designated settling bank account i.e. the 50% Mark-to-Market Profits will</p>	<p>Losses, the MT Contract Price shall be adjusted to maintain Financee's FPR.</p> <p>(e) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Deliverable Future Contracts and shall be transferred to the next Trade Date. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market loss will be calculated. Such Mark-to-Market Losses shall be deposited by the Clearing Members with the Company on a daily basis till the satisfaction of the settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Deliverable Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Exposures will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date <u>i.e. T+0</u> within the time prescribed by the Company <u>but not later than prior to opening of trading on the next Trade Date.</u> The Company may distribute up to 50% of Mark-to-Market Profits, (after adjustment of Mark-to-Market Losses), of the Clearing Members on his proprietary or client/Associated entity and its clients account on UIN basis, in a particular contract, subject to availability of requisite amount of cash with the Company and in accordance with the Procedures <u>until before</u> last trading day of the current Deliverable Future Contracts on T+1 basis through Clearing Member</p>	
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<p>be disbursed on the next working day falling after the day on which the Mark-to-Market Loss is collected by the Company. Provided where any Mark-To-Market Profit is determined on the last trading day of the current Deliverable Future Contract, the same shall be disbursed on the Settlement Date instead of being disbursed on T+1 basis. In case of failure of any Clearing Member to deposit Exposure Margins/ Mark-to-Market Losses, it will not be allowed to take any fresh Position. However, the said Clearing Member will be allowed to reduce its Positions. Mark-to-Market Profits retained by the Company shall be paid to the respective Clearing Member on T+2 settlement basis.</p>	<p>designated settling bank account i.e. the 50% Mark-to-Market Profits will be disbursed on the next working day falling after the day on which the Mark-to-Market Loss is collected by the Company. Provided where any Mark-To-Market Profit is determined on the last trading day of the current Deliverable Future Contract, the same shall be disbursed on the Settlement Date instead of being disbursed on T+1 basis. In case of failure of any Clearing Member to deposit Exposure Margins/ Mark-to-Market Losses, it will not be allowed to take any fresh Position. However, the said Clearing Member will be allowed to reduce its Positions. Mark-to-Market Profits retained by the Company shall be paid to the respective Clearing Member on T+2 <u>T+1</u> Settlement basis.</p>	
<p>Provided further, the Company may, with the prior approval of the Board, withhold partially or completely disbursement of Mark-to-Market Profit in Deliverable Futures Contracts keeping in view the underlying risk, prevailing market condition and exceptional circumstances.</p>	<p>Provided further, the Company may, with the prior approval of the Board, withhold partially or completely disbursement of Mark-to-Market Profit in Deliverable Futures Contracts keeping in view the underlying risk, prevailing market condition and exceptional circumstances.</p>	
<p>However, in case, where the prevailing Contract Price of a DFC Contract increase or decrease by 50% compared to the contract open price of such security, under such circumstances, the disbursement of mark-to-market profits will be withheld by the Company till the maturity of the DFC Contract.</p>	<p>However, in case, where the prevailing Contract Price of a DFC Contract increase or decrease by 50% compared to the contract open price of such security, under such circumstances, the disbursement of mark-to-market profits will be withheld by the Company till the maturity of the DFC Contract.</p>	
<p>(f) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Cash-Settled Futures Contracts. The Company will consider such revalued amounts as traded values for collection of Mark-to-Market Losses and for making payment of Mark-to-</p>	<p>(f) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Cash-Settled Futures Contracts. The Company will consider such revalued amounts as traded values for collection of Mark-to-Market Losses and for making payment of Mark-to-</p>	

<p>Market Profits. Net Mark-to-Market Losses shall be collected from Clearing Members in cash on T+0 settlement basis (by day-end on Trade Date). Net Mark-to-Market Profits shall be disbursed to Clearing Members in cash on T+1 settlement basis.</p> <p>However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Cash Settled Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company.</p> <p>(g) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing provisionally Listed Companies Market. The Company shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Mark-to-Market Losses in provisionally Listed Companies Market shall be deposited by a Clearing Member with the Company on a daily basis till the satisfaction of his settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at</p>	<p>Market Profits. Net Mark-to-Market Losses shall be collected from Clearing Members in cash on T+0 settlement basis (by day-end on Trade Date <u>i.e. T+0 but not later than prior to opening of trading on the next Trade Date</u>). Net Mark-to-Market Profits shall be disbursed to Clearing Members in cash on T+1 settlement basis.</p> <p>However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Cash Settled Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date <u>i.e. T+0</u> within the time prescribed by the Company.</p> <p>(g) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing provisionally Listed Companies Market. The Company shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Mark-to-Market Losses in provisionally Listed Companies Market shall be deposited by a Clearing Member with the Company on a daily basis till the satisfaction of his settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at</p>	
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<p>the last executed price as prescribed in the Pakistan Stock Exchange regulations governing provisionally listed companies market at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member in particular scrip until its final settlement. Such Mark-to-Market Profits, if any, will be adjusted against the Mark-to-Market Losses in the same scrip of such Clearing Member. Total Mark-to-Market Losses collected up to the Settlement Date on account of a provisionally Listed Company shall be adjusted by the Company against money obligation of the Clearing Member on the Settlement Date.</p> <p>(h) in the case of stock index options market, Mark-to-Market Losses determined by the Company at the end of a Trade Date based on the daily settlement price shall be collected only from the option writer by the Company. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the MtM loss on the Trade Date within the time prescribed by the Company.</p> <p>The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member on his proprietary or clients/Associated entity and its clients account in an option contract until the settlement of such option contract.</p>	<p>the last executed price as prescribed in the Pakistan Stock Exchange regulations governing provisionally listed companies market at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member in particular scrip until its final settlement. Such Mark-to-Market Profits, if any, will be adjusted against the Mark-to-Market Losses in the same scrip of such Clearing Member. Total Mark-to-Market Losses collected up to the Settlement Date on account of a provisionally Listed Company shall be adjusted by the Company against money obligation of the Clearing Member on the Settlement Date.</p> <p>(h)(g) in the case of stock index options market, Mark-to-Market Losses determined by the Company at the end of a Trade Date <u>i.e. T+0</u> based on the daily settlement price shall be collected only from the option writer by the Company. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the MtM loss on the Trade Date <u>i.e. T+0</u> within the time prescribed by the Company.</p> <p>The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member on his proprietary or clients/Associated entity and its clients account in an option contract until the settlement of such option contract.</p>	
<p>12.7.23 Failure of a Custodian Clearing Member to meet Settlement Obligation</p>	<p>12.7.23 Failure of a Custodian Clearing Member to meet Settlement Obligation</p>	

<p>(a) On the occurrence of a failure by a Custodian Clearing Member to meet the settlement obligation on the Settlement Date for its affirmed IDS transaction(s),</p> <p>(i) In case where the Custodian Clearing Members have provided Standing Instruction as Market Collateral, the Company may, in accordance with the requirements of Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) of these Regulations, suspend and/or restrict the access of such Custodian Clearing Member (hereinafter in this Chapter referred to as the “defaulting Clearing Member”) to any or all of the services provided by the Company.</p> <p>(ii) in all other cases, the Custodian Clearing Member shall be required to identify the defaulting client along with the concerned PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Members to the Company within designated time in accordance with the Procedures. After due verification, the Company shall refer such settlement obligation of such affirmed IDS transaction(s) to such counter initiating PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member(s) for its settlement on particular Settlement Date. However, in such case of default in any settlement obligation by Custodian Clearing Member, the respective Custodian Clearing Member shall pay 0.5% of value of unsettled amount as penalty to the Company in accordance with these Regulations.