



ISO 27001 Certified

National Clearing Company of Pakistan Limited

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

NCCPL/CM/APRIL-15/11

April 30, 2015

Revision in Eligibility Criteria for NCCPL's Settling Bank

Dear Clearing Members / Settling Banks,

This is with reference to our circular NCCPL/CM/JAN-15/05 dated January 30, 2015 wherein we had informed you regarding amendments in the National Clearing Company of Pakistan Limited ("NCCPL") Regulations pertaining to Eligibility Criteria for Admission as a Settling Bank.

In this respect, we are pleased to inform you that the Securities and Exchange Commission of Pakistan, on our request, has re-considered the matter and accorded approval to revise the eligibility criteria as follows:

1. The minimum short term credit rating criteria for settling banks has been prescribed as A1
2. The long term credit rating criterion has been deleted

The relevant amendments in NCCPL Regulations pertaining to revised eligibility criteria for admission as Settling Bank are enclosed herewith.

For any further queries or concerns, please feel free to contact the **Customer Support Department** of your respective locations.

City	Telephone Number	Fax Number
Karachi	021-32460811-19 Ext. 214, 217 & 218 Dir. 021-32438531-32-33	021-32462825
Lahore	042-36280815-7	042-36280818
Islamabad	051-2895460-62	051-2895463

Regards,

sd

Rehan Saif
Head of PD & CSS

CC:

1. Executive Director (SMD) Securities and Exchange Commission of Pakistan - Islamabad
2. Managing Director - The Karachi Stock Exchange Limited
3. Managing Director - The Lahore Stock Exchange Limited
4. Managing Director - The Islamabad Stock Exchange Limited

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

Approved Amendments in “NCCPL Regulations”

5.10 Eligible Criteria for Admission as Settling Bank

5.10.1 The Company may admit a bank as a Settling Bank if:

- (a) (i) It is duly licensed to carry on banking business in Pakistan under the Banking Companies Ordinance, 1962 (LVII of 1962), or, being a statutory corporation, it is otherwise entitled to carry on banking business under the law by which it is created;
 - (ii) it has been allocated minimum short-term credit rating of A1; and
 - (iii) it also complies with minimum paid up capital (free of losses) requirement as prescribed by State Bank of Pakistan from time to time.
- (b) It has designated bank branches (“Designated Branches”) having physical presence in the premises or building in which Stock Exchange(s) are located or in the vicinity of Stock Exchange(s). However, the Board may relax such condition from time to time;
- (c) It has designated a bank branch located in Karachi and acceptable to the Company as its main contact branch;
- (d) It is capable of maintaining online linkage with NCSS; and
- (e) It has signed or agreed to sign with the Company an agreement (“Settling Bank Agreement”) in the form prescribed by the Company whereby it undertakes to perform money settlement services for the benefit of the Company and those Clearing Members who become customers of the Designated Branch (es) and have entered into Tripartite Agreements with the Company and such Clearing Members.

Provided that the banks admitted as Settling Banks pursuant to these Regulations, shall continue to remain as Settling Banks as if such Settling Banks fulfill the requirements mentioned in Regulation 5.10.1 above and in case any Settling Bank fails to comply with these requirements, it shall be terminated from being a Settling Bank after giving notice of 15 days to market participants. Provided further that all Settling Banks shall comply with any additional or modified admission requirements as are presently or in future set out in these Regulations.