



ISO 27001 Certified

National Clearing Company of Pakistan Limited

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

NCCPL/CM/MAY-17/12

May 19, 2017

MSCI Reclassification Matters - Increase in Net Capital Balance (“NCB”)

Dear Broker Clearing Members,

Reference is made to the various meeting held with market participants on MSCI reclassification matters. During such meetings, SECP, PSX and NCCPL agreed to facilitate the Broker Clearing Member (“BCM”) and allowed them to enhance their Net Capital Balance (“NCB”) through subordinated or bank loans subject to following;

- The statutory auditor shall provide a confirmation stating that:
 1. The amount of loan has been received by the BCM in the bank account and the amount has been verified from the bank statement and will lead to increase in NCB.
 2. It is a long term loan, and the copy of the agreement/contract has been reviewed by the statutory auditor and attached with the confirmation.
 3. The statutory auditor is in the process of auditing the revised NCB and the same shall be issued within seven working days from the date of confirmation.
- On the seventh working day, in case of failure to submit the revised NCB certificate, duly audited, the NCB amount shall be reduced to amount of NCB as at December 31, 2016 (for which the audited NCB certificate is submitted) without any further notice and shall become applicable from the next working day.
- Any BCM that has not submitted the NCB for December 31, 2016, shall not be eligible for this relaxation.
- No increase in NCB shall be admitted other than as explained above without receiving the revised NCB Certificate from the statutory auditor.

It may please be noted that the abovementioned arrangements is applicable till June 1, 2017.

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. 209, 214, 217, 218 & 224 Dir. 021-32438531-32-33	021-111-111-622	021-32462825
Lahore	042-36280815-7		042-36280818
Islamabad	051-2895460-62		051-2895463

Regards,

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Rehan Saif
Head of PD & CSS

CC:

1. Executive Director - Policy, Regulation and Development Department - SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Managing Director - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited