



National Clearing Company of Pakistan Limited

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

NCCPL/CM/SEPTEMBER-21/10

September 13, 2021

REMINDER-CAPITAL ADEQUACY REQUIREMENT
REVIEWED/AUDITED FINANCIAL STATEMENTS CONTAINING CERTIFICATE OF
NET CAPITAL BALANCE “NCB” and LIQUID CAPITAL STATEMENT

Dear Broker Clearing Members,

This is with reference to NCCPL Circular NCCPL/CM/JULY-21/03 dated July 06, 2021 and NCCPL/CM/AUGUST-21/13 dated August 30, 2021

All Broker Clearing Members “BCMs” are hereby notified to submit following statements Audited/ Reviewed (whichever is applicable):

- (i) **Net Capital Balance “NCB”** statement as of June 30, 2021 in accordance with Regulation 6(3) of Securities Brokers (Licensing & Operation) Regulations, 2016;
- (ii) **Liquid Capital “LC”** statement as of June 30, 2021 in accordance with Securities and Exchange Commission of Pakistan (SECP) letter (Ref No. SMD/SE/220/2016/134) dated June30, 2021.

In light of the above, BCMs’ whose financial year end is **December 31** shall submit their external auditor **reviewed second quarter NCB & LC** statements to NCCPL latest by **September 15, 2021**. BCMs’ whose financial year end is **June 30** shall submit their **annual audited financial statements** including **NCB & LC** statements to NCCPL latest by **November 01, 2021**.

Please note that above stated submissions shall only be accepted during **business hours (i.e. till 5:30 PM)** and the subsequent NCB & LC value adjustment in NCCPL systems shall take place within **two working days’** post submission.

Further, BCMs’ who wish to allocate a portion of their **NCB & LC** for **Debt Market** trading are requested to intimate allocated values to NCCPL accordingly in line with the NCCPL regulations 2015.

Please be advised that non-compliance of above stated timelines may result in enforcement action as prescribed under **Regulation 6(6) of Securities Brokers (Licensing & Operation) Regulations, 2016;**

“In case of non-submission of statements of net capital balance and liquid capital within a time period as may be notified by the exchange, and clearing house or any shortfall in the net capital balance and/or liquid capital, either reported by the securities broker or identified by the securities exchange, clearing house or the Commission, the securities exchange, and clearing house shall immediately restrict the trading facility of such securities broker and shall only allow it to close out the open position in a controlled environment.”

It is further clarified that for the latest submission the above prescribed regulatory action with respect to non-compliance of meeting the minimum **NCB/LC** threshold shall remain applicable (i.e. minimum Rs.5 million). Further, the maximum allowable exposure allocation would remain on the basis of **Net Capital Balance** till further notice / directive issued by SECP.

In addition to the above reviewed/ audited statements; BCMs shall continue to submit monthly unaudited **Net Capital Balance “NCB”** and **Liquid Capital “LC”** statements with securities exchange and clearing house as per **Regulation 6(3) of Securities Broker (Licensing & Operation) Regulations, 2016**, in a timely manner.

Further, please be informed that Securities & Exchange Commission of Pakistan Limited “SECP” vide its letter dated June 30, 2021 approved the Regulations that securities broker should have maintain minimum Rs.5 million of Liquid Capital with effect from **August 01, 2021**.

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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Adnan Akhter
Senior Manager – PD & CSS

CC:

- 1. Chief Executive Officer - Pakistan Stock Exchange Limited**
- 2. Pakistan Stock Brokers Association**