</p> <p>(b) In case where such PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member(s) fails to meet such settlement obligation as mentioned in clause 1 above, the Company may, in accordance with the</p>	<p>(a) On the occurrence of a failure by a Custodian Clearing Member to meet the settlement obligation on the Settlement Date for its affirmed <u>/ un-rejected</u> IDS transaction(s).</p> <p>(i) In case where the Custodian Clearing Members have provided Standing Instruction as Market Collateral, the Company may, in accordance with the requirements of Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) of these Regulations, suspend and/or restrict the access of such Custodian Clearing Member (hereinafter in this Chapter referred to as the “defaulting Clearing Member”) to any or all of the services provided by the Company.</p> <p>(ii) in all other cases, the Custodian Clearing Member shall be required to identify the defaulting client along with the concerned PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Members to the Company within designated time in accordance with the Procedures. After due verification, the Company shall refer such settlement obligation of such affirmed <u>/ un-rejected</u> IDS transaction(s) to such counter initiating PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member(s) for its settlement on particular Settlement Date. However, in such case of default in any settlement obligation by Custodian Clearing Member, the respective Custodian Clearing Member shall pay 0.5% of value of unsettled amount as penalty to the Company in accordance with these Regulations.</p> <p>(b) In case where such PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member(s) fails to meet such settlement obligation as mentioned in clause <u>ii 1</u> above, the Company may, in accordance with the</p>	<p>Relevant risk management function related provisions have been proposed to be updated to align the same with the T+1 settlement cycle operations.</p>
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<p>requirements of Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) of these Regulations, suspend and/or restrict the access of such PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member (hereinafter in this Chapter referred to as the “defaulting Clearing Member”) to any or all of the services provided by the Company.</p> <p>(c) Where the Company suspends and/or restricts the access of such defaulting Clearing Member to the services offered by the Company, the Company shall commence action under Chapter 13 of these Regulations.</p>	<p>requirements of Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) of these Regulations, suspend and/or restrict the access of such PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member (hereinafter in this Chapter referred to as the “defaulting Clearing Member”) to any or all of the services provided by the Company.</p> <p>(c) Where the Company suspends and/or restricts the access of such defaulting Clearing Member to the services offered by the Company, the Company shall commence action under Chapter 13 of these Regulations.</p>	
<p>12.11 Special Clearing 12.11.1 Provisionally Listed Companies</p> <p>The Company may with the approval of the Board, announce a special clearing in particular scrip. In case special clearing is announced, trading in the scrip shall be suspended at Exchange until such time the outstanding Mark-to-Market Losses are settled in cash and the Market shall open after the differences have been settled with the Company through NCSS.</p>	<p>12.11 Special Clearing 12.11.1 Provisionally Listed Companies</p> <p>The Company may with the approval of the Board, announce a special clearing in particular scrip. In case special clearing is announced, trading in the scrip shall be suspended at Exchange until such time the outstanding Mark-to-Market Losses are settled in cash and the Market shall open after the differences have been settled with the Company through NCSS.</p>	<p>Provisions governing provisionally listed securities are proposed to be removed.</p>
<p>SCHEDULE-II FORM OF EXPOSURE MARGINS, MARK-TO-MARKET LOSSES, SPECIAL MARGINS, CONCENTRATION MARGINS, LIQUIDITY MARGINS AND ADDITIONAL MARGINS DEPOSITS</p> <p>Note:</p> <p>B. Margins and MTM Losses for Leverage Market:</p> <p>1. * All Margins and Mark-to-Market Losses for Leveraged Buys executed through special function key by the TOSB (keeping limited custody), TSSB</p>	<p>SCHEDULE-II FORM OF EXPOSURE MARGINS, MARK-TO-MARKET LOSSES, SPECIAL MARGINS, CONCENTRATION MARGINS, LIQUIDITY MARGINS AND ADDITIONAL MARGINS DEPOSITS</p> <p>Note:</p> <p>B. Margins and MTM Losses for Leverage Market:</p> <p>1. * All Margins and Mark-to-Market Losses for Leveraged Buys executed through special function key by the TOSB (keeping limited custody), TSSB</p>	<p>At present, MT Financier is required to deposit the margins till the settlement of the leverage purchase on T+2. After the implementation of T+1 settlement cycle, this requirement will be reduced by a day. Accordingly, necessary changes have been proposed to align the regulatory provisions.</p>

