



National Clearing Company of Pakistan Limited

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

NCCPL/CM/MAY-20/02

May 11, 2020

Disbursement of Mark to Mark Profit in Deliverable Future Contract Market

Dear Clearing Members/ Settling Banks,

This is in continuation to our earlier Notice No. NCCPL/CM/MARCH-20/07 dated March 04, 2020 regarding approved amendment to NCCPL Regulations, 2015 by Securities Exchange and Commission of Pakistan pertaining to disbursement of 50% Mark-to-Mark Profit in Deliverable Future Contract Market.

In this respect, we are pleased to inform that necessary system development has been completed at NCCPL accordingly disbursement of 50% retained profit shall start effective from May 11, 2020.

Following are the key changes under revised mechanism;

1. Mark to Mark (MTM) loss at the end of the particular trading date shall be deposited by the Clearing Members with the Company on daily basis till the satisfaction of the settlement obligation on the relevant settlement date of the contract; however, any surplus amount deposited against MtM Losses of previous trading date can be withdrawn by Clearing Members after the end of trading session.
2. The 50% Mark to Mark Profit will be computed on daily basis and disbursed by the Company on T+1 basis through Clearing Member designated settling bank account maintained with NCCPL . However, in case of any reduction in such 50% retained profit from last day's position, same may be collected by NCCPL on same trading day i.e. on T+0 basis as per Designated Time Schedule "DTS".
3. The Mark to Mark profit that is determined on the last trading day of the Deliverable Future contract shall be disbursed on the monthly settlement date instead of T+1 basis;
4. In case of Pre-Settlement Deliveries ("PSD") tendered to NCCPL against net sold obligation in particular Deliverable Future Contract, collection/disbursement of MtM loss/profit shall not be applicable to the extent of such PSD.
5. The mechanism of PSD against margin requirement and Mark to Market losses/profits shall be the same on close of contract;



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6. The Company shall allow return to Clearing Member on the cash amount deposited with the Company as Mark-to-Market Losses "MTM Losses" at the rate paid by the respective banks after adjusting 50% Mark-to-Market Profit disbursed against MTM Losses.

Moreover, effective from May 11, 2020 following new Report/ download (attached as Annexure "A") shall be available in RMS system;

- a) DFC Daily Retain Profit Report
- b) DFC Daily Retain Profit Download

For Designated Settling Banks of NCCPL:

Further, bank cash collection reversal screen is available to banks on daily basis after collection of MTM Losses demand on RMS system and following new Report has been developed for banks (attached as per Annexure "B");

- a. DFC Bank Retain Profit Reversal Report

All Market Participants are requested to note the same.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN No. 021-111-111-622.

Regards,

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Muhammad Asif
Head of Operations

CC:

1. Chief Executive Officer - Pakistan Stock Exchange Limited
2. Chief Executive Officer - Central Depository Company of Pakistan Limited
3. Chief Executive Officer - Mutual Funds Association of Pakistan
4. Managing Director - Pakistan Mercantile Exchange Limited (For Circulation to all Authorized Intermediaries of PMEX)
5. Chairman - Pakistan Banking Association



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Annexure "A"

National Clearing Company of Pakistan Limited.
DFC Daily Retained Profit Report

Transaction Date: 26/03/2021 Page: 1 of 1
Settlement Date: ALL User: SULAIMAN
CM ID: ALL Date: 26/03/2021
Category: ALL Time: 09:47:04

Transaction Date	Clearing Member		Category	Total		Profit Disbursement	Profit Reversed	As of Profit Disbursement
	CM ID	Name		Profit	Loss			
26/03/2021	03574	ISE Corporate BCM (Regular) 03574	BROKER	0	0	0	812,500	0
26/03/2021	01032	ISE Individual BCM (Regular) 01032	BROKER	475,000	975,000	0	500,000	237,500
26/03/2021	03574	ISE Corporate BCM (Regular) 03574	BROKER	750,000	250,000	125,000	0	375,000
26/03/2021	03996	ISE Corporate BCM (Regular) 03996	BROKER	0	575,000	0	0	0
26/03/2021	02048	INBOM (Regular) 02048	INSTITUTION	575,000	0	0	112,500	287,500
Total:				1,800,000	1,800,000	125,000	1,425,000	900,000

End of Report

Annexure B

National Clearing Company of Pakistan Limited.
DFC Bank Retained Profit Reversal Report

Transaction Date: 26/03/2021 Page: 1 of 1
Clearing Member ID: ALL User: SULAIMAN
Clearing Branch: ALL Date: 26/03/2021
Category: BROKER Time: 10:03:02

CM ID	CM Name	Account No.	Total Collection Amount	Actual Amount Debited	Difference
ALLIED BANK					
KARACHI					
01032	ISE Individual BCM (Regular) 01032	042-01032-1	500,000	500,000	0
03574	ISE Corporate BCM (Regular) 03574	051-03574-1	812,500	812,500	0
Branch Total:			1,312,500	1,312,500	0
Bank Total:			1,312,500	1,312,500	0
Grand Total:			1,312,500	1,312,500	0

END OF REPORT.