

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

KSE/N-6279

**N O T I C E**

October 30, 2009

Reproduced hereunder NCCPL Regulations received from NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED for information of all concerned.

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

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**NCCPL Regulations**

**CHAPTER 12B: RISK MANAGEMENT SYSTEM OF THE COMPANY FOR DEBT MARKET CLEARING MEMBERS**

**12.B RISK MANAGEMENT SYSTEM OF THE COMPANY FOR DEBT MARKET CLEARING MEMBERS**

**12.B.1 Definitions**

For the specific purposes of the Regulations contained in this Chapter, the terms set out below shall, unless the context otherwise requires, have the meanings set out there against below in this Regulation 12 B.1:

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- 12.B.1.i "Accrued Interest" means the fraction of the coupon payment that the Debt Market Securities seller earns from holding the Debt Market Securities from the last interest payment date until the disposal date.
- 12.B.1.ii "Collateral Requirement" means the value of the collateral required to be deposited by a Debt Market Clearing Member with the Company as security for the Exposure Margins and Mark-To-Market Losses of such Debt Market Clearing Member.
- 12.B.1.iii "Debt Market" means an automated platform provided by the Stock Exchanges for the purpose of trading in eligible Debt Market Securities as specified in the relevant regulations in the Stock Exchanges.
- 12.B.1.iv "Debt Market Clearing Member" means a Clearing Member, including Broker Clearing Member and Non-Broker Clearing Member as defined in these Regulations, who meets the eligibility criteria as stipulated in these Regulations and has been admitted by the Company as a Debt Market Clearing Member under this Chapter of these Regulations.
- 12.B.1.v "Debt Market Protection Fund" means a fund established under this Chapter of these Regulations.
- 12.B.1.vi "Debt Market Securities" shall have the same meaning as assigned to it in the relevant regulations of the Stock Exchanges.
- 12.B.1.vii "Exposure" means at any point in time security-wise and client-wise cumulative net unsettled amount of purchases and sales added together of a Debt Market Clearing Member (including proprietary trades) under Debt Market as per applicable netting regime prescribed in these Regulations.
- 12.B.1.viii "Exposure Margin" means the amount of cash, bank guarantee and / or irrevocable undertaking deposited by the Debt Market Clearing Member as security against the Exposure as defined in these Regulations.