



ISO 27001 Certified

## National Clearing Company of Pakistan Limited

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

NCCPL/CM/APRIL-16/08

April 20, 2016

### Transfer of Risk Management Function to NCCPL

Dear Clearing Members,

This is with reference to our Circular Nos. **NCCPL/CM/APRIL-16/04** dated, **April 8, 2016**, **NCCPL/CM/APRIL-16/06** dated, **April 13, 2016** and **NCCPL/CM/APRIL-16/07** dated, **April 14, 2016**.

In this respect, as requested earlier, the Broker Clearing Members (BCMs) are required to provide us necessary information for the preparation of Tripartite Agreement that will be signed by the BCMs, NCCPL and their respective settling bank / banks for cash management system. The BCMs are requested to expedite the same and provide us with the required information at the earliest as per the attached **Annexure-A**.

In furtherance to the details as mentioned above, we are enclosing herewith the following documents which shall also be provided by the BCMs to the NCCPL so as to replace their existing documents signed with PSX in context of the subject matter:

1. **Annexure 'B' - Irrevocable Bank Guarantee. (For respective BCMs only)**
2. **Annexure 'C' - Undertaking for Pledging of Shares or Securities. (For all BCMs)**
3. **Annexure 'D' - Specific Authorization Pursuant to Clause (G) of the Standardized Sub-account Opening Form for Pledging of Book-Entry Securities. (For respective BCMs only)**
4. **Annexure 'E' - Undertaking for Utilization of Excess Margin Eligible Securities. (For respective BCMs only)**

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

City	Telephone Number	UAN Number	Fax Number
Karachi	021-32460811-19 Ext. 214, 217 & 218 Dir. 021-32438531-32-33	<b>021-111-111-622</b>	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 – Policy, Regulation and Development Department - SMD  
Securities and Exchange Commission of Pakistan - Islamabad
2. Managing Director – Pakistan Stock Exchange Limited

## **Annexure 'A'**

### **Particulars Required for Tripartite Agreement(s)**

Following is the list of details that shall be provided by the Clearing Members for Tripartite Agreement(s) preparation:

- Broker Clearing Member Name
- Broker Clearing Member Registered Address.
- Settling Bank Name
- Settling Bank Head Office Address
- Designated Branch Name & Location
- Bank Account Title for Proprietary Deposits
- Bank Account Number for Proprietary Deposits
- Bank Account Title for Clients' Deposits
- Bank Account Number for Clients' Deposits
- For notices: Clearing Member's Mailing Address, Contact Number, Facsimile & name of person(s) for attention marking.
- For notices: Settling Bank's Mailing Address, Contact Number, Facsimile & name of person(s) for attention marking.

**Annexure ‘B’**

(As per Stamp Duty Act)

**IRREVOCABLE BANK GUARANTEE**

**THIS IRREVOCABLE BANK GUARANTEE** is made and executed on this \_\_\_\_ day \_\_\_\_\_.

BY:

\_\_\_\_\_ Bank Limited, a **Banking Company incorporated in Pakistan and having its head office at \_\_\_\_\_ (city name) and Branch at Stock Exchange Building, Stock Exchange Road, Karachi** (herein after referred to as the “Bank”, which expression shall, wherever the context so requires, means and include its successors-in-interest and permitted assigns)

IN FAVOUR OF:

**NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED**, a company incorporated in Pakistan under the Companies Ordinance, 1984, having its registered office at 8<sup>th</sup> Floor, Company Building, Company Road, off. I.I. Chundrigar Road, Karachi, Pakistan (hereinafter referred to as the “Company”, which expression shall, where the context so admits, include its successors-in-interest and assigns):

**COMPANY**CompanyCompanyCompanyCompany

WHEREAS:

- a) The Company has been formed under the authorization of the Securities and Exchange Commission of Pakistan and, in terms of such authorization, has established a National Clearing and Settlement System (hereinafter referred to as “NCSS”) for the settlement of contracts and transactions in respect of securities transaction and in terms of the National Clearing Company of Pakistan Limited Regulations of the Company (hereinafter referred as the “NCCPL Regulations”, which term shall include all amendments, modifications and additions therein from time to time and any new Regulations made in substitution therefor) and has been authorised under Securities Act, 2015, to perform the comprehensive risk

management with respect to all the relevant trades and transactions executed at the exchange in accordance with the Securities Act, 2015, the NCCPL Regulations and the NCSS Procedures;