<p>and TCSB Clearing Member and committed to be financed through MT Market will be collected by the Company as applicable in Ready Delivery Contract Market till settlement on T+2. Subsequent to that FPR, Mark-to-Market Losses and any other Margins on relevant MT Transactions shall be collected by Company only in cash in accordance with these Regulations. MT Eligible Securities, as notified by the Company from time to time, are acceptable to the Company for the purpose of MT (R) transaction Margins to be collected from Finanee only, except Marked-to-Market Losses. Provided that, MT Eligible Security falling under</p>	<p>and TCSB Clearing Member and committed to be financed through MT Market will be collected by the Company as applicable in Ready Delivery Contract Market till settlement on T+2¹. Subsequent to that FPR, Mark-to-Market Losses and any other Margins on relevant MT Transactions shall be collected by Company only in cash in accordance with these Regulations. MT Eligible Securities, as notified by the Company from time to time, are acceptable to the Company for the purpose of MT (R) transaction Margins to be collected from Finanee only, except Marked-to-Market Losses. Provided that, MT Eligible Security falling under</p>	
<p>Chapter 13: Money Default Management (other than Trade-for-Trade Settlement)</p>		
<p>13.1 Failure of Settlement of Money Obligation, Margin/Mark-to-Market Losses by Clearing Member</p> <p>13.1.1 A Clearing Member shall be deemed to have “failed to settle his money obligations” upon receipt of confirmation by the Company by the Designated Time from the Designated Branch of its Settling Bank as to non or short collection as compared to the details set out in the Settlement Statements provided by the Company to such Clearing Member and to the Designated Branch on each Settlement Date.</p> <p>Furthermore, a Clearing Member (excluding Custodian Clearing Member that are not eligible to provide Standing Instructions) shall be considered to have “failed to settle his money obligations” on the occurrence of a failure by such Clearing Member to fulfill its Margin requirements and Mark-to-Market Losses within the period prescribed in Chapter 12 of these Regulations and/or its failure (excluding Custodian Clearing Member) to pay the contributions payable by it towards the SGF as specified in Chapter 29 (SETTLEMENT</p>	<p>13.1 Failure of Settlement of Money Obligation, Margin/Mark-to-Market Losses by Clearing Member</p> <p>13.1.1 A Clearing Member shall be deemed to have “failed to settle his money obligations” upon receipt of confirmation by the Company by the Designated Time from the Designated Branch of its Settling Bank as to non or short collection as compared to the details set out in the Settlement Statements provided by the Company to such Clearing Member and to the Designated Branch on each Settlement Date.</p> <p>Furthermore, a Clearing Member (excluding Custodian Clearing Member that are not eligible to provide Standing Instructions) shall be considered to have “failed to settle his money obligations” on the occurrence of a failure by such Clearing Member to fulfill its Margin requirements and Mark-to-Market Losses within the period prescribed in Chapter 12 of these Regulations and/or its failure (excluding Custodian Clearing Member) to pay the contributions payable by it towards the SGF as specified in Chapter 29 (SETTLEMENT</p>	<p>The Company may provide funds on behalf of a Clearing member to facilitate in fulfilling the money settlement arising due to rejection of IDS transactions by the CCM on T+1. Under such circumstances, the amount is required to be paid back to Company within 1 business day. Any failure to repay this amount will lead to default proceedings. Accordingly, necessary changes have been proposed.</p>

<p>GUARANTEE FUND) of these Regulations within the period stipulated in the Designated Time Schedule.</p> <p>In case Custodian Clearing Member that are not eligible to provide the Standing Instructions is unable to fulfill Margin requirements and MtM Losses on behalf of its clients within the period prescribed in Chapter 12 of these Regulations, for its affirmed IDS transaction(s), the Company shall collect/maintain such Margin requirements and MtM Losses from respective TOSB (Keeping limited Custody), TSSB & TCSB Clearing Member(s) who initiated such trades on behalf of its clients.</p> <p>New Insertion</p> <p>13.1.2 Where a Clearing Member fails to settle his money obligations within the Designated Time, the Company shall issue a notice to such Clearing Member, the Exchange and the CDC. Such notice shall contain the details of the unpaid amount. The Clearing Member shall be required to pay the unpaid amount mentioned in the notice within thirty (30) minutes of the receipt of the notice.