



National Clearing Company of Pakistan Limited

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

NCCPL/CM/AUGUST-25/09

August 13, 2025

SUBJECT: NCCPL's JOURNEY & ROAD MAP TO T+1 SETTLEMENT CYCLE

Dear Clearing Members & Settling Banks,

This is in continuation of National Clearing Company of Pakistan Limited "NCCPL" Circulars NCCPL/CM/SEPTEMBER-23/05 Dated September 11, 2023, NCCPL/CM/JANUARY-24/07 Dated January 16, 2024, NCCPL/CM/APRIL-24/06 Dated April 05, 2024 and NCCPL/CM/APRIL-24/15 Dated April 26, 2024 regarding transition to a shorter settlement cycle from T+2 to T+1.

In this regard, NCCPL continued deliberation on the matter with the concerned stakeholders, mainly Pakistan Stock Exchange "PSX", Central Depository Company of Pakistan Limited "CDC", Securities Brokers, Pakistan Stock Brokers Association "PSBA", Custodian Clearing Members "CCMs", Professional Clearing Members "PCMs", Mutual Fund Association of Pakistan "MUFAP", as well as few Foreign Investors to comprehensively document and addressed almost all the concerns put forward by them which were considered necessary for swift transition to shorter settlement cycle.

Accordingly, NCCPL is pleased to inform that consensus has been developed on the operating model and transition to T+1 settlement cycle is planned to go live from February 09, 2026 in Pakistan.

We appreciate the cooperation and commitment demonstrated by all Stakeholders throughout the consultation process in achieving this milestone.

Final Operational Model, proposed Designated Time Schedule "DTS" and Roadmap of T+1 settlement implementation are attached as Annexures.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN 021-111-111-622 or visit our website www.nccpl.com.pk

You can approach our Customer Support services through WhatsApp vide 021-111-111-622 or Click [here](#).

Regards,

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Muhammad Asif

General Manager / HOD - Operations

Project Management & New Initiatives

CC:

1. Executive Director/HOD - Policy, Regulation and Development Department - SMD
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2. Chief Executive Officer - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited
4. Pakistan Stock Brokers Association
5. Chief Executive Officer - Mutual Funds Association of Pakistan
6. Chairman - Pakistan Banking Association
7. Managing Director - Pakistan Mercantile Exchange Limited



NATIONAL CLEARING COMPANY
OF PAKISTAN LIMITED

TRANSITION TO T+1 SETTLEMENT CYCLE

Proposed Settlement Model of IDSC
Transactions

This document outlines the affirmation and settlement process for IDSC transactions in transition to T+1 settlement cycle streamlining affirmation, clearing and settlement processes.

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LIST OF ABBREVIATION

BO	Balance Orders
CDC	Central Depository Company
IDSC	Institutional Delivery System for Custodian
MUFAP	Mutual Funds Association of Pakistan
NCCPL	National Clearing Company of Pakistan Limited
PSBA	Pakistan Stock Brokers Association
PSX	Pakistan Stock Exchange

PREAMBLE

In alignment with global best practices and to enhance the efficiency and robustness of Pakistan's Capital Market, under the supervision of Securities and Exchange Commission of Pakistan (SECP), the National Clearing Company of Pakistan Limited (NCCPL) has been endeavoring to shift its settlement cycle from T+2 to T+1. This strategic shift aims to reduce systemic risk, lower margin requirements, and improve liquidity, thereby fostering a more competitive and resilient market environment.

Recognizing the significance of this transition, NCCPL has engaged in extensive consultations with key stakeholders, including SRO's, market participants, and industry associations through circulars issued on September 11, 2023, January 16, April 05, and April 26, 2024. Subsequently, on March 05, 2024, an implementation committee was also formed by the Commission, comprising of representatives from SECP, NCCPL, Pakistan Stock Exchange (PSX), Central Depository Company (CDC), Securities Brokers (SB), Pakistan Stock Brokers Association (PSBA), Custodian Clearing Members (CCMs), Professional Clearing Member (PCM) and Mutual Funds Association of Pakistan (MUFAP) for reviewing the existing practices, identify the risk and key dependencies, and other issues to adopt a comprehensive approach for swift transition.

In light of the above, NCCPL has prepared this document covering the proposed T+1 settlement mechanism, providing detailed procedural guidance, addressing operational challenges, and responding to stakeholder concerns. The objective is to facilitate a smooth transition, minimizing risk and maximizing the benefits of a more efficient settlement process.

Introduction

Notably, most stock exchanges in both developed and emerging markets follow the Trade day plus two (**T+2**) settlement system. In an effort to reduce risk, increase overall efficiency of the securities markets and to facilitate better use of capital, different financial markets initiated an industry change from **T+2** to **T+1** settlement cycle. Several countries have already implemented the T+1 settlement system. The United States, Canada, Mexico, and Argentina successfully transitioned to T+1 in May 2024. India adopted a phased approach to transition to T+1 cycle between February 2022 and January 2023.