- b) The Company has provided a Cash Management System (“CMS”) for the recording and executing automated Deposit/Collect and Release/Pay of Cash Margins, Mark-to-Market (MTM) losses/profits and for the performance of its obligations and has also framed procedures governing the operations of the aforesaid system;
- c) \_\_\_\_\_ Limited, is registered with the Commission under the Securities and Exchange Commission Ordinance, 1969 and having its registered office at \_\_\_\_\_, \_\_\_\_\_, Pakistan OR \_\_\_\_\_ Limited, a company incorporated in Pakistan under the Companies Ordinance, 1984 and having its registered office at \_\_\_\_\_, \_\_\_\_\_, Pakistan (hereinafter referred to as “ **Clearing Member**”, which term shall include his/its legal heirs, nominees, administrators, executors, successors-in-interest and assigns) has been admitted by the Pakistan Stock Exchange as a **TRE Certificate Holder** under its Articles of Association and registered to transact securities business on the Stock Exchange;
- d) Under the NCCPL Regulations, the **TRE Certificate holders** executing securities transactions at the Stock Exchange incur various liabilities with the Company including but not limited to deposit of Exposure Margins, Special Margins/**Liquidity Margins**, payment of Mark to Market Losses, Final Losses and ultimate settlement of executed trades, transactions and contracts; and
- e) It is a requirement of the Company for the Clearing Members in accordance with the NCCPL Regulations that the Bank executes and delivers this irrevocable Guarantee in favour of the Company in the form herein.

**NOW, THEREFORE**, in consideration of the Stock Exchange allowing the Member to carry out securities transactions and incurring various liabilities to the Company, the Bank hereby agrees as follows:

## **1. Interpretation**

- 1.1 Terms defined in the description of the parties and in the Preamble to this Guarantee appearing above shall, unless otherwise defined below, have the same meaning in this Guarantee.
- 1.2 Terms defined in the NCCPL Regulations shall, unless otherwise defined below, have the same meaning in this Guarantee.

- 1.3 “NCCPL Documents” means and includes (1) the relevant provisions of Securities Act, 2015, (2) the NCCPL Regulations, (3) the NCSS Procedures, (4) the Clearing Member Agreement, along with necessary Addendums, (5) the Tripartite Agreement entered into by a Clearing Member with the Company and the Settling Bank, or any one or more of such NCCPL Documents.
- 1.4 “TRE Certificate” means a Trading Rights Entitlement (TRE) Certificate issued by the Exchange evidencing right of a TRE Certificate Holder to apply for registration as a Broker in accordance with the Brokers and Agents Registration Rules, 2001 as amended from time to time;
- 1.5 “TRE Certificate Holder” means a person who is issued a TRE Certificate by the Exchange under section 5 of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, or purchases or acquires such TRE Certificate under section 16 of the said Act or is issued a fresh TRE Certificate in accordance with the provisions of the said Act;
- 1.6 “Broker Clearing Member” means a TRE Certificate Holder of Stock Exchange admitted as a Clearing Member under NCCPL Regulation 5.1.1(a);
- 1.7 “Exchange” shall mean the Pakistan Stock Exchange Limited;
- 1.8 Any reference in this Guarantee to:
- (a) the “Company” shall be construed so as to include its successors, transferees and assigns;
  - (b) a "business day" shall be construed as a reference to a day (other than a Sunday) on which banks are generally open for business
  - (c) a “Clause” shall, subject to any contrary indication, be construed as a reference to a clause hereof;
  - (d) a “person” shall be construed as reference to any person, firm, company, corporation, body corporate, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing; and
  - (e) “Pakistan” means the Islamic Republic of Pakistan.
- 1.9 Save where the contrary is indicated, any reference in this Guarantee to:

- (i) this Guarantee, NCCPL Regulations, the NCCPL Documents or any other agreement or document shall be construed as a reference to this Guarantee, the NCCPL Regulations or, as the case may be, such other agreement or documents as the same may have been, or may from time to time be, amended, varied, novated or supplemented; and
- (ii) a statute or statutory provision shall be construed as a reference to such statute or statutory provision as the same may have been, or may from time to time be, amended or re-enacted and include statutory instruments made thereunder and for the time being in force.