</p>	<p>GUARANTEE FUND) of these Regulations within the period stipulated in the Designated Time Schedule.</p> <p>In case Custodian Clearing Member that are not eligible to provide the Standing Instructions is unable to fulfill Margin requirements and MtM Losses on behalf of its clients within the period prescribed in Chapter 12 of these Regulations, for its affirmed <u>un-rejected</u> IDS transaction(s), the Company shall collect/maintain such Margin requirements and MtM Losses from respective TOSB (Keeping limited Custody), TSSB & TCSB Clearing Member(s) who initiated such trades on behalf of its clients.</p> <p><u>Further, in case where the Company has provided any funds to a Clearing Member to fulfill its money obligation relating to IDS Transactions, rejected by the respective Custodian Clearing Member on the Settlement Date, as explained in Regulation 9.10.2(7) of these Regulations, any failure or inability to repay that amount to the Company within the Designated Time shall be considered as a “failure to settle money obligation” in terms of these Regulations subject to such terms and conditions as are prescribed in the Procedures and shall be managed in accordance with the provisions of this Chapter of the Regulations.</u></p> <p>13.1.2 Where a Clearing Member fails to settle his money obligations within the Designated Time, the Company shall issue a notice to such Clearing Member, the Exchange and the CDC. Such notice shall contain the details of the unpaid amount. The Clearing Member shall be required to pay the unpaid amount mentioned in the notice within thirty (30) minutes of the receipt of the notice.</p>	
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<p>13.1.2(1a) On the occurrence of a failure by a Custodian Clearing Member to meet its money obligation, within the Designated Time, for its affirmed IDS transaction(s):</p> <p>(i) Where the Custodian Clearing Member has provided a Standing Instruction, a notice in accordance with Regulation 13.1.2 of these regulations will also be issued to the Custodian Clearing Member.</p> <p>(ii) In case where the Custodian Clearing Member is not eligible to provide Standing Instruction, the Company shall revert such money obligation to the concerned counter initiating TOSB (keeping limited custody), TSSB & TCSB Clearing Member(s) for its settlement. Accordingly, the Company shall issue a notice to such TOSB (keeping limited custody), TSSB & TCSB Clearing Member along with the details of the outstanding money obligation and shall require such TOSB (keeping limited custody), TSSB & TCSB Clearing Member to pay such amount within the time specified in DTS.</p> <p>13.1.3 Where a Clearing Member fails to pay the amount specified in the notice referred to in Regulation 13.1.2 within the deadline for its payment, the Company may in accordance with the requirements of Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and/or Chapter 9B (PROFESSIONAL CLEARING MEMBER) of these Regulations, suspend or restrict access of such Clearing Member (hereinafter in this Chapter referred to as the “Suspended Clearing Member”) to any or all of the services provided by the Company. Where the Company has allocated any additional</p>	<p>13.1.2(1a) On the occurrence of a failure by a Custodian Clearing Member to meet its money obligation, within the Designated Time, for its affirmed / un-rejected IDS transaction(s):</p> <p>(i) Where the Custodian Clearing Member has provided a Standing Instruction, a notice in accordance with Regulation 13.1.2 of these regulations will also be issued to the Custodian Clearing Member.</p> <p>(ii) In case where the Custodian Clearing Member is not eligible to provide Standing Instruction, the Company shall revert such money obligation to the concerned counter initiating TOSB (keeping limited custody), TSSB & TCSB Clearing Member(s) for its settlement. Accordingly, the Company shall issue a notice to such TOSB (keeping limited custody), TSSB & TCSB Clearing Member along with the details of the outstanding money obligation and shall require such TOSB (keeping limited custody), TSSB & TCSB Clearing Member to pay such amount within the time specified in DTS.</p> <p>13.1.3 Where a Clearing Member fails to pay the amount specified in the notice referred to in Regulation 13.1.2 within the deadline for its payment, the Company may in accordance with the requirements of Chapter 18 (RESTRICTION, SUSPENSION OR TERMINATION OF ACCESS TO SERVICES OFFERED BY THE COMPANY) and/or Chapter 9B (PROFESSIONAL CLEARING MEMBER) of these Regulations, suspend or restrict access of such Clearing Member (hereinafter in this Chapter referred to as the “Suspended Clearing Member”) to any or all of the services provided by the Company. Where the Company has allocated</p>	
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<p>IDs to a Clearing Member pursuant to Regulation 4.3.1A and the Company has taken action against such Clearing Member under the preceding sentence of this Regulation in respect of the notice served on him under Regulation 13.1.2 with regard to his money obligations under all of his IDs, the Company shall suspend or restrict such Clearing Member's access to any or all of the services provided by the Company to the Clearing Member under both his IDs. The Company shall deliver suspension or restriction notice to (i) the Suspended Clearing Member, (ii) Exchange, (iii) all Clearing Members and (iv) CDC.</p> <p>Upon receipt of such notice, the Exchange and CDC shall take necessary actions against such Clearing Member in accordance with their regulations.</p> <p>Notwithstanding the above, in case where such suspended Clearing Member is also a MT Participant, necessary actions shall also be taken against such Clearing Member in accordance with the Chapter 7C and Chapter 12 of these Regulations.</p>	<p>any additional IDs to a Clearing Member pursuant to Regulation 4.3.1A and the Company has taken action against such Clearing Member under the preceding sentence of this Regulation in respect of the notice served on him under Regulation 13.1.2 with regard to his money obligations under all of his IDs, the Company shall suspend or restrict such Clearing Member's access to any or all of the services provided by the Company to the Clearing Member under both his IDs. The Company shall deliver suspension or restriction notice to (i) the Suspended Clearing Member, (ii) Exchange, (iii) all Clearing Members and (iv) CDC.</p> <p>Upon receipt of such notice, the Exchange and CDC shall take necessary actions against such Clearing Member in accordance with their regulations.</p> <p>Notwithstanding the above, in case where such suspended Clearing Member is also a MT Participant, necessary actions shall also be taken against such Clearing Member in accordance with the Chapter 7C and Chapter 12 of these Regulations.</p>	
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<p>13.2 Actions in the event of suspension or restriction of the suspended Clearing Member’s access to services offered by the Company</p> <p>13.2.2 Notwithstanding Regulation 13.2.1, the Company on a particular Settlement Date, may provide the Settling Bank(s) with revised settlement statements (credits) after retaining proportionate amounts in accordance with the credits due to the relevant Clearing Members on that Settlement Date in the following manner:</p> <p>1. In case such Suspended Clearing Member failed to satisfy his net money obligation pertaining to other Markets (excluding Debt Market and / or GDS Market), the Company shall hold proportionate amounts in accordance with the credits due to all those Clearing Members, excluding Custodian Clearing Members, to whom credits shall be due on that Settlement Date in respect of other Markets; and</p> <p>2. In case such Suspended Clearing Member failed to satisfy his net money obligation in All Markets, the Company shall hold proportionate amounts in accordance with the credits due to all those Clearing Members including Debt Market Clearing Members excluding Custodian Clearing Members, to whom credits shall be due on that Settlement Date.</p> <p>3. In case such Clearing Member failed to satisfy his money obligation pertaining to MTS Contracts, the Company shall hold credits due to other Clearing Members who are MT Participant to whom credits shall be due on that Settlement Date in accordance with the Chapter 7C of these Regulations.</p>	<p>13.2 Actions in the event of suspension or restriction of the suspended Clearing Member’s access to services offered by the Company</p> <p>13.2.2 Notwithstanding Regulation 13.2.1, the Company on a particular Settlement Date, may provide the Settling Bank(s) with revised settlement statements (credits) after retaining proportionate amounts in accordance with the credits due to the relevant Clearing Members on that Settlement Date in the following manner:</p> <p>1. In case such Suspended Clearing Member failed to satisfy his net money obligation pertaining to other Markets (excluding Debt Market and / or GDS Market), the Company shall hold proportionate amounts in accordance with the credits due to all those Clearing Members, excluding Custodian Clearing Members, to whom credits shall be due on that Settlement Date in respect of other Markets; and</p> <p>2. In case such Suspended Clearing Member failed to satisfy his net money obligation in All Markets, the Company shall hold proportionate amounts in accordance with the credits due to all those Clearing Members including Debt Market Clearing Members excluding Custodian Clearing Members, to whom credits shall be due on that Settlement Date.</p> <p>3. In case such Clearing Member failed to satisfy his money obligation pertaining to MTS Contracts, the Company shall hold credits due to other Clearing Members who are MT Participant to whom credits shall be due on that Settlement Date in accordance with the Chapter 7C of these Regulations.</p>	<p>Applicable provisions have been proposed to be updated to align with the shorter settlement cycle operations.</p>