Currently, India is exploring the implementation of a T+0 settlement cycle, which aims to further reduce the settlement period to the same day. This move is expected to revolutionize the stock market, making trade settlements happen in real-time and creating a smoother trading experience.

A global synopsis of the move to T+1 implementation is presented in the table below:

Company	Current State (T+2)	Future State (T+1)
Depository Trust and Clearing Corporation (DTCC) - US	Recently shifted to T+1	-
Hong Kong Exchanges and Clearing Ltd. (HKEX)	T+1 and T+0 settlement cycle with ongoing improvements	Planning for T+1 or T+0 to enhance market access
Singapore Exchange Ltd. (SGX)	T+2 settlement cycle with ongoing improvements	Planning for T+1 to improve liquidity
Japan Securities Depository Center, Inc. (JASDEC)	T+2, T+1 and T+0	Targeting T+1 transition with operational changes
Korea Securities Depository (KSD)	T+2 and T+1	Finalization
National Securities Depository Ltd.(NSDL) – India	T+1	Evaluating T+0 possibilities
Central Depository Systems (Pvt.) Ltd. (CDS) – Sri Lanka	T+3 to T+2 Since 10th June 2024	NA
Philippine Depository & Trust Corp. (PDTCC)	T+3 to T+2 Since Q4, 2023	NA

Accordingly, the National Clearing Company of Pakistan Limited (NCCPL) is envisaging a significant enhancement to the current trade settlement process by transitioning to a T+1 settlement cycle.

NCCPL thoroughly analyzed the impact of transiting to a shorter settlement cycle in close coordination with the concerned stakeholders and identified the benefits of such transition along with its challenges, implicated risks and also assessed measures taken to mitigate such risk. The result of this analysis is given below:

Benefits of Transitioning to T+1:

- **Reduced Settlement & Credit Risks:** Lower risk of settlement failure, credit risk exposure by reducing associated costs and to promote market stability.
- **Increased Market Efficiency:** Faster settlement enables quicker access to funds and securities.
- **Improved Liquidity:** Shorter settlement cycle will increase market liquidity.
- **Enhanced Customer Experience:** Shorter settlement attracts more local and foreign investors.

Challenges in the Transition:

- **Operational Complexity:** Shorter settlement cycle requires swift processing and efficient automation.
- **Technology and Infrastructure Upgrade Costs:** Legacy systems may require upgrades or replacement.
- **Risk Management:** Enhanced risk monitoring and mitigation strategies are crucial for implementation.
- **Liquidity Management:** To ensure sufficient funding for managing intraday liquidity would be challenging.

Implicated Risks:

- **Increased Pressure on Liquidity Management:** Firms must ensure they have adequate liquidity to meet the increasing need for funding and margin requirements within a shorter span.
- **Risk of Disruptions:** The transition may lead to potential disruptions if systems and processes are not adequately tested and prepared.

Transition to T+1 Settlement Cycle

- **Higher Settlement Fails:** The accelerated timeline may lead to an increase in settlement failure, particularly during the transition phase.
- **FX-Related Challenges:** Foreign investors may face high risk related to foreign exchange transactions due to limited timeframe.
- **Regulatory Misalignments:** There may be discrepancies between local regulations and the new T+1 framework, which might lead to potential compliance issues.

Risk Mitigating Measures:

- **Process Automation:** Implement automated workflows and straight-through processing
- **Advanced Risk Management:** Enhance risk monitoring, mitigation, and reporting
- **Technology Upgrades:** Invest in modernizing infrastructure and systems
- **Liquidity Management:** Implement robust liquidity management practices
- **Testing and Simulation:** Conduct thorough testing and simulation exercises
- **Industry Collaboration:** Foster collaboration among market participants
- **Regulatory Compliance:** Ensure compliance with new regulations and industry standards
- **Operational Resilience:** Enhance system capabilities, and continuity plans to resist disruption

The existing T+2 settlement cycle was considered convenient by the Custodian Clearing Members (CCM) as the same provides adequate time for performing operational activities at their end which are significantly impacted by the time difference in various global zones compared to country of operation.

This document outlines the proposed changes, the new procedures, and the solutions to the matters highlighted by CCMs and Securities Brokers (SBs) during various consultative sessions held with the concerned stakeholders.

The transition to a T+1 settlement cycle represents a significant advancement in the trade settlement process, promising greater efficiency and reduced risk. Through collaboration and comprehensive planning, this transition aims to enhance the overall functioning of the capital market.