1.10 Clause headings are for ease of reference only.

## **2. Irrevocable Guarantee**

The Bank hereby irrevocably and unconditionally:

- (i) guarantees to the Company the due and punctual observance and performance of all the terms, conditions and covenants on the part of the Clearing Member contained in the NCCPL Regulations and undertakes to pay to the Company from time to time on demand any and every sum or sums of money but to the extent of amount mentioned below in Clause 15 of this Guarantee, which Clearing Member shall at any time be liable to pay to the Company under or pursuant to the Regulations (including, without limitation, any Mark-to-Market losses, any amounts payable in cash on account of deposit against Exposure Margin, deposit against Special Margin, Final Losses and any losses allocated to the Clearing Member under the NCCPL Documents and which shall not have been paid at the time such demand is made;
- (ii) agrees to accept the Company's demand as sufficient evidence of non-payment by the Clearing Member and to make payment of the amount of every demand received from the Company under this Guarantee not later than 5:30 p.m. on the day when demand is presented to Bank without any demur, protest, contestation and/or objection and without reference to the Clearing Member, and agrees that if the Bank will fail to make payment of a demand of the Company within such time after receiving the Company's demand, the Bank shall become liable to pay to the Company an additional amount by way of liquidated damages equivalent to twenty (20%) per cent of the amount not paid by the Bank, together with all costs and expenses incurred by the Company in effecting recovery from the Bank. Such liquidated damages and costs and expenses shall be in addition to any limit on the monetary obligation of the Bank set out in this Guarantee; and

- (iii) agrees as a primary obligation to indemnify the Company from time to time on demand by the Company from and against any loss incurred by the Company as a result of any of the obligations of the Clearing Member under or pursuant to the NCCPL Documents being or becoming void, voidable, unenforceable or ineffective as against the Clearing Member for any reason whatsoever, whether or not known to the Company, the amount of such loss being the amount which the Company would otherwise have been entitled to recover from the Clearing Member.

### **3. Preservation of Rights**

- 3.1 The obligations of the Bank herein contained shall be in addition to and independent of every other security which the Company may at any time hold in respect of any of the Clearing Member's obligations under the NCCPL Regulations (whether furnished to the Company by the Clearing Member or any other person) and may be enforced without the Company first having recourse to any such security and without the Company first taking steps or proceedings against the Clearing Member or any other person.
- 3.2 The obligations of the Bank herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever, and in particular, but without limitation, shall not be considered satisfied by any payments or satisfaction of all or any of the obligations of the Clearing Member under the NCCPL Regulations and shall continue in full force till the expiry date mentioned above and effect for so long as the Clearing Member remains a Clearing Member of the Company, whichever is earlier, and in case the TRE Certificate of the Clearing Member of the Stock Exchange is forfeited/cancelled by the Stock Exchange or the admission of the Clearing Member as Clearing Member to NCC System is terminated by the Company or is given up by the Clearing Member, till the total discharge of all of the Clearing Member's actual and contingent obligations under the NCCPL Documents.
- 3.3 Neither the obligations of the Bank herein contained nor the rights, powers and remedies conferred upon the Company by this Guarantee, the NCCPL Documents or by law shall be discharged, impaired or otherwise affected by:
  - (i) the winding-up, dissolution, administration, re-organisation, bankruptcy or insolvency of the Clearing Member or any other person or any change in the status, function, control or ownership ;

- (ii) any of the obligations of the Clearing Member or of any other person under the NCCPL Documents or under any other security taken in respect of any of its obligations under the NCCPL Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;
  - (iii) time or other indulgence being granted or agreed to be granted by the Company to the Clearing Member in respect of its obligations under the NCCPL Documents or under any such other security;
  - (iv) any amendment to, or any variation, waiver or release of, any obligation of the Clearing Member under the NCCPL Documents or under any such other security;
  - (v) any failure to take, or fully to take, any security agreed to be taken in respect of the Clearing Member's obligations under the NCCPL Documents;
  - (vi) any failure to realize, or fully to realize, the value of, or any release, discharge, exchange or substitution of, any security taken in respect of the Clearing Member's obligations under the NCCPL Documents; or
  - (vii) any other act, event or omission which, but for this Clause 3.3, might operate to discharge, impair or otherwise affect any of the obligations of the Bank herein contained or any of the rights, powers or remedies conferred upon the Company by the NCCPL Documents or by law.
- 3.4 Any settlement or discharge between the Bank and the Company shall be conditional upon no security or payment to the Company by the Clearing Member or the Bank or any other person on behalf of the Clearing Member or, as the case may be, the Bank being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, if any such security or payment is so avoided or reduced, the Company shall be entitled to recover the value of amount of such security or payment from the Bank subsequently as if such settlement or discharge had not occurred.
- 3.5 Any discharge given by the Company to the Bank in respect of any of the Bank's obligations hereunder or any other agreement reached between the Bank and the Company in relation thereto shall be, and be deemed always to have been void if any act on the faith of which the Company gave the Bank that discharge or entered into that agreement is subsequently avoided by or in pursuance of any provision of law.