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<p>Provided that where any funds are subsequently realised by the Company and/or become available to the Company under Regulation 13.2.1, such funds shall be disbursed on pro-rata basis to all those Clearing Members from whom any proportionate amounts were withheld as above stated.</p> <p>13.2.5 The Company shall refer the case to the Default Management Committee. The Default Management Committee, shall initiate and/or cause to initiate squaring-up/ closing-out process on the suspended Clearing Member's unsettled balance orders, Positions and other Margin Eligible Securities held by the Company and any other outstanding Positions communicated by the Exchange. The Exchange shall provide all data and information relating to the unsettled and open Positions of the relevant Clearing Member in All Markets, trades, contracts and transactions to the Default Management Committee in case such information is not available with the Company. The squaring-up/closing-out shall be undertaken by the Default Management Committee in the manner specified below and in accordance with these Regulations and Procedures:</p> <p>(a) Upon suspension of a Clearing Member due to his failure to meet the money obligations either on his proprietary account or on account of his clients/ Associated Entity and its clients, the Market Collaterals held by the Company shall be dealt with in the following manner:</p> <p>(i) The Market Collaterals in the form of Margin Eligible Securities and/or cash/Bank Guarantee deposited by the Clearing Member and/or pledged book-entry Securities under these Regulations shall be retained by the</p>	<p>Provided that where any funds are subsequently realised by the Company and/or become available to the Company under Regulation 13.2.1, such funds shall be disbursed on pro-rata basis to all those Clearing Members from whom any proportionate amounts were withheld as above stated.</p> <p>13.2.5 The Company shall refer the case to the Default Management Committee. The Default Management Committee, shall initiate and/or cause to initiate squaring-up/ closing-out process on the suspended Clearing Member's unsettled balance orders, Positions and other Margin Eligible Securities held by the Company and any other outstanding Positions communicated by the Exchange. The Exchange shall provide all data and information relating to the unsettled and open Positions of the relevant Clearing Member in All Markets, trades, contracts and transactions to the Default Management Committee in case such information is not available with the Company. The squaring-up/closing-out shall be undertaken by the Default Management Committee in the manner specified below and in accordance with these Regulations and Procedures:</p> <p>(a) Upon suspension of a Clearing Member due to his failure to meet the money obligations either on his proprietary account or on account of his clients/ Associated Entity and its clients, the Market Collaterals held by the Company shall be dealt with in the following manner:</p> <p>(i) The Market Collaterals in the form of Margin Eligible Securities and/or cash/Bank Guarantee deposited by the Clearing Member and/or pledged book-entry Securities under these Regulations shall be retained by the</p>	
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<p>Company against all trades executed through such Clearing Member and held by the Company with respect to each of the Markets and shall be subject to and applied exclusively in accordance with these Regulations. These Margins shall remain available to the Company till the satisfaction of all money and/or delivery obligation and/or any other obligation ascertained after squaring-up and/or closing out of the Clearing Member's Positions (including proprietary Position and/or clients/ Associated Entity and its clients,` Positions) as provided in these Regulations. In such case of liquidation of Market Collaterals as Margins such Clearing Member or sub-account holders who have provided authority under these Regulations, as the case may be, shall have no claims whatsoever against the Company. Provided the Market Collaterals of the defaulting Clearing Member shall be utilized.</p> <p>(ii) The Market Collaterals derived by the Company from the respective sub-accounts of clients/ Associated entity and its clients of a Clearing Member shall be retained and utilized by the Company to the extent of Margin requirement against their trades/transactions and relevant Mark-to-Market Losses on UIN basis Moreover, in case where Custodian Clearing Member has deposited margins and MTM Losses on behalf of its clients on affirmed IDS transactions but the settlement obligation is shifted to the suspended Clearing Member as per clause 13.1.2a(ii) of these Regulations, in such case, collaterals derived by the Company from the respective sub-accounts of clients of a Custodian Clearing Member shall also be retained and utilized by the Company to the extent of margin requirement against their trades/transactions and relevant Mark-to-Market losses on UIN basis.