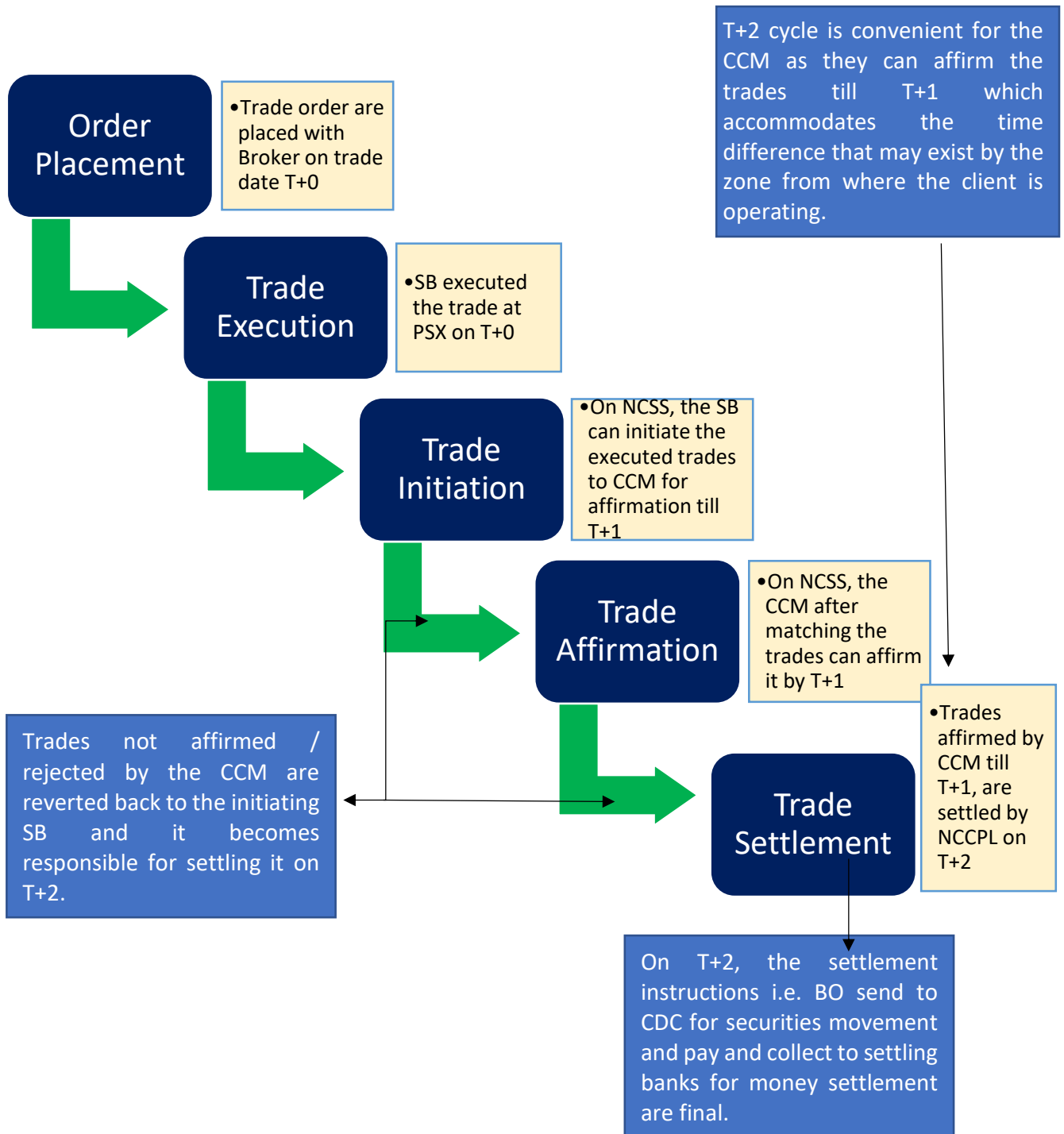
NCCPL intends to continue working closely with all stakeholders to ensure a smooth and successful implementation of these changes.

Existing Settlement Process for CCMs and Concerned SBs

As per NCCPL Regulations, 2015, banks are allowed to be admitted as a CCM which allows them to settle the trades carried out by them on behalf of their clients through SB directly with NCCPL. To enable this process Institutional Delivery System has been implemented which allows the concerned SB to pass on the trades executed on behalf of CCM clients to CCM for affirmation and onward settlement.

The workflow of this mechanism is explained in the ensuing part of this document.

Prevailing Settlement Mechanism – Custodian Clearing Members



Key Challenges faced by the CCMs and related SBs for T+1 Settlement

There are many challenges highlighted by the CCMs for the implementation of the settlement cycle which were required to be addressed before moving towards a shorter settlement cycle. NCCPL along with the concerned stakeholders extended full support in understanding and resolving the issues highlighted by the CCM and SBs.