3.6 The Company shall not be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of the Bank by this Guarantee or by law:

- (i) to make any demand of the Clearing Member;
- (ii) to take any action or obtain judgment in any court against the Clearing Member;
- (iii) to make or file any claim or proof in a winding-up or dissolution of the Clearing Member; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the obligations of the Clearing Member under the NCCPL Documents whether furnished by the Clearing Member or any other person.

3.7 After a demand has been made by the Company or hereunder, so long as the Bank is under any actual or contingent liability hereunder, the Bank shall not:

- (i) exercise in respect of any amount paid by the Bank hereunder any right of subrogation or any other right or remedy which the Bank may have in respect thereof;
- (ii) except with the Company's consent in writing claim or receive payment of any other moneys for the time being due to the Bank by the Clearing Member arising from the issuance and performance of this Guarantee, or exercise any other right or remedy which the Bank may have in respect thereof; or
- (iii) unless so required by the Company, prove in a liquidation of the Clearing Member in competition with the Company for any moneys owing to the Bank by the Clearing Member on any account whatsoever.

Any moneys obtained by the Bank from the Clearing Member with such consent or as required by the Company, or in breach of this Clause shall be held by the Bank upon trust to pay the same to the Company in or towards discharge of the Bank's obligations hereunder.

3.8 The Bank agrees that, so long as any amounts are or may be owed by the Clearing Member under the NCCPL Documents or the Clearing Member is under any actual or contingent obligations under the NCCPL Documents, the Bank shall not exercise any rights which the Bank may at any time have by reason of performance by it of its obligations hereunder:

- (i) to be indemnified by the Clearing Member; and/or
- (ii) claim any contribution from any other guarantor of the Clearing Member's obligations under the NCCPL Documents; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Company under the NCCPL Documents or hereunder or of any other security taken pursuant to, or in connection with, the NCCPL Documents or this Guarantee by the Company.

#### **4. Representations and Warranties**

4.1 The Bank represents and warrants that:

- (i) it has power to enter into this Guarantee and to exercise its rights and perform its obligations hereunder and all actions required to authorize its execution of this Guarantee and its performance of its obligations hereunder have been duly taken;
- (ii) under the laws of Pakistan in force at the date hereof, the claims of the Company against it under this Guarantee will rank at least *pari passu* with the claims of all its other unsecured creditors;
- (iii) in any proceedings taken in Pakistan in relation to this Guarantee, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (iv) all acts, conditions and things required to be done, fulfilled and performed in order (a) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Guarantee, (b) to ensure that the obligations expressed to be assumed by it in this Guarantee are legal, valid and binding and (c) to make this Guarantee admissible in evidence in Pakistan have been done, fulfilled and performed;
- (v) the obligations expressed to be assumed by it in this Guarantee are legal, valid and binding obligations enforceable in accordance with the terms hereof.

4.2 The Bank further represents and warrants that:

- (i) it is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets to an extent or in a manner which might have a material adverse effect on its financial condition;

- (ii) no action or administrative proceedings of or before any court or agency which might have a material adverse effect on its financial condition has been started or threatened;
- (iii) all of the written information (if any) supplied by it to the Company in connection herewith is true, complete and accurate in all material respects and it is not aware of any material facts or circumstances that have not been disclosed to the Company and which might, if disclosed, adversely affect the decision of the Company as to whether or not to accept a guarantee from the Bank in respect of the obligations secured by this Guarantee;
- (iv) no encumbrance exists over all or any of the present or future revenues or assets of the Bank;
- (v) the execution of this Guarantee and its exercise of its rights and performance of its obligations hereunder will not result in the existence of nor oblige it to create any encumbrance over all or any of its present or future revenues or assets;
- (vi) the execution of this Guarantee and its exercise of its rights and performance of its obligations hereunder do not and will not:
  - (a) conflict with any agreement, mortgage, bond or other instrument or treaty to which it is or will be a party or which is binding upon it or any of its assets; or
  - (b) conflict with any applicable law, regulation or official or judicial order.