</p>	<p>Company against all trades executed through such Clearing Member and held by the Company with respect to each of the Markets and shall be subject to and applied exclusively in accordance with these Regulations. These Margins shall remain available to the Company till the satisfaction of all money and/or delivery obligation and/or any other obligation ascertained after squaring-up and/or closing out of the Clearing Member's Positions (including proprietary Position and/or clients/ Associated Entity and its clients,` Positions) as provided in these Regulations. In such case of liquidation of Market Collaterals as Margins such Clearing Member or sub-account holders who have provided authority under these Regulations, as the case may be, shall have no claims whatsoever against the Company. Provided the Market Collaterals of the defaulting Clearing Member shall be utilized.</p> <p>(ii) The Market Collaterals derived by the Company from the respective sub-accounts of clients/ Associated entity and its clients of a Clearing Member shall be retained and utilized by the Company to the extent of Margin requirement against their trades/transactions and relevant Mark-to-Market Losses on UIN basis Moreover, in case where Custodian Clearing Member has deposited margins and MTM Losses on behalf of its clients on affirmed <u>/ un-rejected</u> IDS transactions but the settlement obligation is shifted to the suspended Clearing Member as per clause 13.1.2a(ii) of these Regulations, in such case, collaterals derived by the Company from the respective sub-accounts of clients of a Custodian Clearing Member shall also be retained and utilized by the Company to the extent of margin requirement against their trades/transactions and relevant Mark-to-Market losses on</p>	
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<p>Further, the Company may also utilize the Standing Instruction provided by Custodian Clearing Member to recover the amount only to the extent of the pending settlement obligation., whereby such Market Collaterals will remain available to the Company till the satisfaction of all money and/or charges related to the trading of such client/ Associated entity and its clients, ascertained after squaring-up and/or closing out of the concerned Clearing Member’s Position. In such case of liquidation of Market Collaterals as Margin on UIN basis, such clients/ Associated entity and its clients shall have no claims whatsoever against the Company. No Market Collateral shall be so utilized in excess of the Margin requirements against the trades/transactions of that client/ Associated entity and its clients and the respective Mark-to-Market Losses.</p>	<p>UIN basis. Further, the Company may also utilize the Standing Instruction provided by Custodian Clearing Member to recover the amount only to the extent of the pending settlement obligation., whereby such Market Collaterals will remain available to the Company till the satisfaction of all money and/or charges related to the trading of such client/ Associated entity and its clients, ascertained after squaring-up and/or closing out of the concerned Clearing Member’s Position. In such case of liquidation of Market Collaterals as Margin on UIN basis, such clients/ Associated entity and its clients shall have no claims whatsoever against the Company. No Market Collateral shall be so utilized in excess of the Margin requirements against the trades/transactions of that client/ Associated entity and its clients and the respective Mark-to-Market Losses.</p>	
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Schedule-II

FORM OF EXPOSURE MARGINS, MARK-TO-MARKET LOSSES, SPECIAL MARGINS, CONCENTRATION MARGINS, LIQUIDITY MARGINS AND ADDITIONAL MARGINS DEPOSITS

SR NO.	MARKET	EXPOSURE MARGINS	MARK-TO-MARKET LOSSES	SPECIAL MARGIN	CONCENTRATION MARGINS	LIQUIDITY MARGINS	ADDITIONAL MARGINS
3	Futures Trading in Provisionally Listed Companies Market	Cash, Near-Cash Instruments and/or Bank Guarantee	Cash	Not Applicable	Not Applicable	Not Applicable	Not Applicable

AMENDMENT IN FEE, CHARGES AND DEPOSITS SCHEDULE

SCHEDULE OF FEE AND CHARGES							
S No.	NAME	Revised Rate		BASIS	LEVIED ON	COLLECTION	
		Retail Sector **	Corporate Sector *			TIME	MODE
1	Trade Fee						
c.	Deliverable Future Contract /provisionally Listed Companies Market Fee	1.70	2.00	Per Rs. 100,000 value of trade	Clearing Member	Monthly	Through NCSS Pay & Collect
4	Contribution towards Settlement Guarantee Fund						
c.	Deliverable Future Contract /provisionally Listed Companies Market	0.31	0.31	Per Rs 100,000 value of trade	Clearing Member	Monthly	Through NCSS Pay & Collect