The major issue highlighted was the time available under the T+1 settlement cycle to the CCMs for affirming the trades. It was highlighted that different time zone is one of the key issue, further, there are certain processes that are run by CCMs manually and the same would require automation to ensure efficiency and accuracy of the settlement process.

NCCPL offered full support of its IT team for collaborating with the CCMs team to help automate the processes which was duly recognized and appreciated by CCM.

Overview of the Proposed T+1 Settlement Cycle for CCMs and related SBs

Proposal:

Under the proposed T+1 settlement cycle, NCCPL came up with a recommendation whereby it was proposed that all trades executed on T+0 and initiated by SBs through Institutional Delivery System for Custodian (IDSC) will be automatically affirmed and Balance Orders (BOs) will be generated for next-day settlement (T+1). This initiative aims to streamline the settlement process, reduce the settlement risk, and improve market efficiency. However, CCMs will be allowed certain time on T+1 to only reject the transactions that are not confirmed.

Challenges highlighted by CCM:

CCMs raised concerns about their responsibility to safeguard client assets. They highlighted that under the prevailing model they affirm the transaction till T+1 and on T+2 the securities movement instruction passed on to CDC "BO" is based on those transactions that are duly reviewed and affirmed, while in case of T+1 settlement cycle, all trades will be considered auto affirmed which means BO will be executed on T+1 and later they will have the option to reject the transactions.

They emphasized that the movement of securities should not take place without their explicit consent, as it is crucial to ensure the protection of client's shareholding. They also added that the current ratio of rejected IDSC transactions is very low, yet they would need to review and affirm all the IDSC transactions that were passed on to them by the concerned SB.

They emphasized that even in case of auto-affirmation of IDSC transactions on T+0 in NCSS to generate balance order, movement of shares or funds should not occur without CCMs affirmation.

Solution agreed with the CCM:

The following mechanism was proposed and after detailed deliberation with the concerned stakeholders a consensus was built on it:

Auto-Affirmation of Trades:

The functionality to consider all trades executed by SBs on behalf of CCM as auto affirmed is essential and shall be implemented. The auto-affirmation mechanism ensures that all initiated IDSC transactions will be automatically marked as affirmed on T+0.

Generation of Balance Orders and Pay & Collect:

Once all the initiated trades are auto affirmed on T+0 as per the Designated Time Schedule (DTS), the Balance Orders and Pay & Collect will be generated on T+1 based on the auto-affirmed trades as per existing mechanism, to facilitate the settlement of securities and funds.

T+1 Window for Custodian Clearing Members to reject the auto affirmed IDSC transactions:

T+1 window will be provided to CCMs in the NCSS as per DTS to review and reject any of the auto affirmed IDSC transaction after pre-matching process.

Settlement Mechanism on T+1:

a) Securities Settlement: (BO Movement)

Purchase of Securities - The buy side balance order shall be processed and securities shall be parked in the CCMs client CDS account under blocked status as per the existing mechanism and will only be moved out in case any such buy transaction is rejected by the CCM within the time prescribed in the DTS.

Sale of Securities - On T+1, the sell side delivery of CCMs client will be held in the Clients' CDS account and shall be moved after the time allowed to CCM to reject the sale transactions has elapsed as per DTS or CCMs provides confirmation of transactions.

b) Money Settlement: (Pay & Collect)

The pay and collect activity shall continue as per the existing process through settling banks within the time frame prescribed under the DTS.

NCCPL shall provide this functionality in the NCSS, enabling the CCMs to confirm all auto affirmed transactions are accepted before 12:00 pm on T+1. If no such confirmation is received by 12:00 pm on T+1; all transactions that are not rejected will be deemed as valid and accepted for further processing and settlement in the NCSS.

Settlement Mechanism - Rejected Transactions:

a) Rejected Sale Transaction:

In case of rejection of a sale transaction a reverse BO will be generated to reverse original transaction and the same shall be reverted back to initiating SB. In such cases, the initiating SBs will be required to arrange the delivery and settle the transaction on T+1 basis as per the prescribed mechanism.

However, in case of inability of a SB to arrange the delivery obligation on T+1, such SB shall arrange and settle on T+2 basis, whereas, the money obligations of SBs would be cleared on T+3 basis. All other BO except the said transaction will be moved as usual.

b) Rejected Buy Transaction:

As explained earlier in the document, NCCPL will forward all buy side BOs of CCM to CDC for execution and deliveries will be moved in CCM client's account in blocked status. Once the money obligation of CCM are fulfilled within the DTS, the same will be unblocked.

If CCM rejects a buy transaction, NCCPL will generate a reversal BO, wherein the CCM's Client will be treated as a Seller and initiating SB will be treated as a Buyer. Accordingly, the deliveries will be transferred from the CCM Client's account to the SB's CDS account and money obligation for the buy transaction shall be settled by such SB.