## **5. Payments**

All payments to be made by the Bank to the Company hereunder shall be made free and clear of and without deduction for or on account of tax unless the Bank is required to make such a payment subject to the deduction or withholding of tax, in which case the sum payable by the Bank in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Company receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

## **6. Evidence of Amount Due**

A certificate of the Company of any amount at any time due from the Clearing Member under the NCCPL Documents or any amount which, but for any of the obligations of the Clearing Member under the NCCPL Documents being or becoming void, voidable, unenforceable or ineffective for any reason at any time, would have been due from the Clearing Member under the NCCPL Documents shall, in the absence of manifest error, be prima facie evidence for the purposes of this Guarantee and shall be binding upon and accepted by the Bank without raising any objection or making any reference to the Clearing Member and despite any objection raised by the Clearing Member and despite the existence of any dispute, litigation (including arbitration) between the Company and the Clearing Member, or any other person.

## **7. Covenants of the Bank**

The Bank shall:

- (i) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorizations, approvals, licences and consents required in or by the laws and regulations of Pakistan to enable it lawfully to enter into and perform its obligations under this Guarantee or to ensure the legality, validity, enforceability or admissibility in evidence in Pakistan of this Guarantee; and
- (ii) ensure that at all times the claims of the Company against it under this Guarantee rank at least *pari passu* with the claims of all its other unsecured creditors.

## **8. Financial Information**

The Bank shall, from time to time on request of the Company furnish the Company with such financial, statistical and general information about the Bank as the Company may reasonably require.

## **9. Continuing Security**

This Guarantee shall be a continuing security to the Company in respect of each and every one of the obligations of the Clearing Member under the NCCPL Documents and shall not be (or be construed so as to be) revoked or discharged by any intermediate discharge or payment of or on account of the obligations of the Clearing Member under the NCCPL Documents or any settlement of accounts between the Company and the Clearing Member

or anyone else. The Company shall have the right to make one or more demands on the Bank under this Guarantee during the period of validity of this Guarantee.

## **10. Remedies and Waivers**

No failure to exercise, nor any delay in exercising, on the part of the Company, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

## **11. Benefit of Guarantee**

11.1 This Guarantee shall be binding on and ensure to the benefit of each party hereto and its successors and assigns.

11.2 The Bank shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder.

11.3 The Company may at any time assign all or any of its rights and benefits hereunder to any bank(s) and/or financial institution(s) as security for any financial facilities obtained by the Company from such bank(s) and/or financial institution(s).

## **12. Partial Invalidity**

If, at any time, any provision of the NCCPL Documents or of this Guarantee is or becomes illegal, invalid or unenforceable in any respect under the law of Pakistan, the legality, validity or enforceability of the remaining provisions of any of these documents shall not in any way be affected or impaired thereby.

## **13. Notices**

13.1 Each communication to be made hereunder shall be made in writing but, unless otherwise stated, may be made by fax or letter.

13.2 Any communication or document to be made or delivered by one party to the other pursuant to this Guarantee shall (unless any party has by fifteen (15) days' advance written notice to the other party specified another address) be made or delivered to that other party at the address set out above in this Guarantee and shall be deemed to have been made or delivered when despatched (in the case of any communication made by fax) or (in the case of any communication made by letter) when left at that address or

(as the case may be) three days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

13.3 Each communication and document made or delivered by one party to another pursuant to this Guarantee shall be in the English language.

**14. Law**

This Guarantee shall be governed by, and shall be construed in accordance with, Pakistan law.

**15. Irrevocability & Validity of the Guarantor**

This Guarantee constitutes an irrevocable and unconditional obligation and commitment of the Bank up to the extent of amount of Rs. \_\_\_\_\_ (amount in words) to the Company and shall remain valid and in force till the expiry date mentioned above, however, upon the expiry of this guarantee we shall be absolved of all our liabilities hereunder regardless of whether or not this guarantee is returned to us in original.

**IN WITNESS WHEREOF** this Guarantee has been duly executed by the Bank and is intended to be and is hereby delivered on the date first above written.

\_\_\_\_\_ **Bank Limited**

acting through

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Duly authorized signatory

Witnessed by:

1. \_\_\_\_\_

2. \_\_\_\_\_

## **Annexure ‘C’**

(On Letter Head of BCM)

### **UNDERTAKING**

To,  
The National Clearing Company of Pakistan Limited  
Pakistan Stock Exchange Building  
Stock Exchange Road  
Karachi

#### **Deposits of Shares/Securities**

Dear Sir,

We are writing to confirm that all the shares & securities that may be pledged in favor of the National Clearing Company of Pakistan Limited (the “NCCPL”) from the House and Sub Account maintained under the participant I.D. \_\_\_\_\_ titled \_\_\_\_\_ as deposits against exposure and/or losses and/or for any other obligation towards PSX, are/shall be either beneficially owned by us in the House Account or by our clients in the sub Account with absolute client titles.

