



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

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**NCCPL/CM/NOVEMBER-25/02**  
**November 7, 2025**

**JOINT PROCEDURES FOR BOOK BUILDING**

**Dear Market Participants,**

NCCPL is please to inform all Market Participants that Securities and Exchange Commission of Pakistan (SECP), through its Letter No. SMD/CIW/MISC/09/2015/327 Dated November 6, 2025 has accorded its approval for Joint Procedures of National Clearing Company of Pakistan Limited (NCCPL) and Pakistan Stock Exchange (PSX) made related to certain amendments in Book Building Mechanism (attached herewith this Circular as Annexure A).

The Joint Procedures contain procedural requirements to be followed in all the upcoming Book Buildings, wherein the role of Book Runner has been transformed with that of Eligible Participants, which include Securities Brokers, Mutual Funds, Scheduled Banks and Development Finance Institutions that are Clearing Members of NCCPL, to participate in the Book Building Process.

All Market Participants are requested to take note of these amendments for information and compliance.

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](http://www.nccpl.com.pk)

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

**Regards,**

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**Muhammad Asif**  
**General Manager / HOD - Operations**  
**Project Management & New Initiatives**

**CC:**

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

Annex "A"

## Joint Procedure for Book Building



## Procedure for Book Building Mechanism

### Background

The Securities and Exchange Commission of Pakistan (SECP) has notified certain amendments in the Public Offering Regulations, 2017 on August 06, 2025. Pursuant to the amendments in the Public Offering regime, certain changes have also been introduced in the Book Building System used for the purpose of price discovery in an IPO. As a result of changes in the Book Building System, Pakistan Stock Exchange (PSX) in collaboration with the National Clearing Company of Pakistan Limited (NCCPL) has revamped its existing Book Building System to bring the same in line with the requirement of revised Public Offering Regulations, 2017.

The major changes in the revamped Book Building mechanism include:

- Introduction of Eligible Participants
- Role of NCCPL in collection, settlement and refund of margin money

The procedure of the Book Building mechanism is elaborated for the Eligible Participants, investors and all relevant stakeholders.

## **Procedure for Book Building Mechanism**

### **Definition of Eligible Participant**

Eligible participant for Book Building shall include securities brokers (Trading and Clearing, Trading and Self-Clearing, and Trading Only), mutual funds, scheduled banks and development finance institutions (DFIs) that are clearing member of NCCPL.

*Provided that Trading Only Securities Broker (TO) shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.*

*Provided further that in case of Trading Only Securities Broker, Professional Clearing Member shall collect the margin money from the bidders and deposit the same with NCCPL.*

### **Timelines**

- i. The registration process shall commence at least three working days before the start of the bidding period and shall remain open till 03:00 pm on the last date of the bidding period.
- ii. The bidding shall remain open for at least two working days.
- iii. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
- iv. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
- v. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bid for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.

### **Registration of the Eligible Participant**

In order to commence registration, PSX shall issue a public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.

Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.

Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be transmitted by the Book Building System to the authorized person of Eligible Participants at their registered email addresses and designated mobile numbers.

## **Procedure for Book Building Mechanism**

### **Margin Requirements for Eligible Participant**

The margin requirements for Eligible Participants shall be as under:

- i. Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.
- ii. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- iii. A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DFI is acting as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- iv. The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.  
For participation with 0% margin money for proprietary trades:
  - a) Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.
  - b) Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.
  - c) If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorized to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.
  - d) The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.
- v. Eligible Participants shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor/client accounts.

### **Functions of the Eligible Participant**

- i. Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.
- ii. Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding.

*Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders*

## **Procedure for Book Building Mechanism**

*for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction.*

*For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member – PCM (Eclear Services Limited).*

- iii. Eligible Participant shall collect advance amount/margin money against bids from the bidders.

### **Registration of investors by Eligible Participants**

- a) Eligible Participant shall create user bidding account for proprietary purpose.
- b) Eligible Participant shall register bidders (Individual and Institutional Investors) and create user bidding account for bidders.
- c) The creation of user bidding account shall require minimum information such as name of bidder, bid amount, UIN/ CNIC, Incorporation number/ CUIN, contact details, IBAN Number. IPO facilitation account can be used if bidder does not have CDC subaccount or CDC investor account. These details shall be captured by the Eligible Participant at the time of registration.
- d) Bidders can opt disclosed or undisclosed bidding at the time of registration. In case of disclosed bidding, bids shall be placed by bidder and/or the Eligible Participant. In case of undisclosed bidding, bids shall be placed only by the bidder. The explanation related to disclosed and undisclosed bidding is given hereunder:
  - i. In case of disclosed bidding, the bidder shall convey bid amount and bid price /profit rate/spread to the Eligible Participant for entry into the Book Building System. The bidder may also place the bid using its own credentials.
  - ii. In case of undisclosed bid, the bidder shall enter the bid amount and bid price/profit rate/spread directly into the Book Building System.
- e) In case of disclosed bidding, the bidder at the time of registration, shall authorize the Eligible Participant for placing bid on his behalf.
- f) In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (email, name, phone number etc.). Book Building System will share the User ID, PIN and password directly with the bidder via registered email and mobile number.
- g) Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
- h) Eligible Participant can limit the amount of bidding by the bidders depending on the margin money received and its own risk assessment criteria.
- i) Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1)

*Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.*

- j) Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.

## **Procedure for Book Building Mechanism**

- k) NCCPL will continue to share the real time information with PSX relating to margin money deposited by the Eligible Participants during the bidding period including the registration of new bidders as well as increase in bidding amount by the existing bidders.

### **Bidding Process**

The following activities shall be performed during the bidding period:

- a) Book Building System shall ensure that the bids are submitted within the assigned limits based on the advance/margin money against bid details provided by NCCPL.
- b) The bidders can revise the bids as per the regulations till 05:00 p.m. on the last day of the Bidding Period.
- c) The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL as per designated Time Schedule (DTS) attached as Annexure -A on the last day of the bidding period.

### **Conclusion of the Bidding Period**

- a) After the close of the bidding period, Strike Price shall be determined by the Book Building System on the basis of Dutch Auction Method for equity securities and discounted debt instruments and Cut-off profit rate / spread through Reverse Dutch Auction method in case of Fixed and Floating debt instruments.
- b) At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL at B+1 as per DTS attached as Annexure-A.
- c) After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.
- d) In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
- e) The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.

### **Restrictions**

It is the responsibility of the CTI to ensure implementation of the following restrictions by incorporating relevant UINs / CUINs in the PSX Book Building system:

### **Procedure for Book Building Mechanism**

- i. The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.
- ii. The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.  
*Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.*
- iii. Related Employees (i.e. Employees of the Issuer, the Offeror, the Underwriters, and the Consultants to the Issue, who are involved in the Issue or the Offer for Sale) are not Eligible to participate in the bidding.

## Procedure for Book Building Mechanism

Annexure - A

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

NCSS DESIGNATED TIME SCHEDULE" DTS" FOR BOOK BUILDING

	Activity	Start Time	End Time
Monday to Friday	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	9:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	9:00 AM	16:30 PM
	Margin collection during the bidding period from the registration of new bidder	9:00 AM	16:30 PM
	Final collection from bank account of successful bidders (B+1)	9:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	9:00 AM	12:00 PM