Detailed Process Flow with Designated Time - Settlement On T+1

Sr. #	Description	Process Flow
1	Trade Initiation	SB to initiate trades on T+0 from 9:30 am to 5:00 pm for Monday to Thursday and from 9:30 am to 6:00 pm for Friday as per the existing mechanism.
2	CDS Sub-Accounts	<p>Tagging - NCCPL will tag sub-accounts available in the CCM CDS Accounts with trading client codes during auto-affirmation.</p> <p>Multiple Sub-accounts - when multiple sub-accounts are linked to a single UIN, CCM provides the sub-account for settlement obligations. Any change in sub-account during settlement will be managed through the Free Delivery (FD) option in Central Depository System (CDS) as per existing mechanism.</p>
3	Auto Affirmation	After the IDSC affirmation cut-off time on T+0, all initiated IDSC transactions that remain un-affirmed will be marked as auto affirmed by NCCPL as per DTS
4	Securities Settlement on T+1 – BO Mechanism	<p>BO Generation - Balance Order and pay & collect will be generated as per current practice at the end of day of T+0.</p> <p>BO Movement/Process - On T+1 (in the morning of settlement day), the sell-side BO of CCM will not be processed and buy-side BO shares will be moved in the respective CCM Client's CDS account in blocked status till the CCM confirmation.</p> <p>Cut-off Time for BO - A cut-off time of 12:00 pm is set for BO processing for all buy and sell transactions not rejected by CCM.</p> <p>Activation of BO - In order to start buy/sell BO settlement process of CCM before cut-off time, a functionality will be made available to CCM on T+1 where they can mark buy and sell transactions on aggregate basis before 12:00 pm in respect of transactions which are not rejected.</p>
5	Broker Exposure and Margins	Broker Exposure and Margins deposited against all IDSC auto affirmed transactions will be dropped after the time allowed i.e. 12:00 pm to CCM for rejection has elapsed or acceptance has been received from CCM.
6	Rejection of Transactions	A new screen/option will be available to CCM to reject auto-affirmed transactions between 9:00 am and 12:00 pm on Settlement day (T+1).
7	Option for restoration of Rejected Transactions	CCM will have an option in NCSS to restore the rejected transactions from 9:00 am to 12:00 pm . NCCPL after the rejection time of 12:00 pm, may allow restoration of rejected transactions till an extended time of 2 pm .
8	Reporting	Separate reports/download will be available for CCM and SBs to monitor normal BO, Pay & Collect and rejected/cancelled IDSC transactions (Annexure A, B & C).
9	Settlement of Rejected auto affirmed	Sale Transaction - BO of rejected sale transactions that was put on hold shall not be processed from CCM client CDS account. The transaction will be reverted back to initiating SB and will be settled by it.

Transition to T+1 Settlement Cycle

Sr. #	Description	Process Flow
	Transactions After 02:00 pm	<p>Buy Transactions - Shares relating to rejected buy transactions will remain blocked, even if all settlement obligations are fulfilled by CCM. In case of rejected buy transactions, the same will be settled by initiating SB.</p> <p>BO and Money Obligation (Post 2:00 pm) - After the 2:00 pm cut-off, new online BO and money obligations are generated against final rejected transactions, with the settlement obligation (Delivery & Money) shifting to the initiating SB.</p>
10	Hold BO Activation	In the case of rejection of sale transaction and subsequent cancellation, hold BO will be activated by CCM manually.
11	Drop out of CCM RMS Obligation	After settlement obligations are completed, CCM RMS obligations are dropped through the settlement dropout mechanism.
12	Square-Up Process for Delivery Default	In case of delivery default by the CCM/SB (in case of rejected sale transactions to be settled on T+2), the square-up process will be initiated in accordance with NCSS Procedures.
13	Close-Out Process	If shares are unavailable during the square-up process, the existing close-out process will remain applicable.
14	CGT	CGT will be computed on the basis of final settlement of IDSC between CCM or SB, as the case may be. Further, there will be no change in the existing mechanism for computation of CGT for IBD transactions.
15	Corporate Entitlement	The existing process of managing corporate entitlements (i.e. dividend, right, bonus, etc.) shall remain the same for rejected IDSC buy transactions.
16	Brokerage Commission	Facilitation of inclusion of Brokerage commission on Non -Exchange Report/ Download.