We further confirm that in respect of such pledge(s) from sub-Account(s) , we have/shall obtained/obtain the necessary written authorization from The respective client(s) before making such pledge(s), in accordance with the relevant provisions of the Central Depositories Act, 1997 and Central Depository Company of Pakistan Limited Regulations. Such written authorization empowers and shall empower NCCPL” to liquidate their pledged shares and securities as per relevant NCCPL Regulations and utilize the proceeds thereof, towards payment/fulfillment of any of our outstanding obligation(s) towards the NCCPL, which we fail to honour in time and/or in accordance with the Rules, Regulations and Procedures of the NCCPL.

Thanking you

Yours sincerely,

\_\_\_\_\_  
ABC Securities  
Chief Executive Officer

# Annexure 'D'

(On Non-Judicial Stamp Paper)

*[On non-judicial stamp paper as required under CDC  
Standardized Account Opening Form for individuals]  
[For individual Sub-Account Holder]*

## **SPECIFIC AUTHORIZATION PURSUANT TO CLAUSE (G) OF THE STANDARDIZED SUB-ACCOUNT OPENING FORM FOR PLEDGING OF BOOK-ENTRY SECURITIES**

This Authorization is executed at Karachi, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and shall be valid up to \_\_\_\_\_.

Pursuant to Clause (G) of the Standardized Sub-Account Opening Form, I/we the undersigned, maintaining Sub-Account No. [insert Sub-Account No.] under CDS Participant Account of [insert name of the Participant] having ID No. [insert Participant ID] hereby give my/our specific authority to the Participant under Section 12 of the Central Depositories Act, 1997 to pledge my/our Securities represented by Book-entry Securities entered in my/our aforesaid Sub-Account as detailed below only in favour of National Clearing Company of Pakistan Limited (NCCPL) FOR THE SPECIFIC PURPOSE OF PROVIDING MARGINS AGAINST OTHER PERSON OR PERSONS' TRADING EXPOSURE AND MARK-TO-MARKET LOSSES THROUGH ABOVE SAID PARTICIPANT AS A Clearing Member through the Central Depository System to the extent of this transaction only. The NCCPL shall have the full authority to liquidate these Book-entry Securities kept as margin in any manner at its discretion in the event of non-fulfillment of financial obligations by that person(s) or his/their Clearing Member in accordance with these Regulations:

Details of Book-entry Securities			
S. #	Name of Securities	Volume	Time Duration, if any, as specified by the Pledgor
1.			
2.			
3.			

**IN WITNESS WHEREOF** I/we have executed this Authorization on the date first above written in the presence of witnesses named below.

### **EXECUTED BY THE SUB-ACCOUNT HOLDER(S)**

Name & Signature of Sub-Account Holder: \_\_\_\_\_(CNIC Number)

Name & Signature of Joint Account Holder 1: \_\_\_\_\_(CNIC Number)

Name & Signature of Joint Account Holder 2: \_\_\_\_\_(CNIC Number)

Name & Signature of Joint Account Holder 3: \_\_\_\_\_(CNIC Number)

In the presence of :

### **WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC #: \_\_\_\_\_

CNIC #: \_\_\_\_\_

### **Note:**

1. Use of this Authorization in piecemeal is strictly prohibited.
2. This Authorization shall be signed as per the operating instruction of the Sub-Account in Participant's records.
3. This Authorization shall be duly verified by the Company Secretary of the Clearing Member.

## Annexure 'E'

(On Letter Head of BCM)

### UNDERTAKING

We hereby authorize the National Clearing Company of Pakistan Limited to utilize as per the instruction given below the excess Margin Eligible Securities pledged through our CDS House Account or Cash and Bank Guarantee(s) deposited with the Company for meeting any shortfall in all sort of margins and Mark to Market Losses requirements of my clients.

1. Margin Eligible Securities only
2. Cash and Bank Guarantee(s) only
3. Margin Eligible Securities and Cash & Bank Guarantee(s) Both

Regards,

---

Name  
Chief Executive Officer