BO Mechanism in T+1 Settlement Cycle - Explanatory illustration

Case-1: CCM has buy obligation and payment is not confirmed by client

Transaction details – carried out by SB on behalf of CCM's Client

T+0	Normal Seller SB	Initiating (buyer) SB	Symbol	Volume Buy	Rate	Value	Buyer CCM	Transaction Type
1-Apr-24	YYY-SB	BBB – SB (on behalf of CCM)	PTC	10,000	100	1,000,000	XYZ-CCM	Auto affirmed

A- SETTLEMENT PROCESS WHERE THE TRANSACTION IS NOT REJECTED:

i. Action on Trade Date (T+0):

On trade date (T+0) IDSC transaction will be initiated by BBB-SB to CCM (XYZ-CCM) and NCCPL affirm said transaction through auto affirm functionality.

ii. Action on Settlement Date (T+1):

a) Delivery Obligation:

On settlement date (T+1) Delivery i.e. 10,000 shares of PTC will be moved from YYY-SB client A/c to CCM (XYZ-CCM) client A/c. in Blocked status through BO functionality.

b) Money obligation:

On settlement Date (T+1) buyer CCM (XYZ-CCM) shall be responsible to pay PKR 1,000, 000 to NCCPL.

B- SETTLEMENT PROCESS WHERE THE TRANSACTION IS REJECTED ON T+1:

i. Action on Settlement Date (T+1):

a) Rejection of Transaction:

The CCM shall reject the transaction using the window provided in NCSS within specified time on T+1.

b) Delivery Obligation:

On settlement date (T+1) Delivery i.e. 10,000 shares of PTC, that have already been moved under Blocked status in CCM (XYZ-CCM) client A/c will be transferred to BBB-SB (initiating Broker of CCM) CDS Account for onward settlement activities.

c) Money obligation:

On settlement Date (T+1) revised money obligation will be determined through NCSS pay & collect functionality and BBB-SB (initiating Broker of CCM) shall be required to pay PKR 1,000, 000 to NCCPL and initially computed money obligation for buying CCM (XYZ CCM) will be reverted.

Key notes of Case -1;

1. Money obligation of rejected IDSC transaction shall be settled by BBB-SB (initiating Broker of CCM) through their designated settling bank.
2. Initially, delivery will be moved from seller YYY-SB client's CDS A/c to CCM's (XYZ-CCM) client A/c through BO mechanism as per existing practice in blocked status.
3. After rejection of IDSC transaction, delivery will move from CCM's (XYZ-CCM) client A/c to Main A/c of BBB-SB (initiating broker for CCM) through online BO mechanism.

Case-2: CCM has Sell obligation and Delivery is not confirmed by client

Transaction details – carried out by SB on behalf of CCM's Client

T+0	Normal Buyer SB	Initiating (seller) SB	Symbol	Volume Buy	Rate	Value	Seller CCM	Transaction Type
1-Apr-24	YYY-SB	BBB – SB (on behalf of CCM)	PTC	10,000	100	1,000,000	XYZ-CCM	Auto affirmed

A- SETTLEMENT PROCESS WHERE THE TRANSACTION IS NOT REJECTED:

i. Action on Trade Date (T+0):

On trade date (T+0) IDSC transaction will be initiated by BBB-SB to CCM (XYZ-CCM) and NCCPL affirm said transaction through auto affirm functionality.

ii. Action on Settlement Date (T+1):

a) Delivery Obligation:

On settlement date (T+1) Delivery i.e. 10,000 shares of PTC will be moved from CCM (XYZ-CCM) client A/c to CM YYY-SB in Blocked status through BO functionality.

b) Money obligation:

On settlement Date (T+1) seller CCM (XYZ-CCM) shall receive PKR 1,000, 000/= from NCCPL.

B- SETTLEMENT PROCESS WHERE THE TRANSACTION IS REJECTED ON T+1:

i. Action on Settlement Date (T+1):

a) Rejection of Transaction:

The CCM shall reject the transaction using the window provided in NCSS within specified time.

b) Delivery Obligation:

On settlement date (T+1), BO process for movement of shares from CCM (XYZ-CCM) CDS account shall be hold. Accordingly, delivery will not be moved from CCM (XYZ-CCM) client A/c and BBB-SB (initiating Broker of CCM) shall be responsible for delivery settlement with NCCPL by T+2.

c) Money obligation:

On settlement Date (T+1) initially computed money obligation for selling CCM (XYZ CCM) will be reverted and revised money obligation will be determined through NCSS pay & collect functionality and BBB-SB (initiating Broker of CCM) shall receive PKR 1,000, 000/= from NCCPL by T+3.

Key notes of Case -2;

1. The Sell side BOs of CCMs (duly auto-affirmed) shall be processed in CDS after the time allowed to CCM has elapsed or all sale transactions are approved on aggregate basis whichever is earlier.
2. On settlement date (T+1) for rejected IDSC Transactions, revised BO obligation will be generated between XYZ-CCM and BBB – SB. Such revised BO delivery will be settled manually on T+2.
3. On settlement date (T+1) for rejected IDSC Transactions, revised Pay & Collect obligation of XYZ-CCM will be reverted.
4. For rejected IDSC sell transactions, NCCPL will receive delivery from BBB – SB and same will be transferred to YYY-SB on T+2.
5. For rejected IDSC sell transactions, after delivery received from BBB – SB by T+2, credit amount will be transferred in to BBB – SB settling bank account on T+3.

Facilitation of inclusion of Brokerage commission

The facilitation of Brokerage Commission will be provided on non-Exchange screen/ Download/ report on request of SBs and CCMS having no impact on settlement value.

For the purpose of tariff computation, Brokerage Commission Definition Screen will be provided to all Security Brokers those dealing with CCMs IDSC transactions.

Example:

Calculation in term of value:

<u>Transaction Type</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Rate</u>	<u>Gross Amount</u>	<u>Commission @0.15%</u>	<u>Commission Amount</u>	<u>SST@15%</u>	<u>Net Settlement value</u>
<u>Buy</u>	<u>GWLC</u>	<u>40,000</u>	<u>39.00</u>	<u>1,560,000</u>	<u>0.05850000</u>	<u>2,340</u>	<u>351</u>	<u>1,562,691.000</u>
<u>Sale</u>	<u>GWLC</u>	<u>40,000</u>	<u>39.00</u>	<u>1,560,000</u>	<u>0.05850000</u>	<u>2,340</u>	<u>351</u>	<u>1,557,309.000</u>

Note:

- Wherever brokerage rate results below 0.03 paisa (0.15% of rate); then the system shall consider minimum 0.03 paisa commission.
- Definition screen of minimum tariff will be available at Broker Level.
- Definition screen of SST slab will be available for CM.

Calculation in term of volume:

<u>Transaction Type</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Rate</u>	<u>Gross Amount</u>	<u>Commission in terms of paisa</u>	<u>Commission Amount</u>	<u>SST@15%</u>	<u>Net Settlement value</u>
<u>Buy</u>	<u>GWLC</u>	<u>50,000</u>	<u>50.00</u>	<u>2,500,000.00</u>	<u>0.5</u>	<u>25,000</u>	<u>3,750</u>	<u>2,528,750.00</u>
<u>Sale</u>	<u>GWLC</u>	<u>50,000</u>	<u>50.00</u>	<u>2,500,000.00</u>	<u>0.5</u>	<u>25,000</u>	<u>3,750</u>	<u>2,471,250.00</u>

Other recommendations received from Market Participants on T+1 Settlement cycle implementation:

1. Availability of Member-to-Member NDM transaction facility on T+0.
2. PSX and NCCPL to consider time extension for NDM T+0 transactions.
3. Availability of Broker-to-Broker Margin Finance (MF) facility on T+1 for unaffirmed/rejected foreign client's transactions.
4. Allowing pledging facility to brokers with banks for un-affirmed/rejected trades of foreign clients (settled in the CDS main account of the brokers)
5. Squaring-up market timing at PSX to be extended till 3 pm on Settlement Date + 1.
6. No financial or disciplinary penalties will be imposed for trade failures or delays in foreign client's settlement for at least six (6) months from the date of implementation of the T+1 settlement cycle

National Clearing Company of Pakistan Limited						
Proposed NCSS Designated Time Schedule (DTS) on T+1 Implementation						
			Existing - T+2		Proposed - T+1	
No.	Activity		Start Time	End Time	Start Time	End Time
1	NCSS Day Timings	Monday to Thursday	9:00 AM	7:00 PM	9:00 AM	7:00 PM
		Friday	9:00 AM	7:45 PM	9:00 AM	7:45 PM
BALANCE ORDER DELIVERIES						
2	Normal Delivery Timings	Monday to Friday	9:00 AM	3:30 PM	9:00 AM	4:00 PM
	Extended Delivery Timings (Note-1)		3:45 PM	4:15 PM	4:15 PM	5:15 PM
PAY AND COLLECT ACTIVITIES						
3	SBs to confirm CMs' provisional collection (through Provisional Collect Screen) by debiting CM's Bank Accounts based on Provisional Collect Report	Monday to Thursday	9:00 AM	12:00 PM	9:00 AM	1:30 PM
		Friday	9:00 AM	11:30 AM		
		Monday to Thursday	12:45 PM	1:30 PM		
	Friday	11:45 AM	12:30 PM			
	SBs to credit CMs' Bank Accounts through First Pay Screen	Monday to Friday	4:00 PM	4:30 PM	4:30 PM	5:15 PM
	SBs to confirm CM's additional collection (through Additional Collect Screen) by debiting CM's Bank Accounts based on Additional Collect Report which will also unblock Shares	Monday to Friday	4:00 PM	4:30 PM	4:30 PM	5:15 PM
SBs to credit CMs' Bank Accounts through Final Pay Screen	Monday to Friday	4:00 PM	4:30 PM	4:30 PM	5:15 PM	
IDSC INITIATION						
4	For Regular / DFC/ IPO/ SLB/ Debt Market trades & transaction	Monday to Thursday	9:30 AM	5:00 PM	9:30 AM	5:00 PM
		Friday	9:30 AM	6:00 PM	9:30 AM	6:00 PM
IDSC AFFIRMATION						
5	For Regular /DFC /SLB /IPO /Debt Market trades & transaction	Monday to Thursday	9:30 AM	5:30 PM	9:30 AM	5:30 PM
		Friday	9:30 AM	6:30 PM	9:30 AM	6:30 PM
	Auto Affirmation of Initiated IDSC Transactions with Custodian Clearing Members	Monday to Friday	N/A		By 6:15 PM	
					By 7:15 PM	
REJECTION OF AUTO IDSC AFFIRMED TRANSACTION ON T+1						
6	Rejection of Auto IDSC Affirmed Transaction by Custodian Clearing Members	Monday to Friday	N/A		9:00 AM	12:00 PM
	Cancellation / Re-Initiation of Rejected IDSC Transaction on T+1 (*)				9:00 AM	1:00 PM
IDS AFFIRMATION/IBD INITIATION/AFFIRMATION						
7	For Regular /DFC /MTS /SLB /IPO /Debt Market trades & transaction	Monday to Thursday	9:30 AM	5:00 PM	No Change	
		Friday	9:30 AM	6:00 PM		
Note:-						

In case of no rejection, CCMs have an option to confirm all auto affirmed IDSC transactions before 12:00 pm on T+1.

(*) NCCPL DTS may be extended till 2:00 pm for cancellation/Re-initiation of IDSC Transaction on case to case basis.

Annexure III

Roadmap of T+1 Settlement Cycle

S #	Task	Dept.	Start Date	End Date
1.	Announcement of T+1 Settlement Cycle to Market Participants	NCCPL	July 29, 2025	July 29, 2025
2.	Issuance of Circular to Market for the Road Map etc	NCCPL	July 30, 2025	Second week of August, 2025
3.	Requisite Amendments in NCCPL Regulations	NCCPL	August 01, 2025	August 31, 2025
	Requisite Amendments in PSX Rule Book	PSX	August 01, 2025	August 31, 2025
	Requisite Amendments in CDCPL Regulations	CDC	August 01, 2025	August 31, 2025
	SECP approval on CMII's Regulations	SECP	September 1, 2025	September 15, 2025
4.	Requisite Amendments in NCC Procedures/BoD Approval	NCCPL	September 15, 2025	September 30, 2025
	Requisite Amendments in PSX Procedures /BoD Approval	PSX	September 15, 2025	September 30, 2025
	Requisite Amendments in CDC Procedures /BoD Approval	CDC	September 15, 2025	September 30, 2025
	Requisite Amendments in Joint Procedures (if any)	CMII's	September 15, 2025	September 30, 2025
5.	System Developments at NCCPL end	NCCPL	August 01, 2025	November 20, 2025
	System Developments at PSX end	PSX	August 01, 2025	October 30, 2025
	System Developments at CDCPL end	CDC	August 01, 2025	October 30, 2025
	System Development at CCMs end	CCMs	August 01, 2025	November 20, 2025
	System Developments at Brokers end	PSBA	August 01, 2025	November 20, 2025
	System development at Non-Broker end if any	NBCM	August 01, 2025	November 20, 2025
6.	Integration Testing <ul style="list-style-type: none"> System Preparations, QA/UAT & integrated testing b/w SRO's. Simulation testing based on any available settlement (Prior to holding circular for testing session) 	CMII's	To be completed by December 10, 2025.	
7.	Awareness / training/ communication sessions to participants	CMII's	Second week of September 2025	



Annexure III

8. Market Testing Activities *(Participation and readiness of all stakeholders i.e. CMII's, PSBA, CCMs should be ensured)*

Circular to market participants for market testing	CMII's	2 nd week of December 2025.
1 st market testing session to be held	CMII's, NBCM's, CCM's & PSBA	December 15, 2025
Reporting of Issues and Fixing of reported issues observed during 1 st market testing.	CMII's	December 24, 2025
2 nd market testing session to be held	CMII's, NBCM's, CCM & PSBA	December 29, 2025
Reporting of Issues and Fixing of reported issues observed during 2 nd market testing.	CMII's	January 03, 2026
Final market session to be held.	CMII's, NBCM's, CCM's & PSBA	January 06, 2026
Sign off by PSBA, CCMs & CMII's to be completed.	CMII's	January 09, 2026

9.	Live related circular to market participants	NCCPL	January 15, 2026
10.	Live System deployments & configurations Preparations	IT Team of CMII's	February 06, 2026
11.	Go-Live of T+1 Settlement Cycle system	NCCPL	February 09, 2026
12.	Post Deployment support and Report submission Date	CMII's	February 09, 2026
			March 09, 2026

