National Clearing Company of Pakistan Limited
8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/SEPTEMBER-26/04
September 11, 2026

APPROVED AMENDMENTS IN THE PROCEDURES OF NATIONAL CLEARING & SETTLEMENT SYSTEM (NCSS)

Dear Clearing Members,

Please find attached herewith Approved Amendments in the Procedures of NCSS for your information.

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
GM / HOD – Operations, Project Management & New Initiative

Cc.

1. **Executive Director/HOD - Policy, Regulation and Development Department - SMD**
   Securities & Exchange Commission of Pakistan - Islamabad
2. **Chief Executive Officer - Pakistan Stock Exchange Limited**
3. **Chief Executive Officer - Central Depository Company of Pakistan Limited**
4. **Chief Executive Officer - Mutual Fund Association of Pakistan**
5. **Chairman - Pakistan Banking Association**
6. **Chief Executive Officer - Pakistan Stock Brokers Association**

APPROVED AMENDMENTS IN NCSS PROCEDURES	
Existing Procedures	**Revised Procedures**
Chapter 7 Processing of Corporate Actions pertaining to MT Financed Securities & margin Financed Securities	**Chapter 7 Processing of Corporate Actions pertaining to MT Financed Securities & margin Financed Securities**
7.1.1 Purpose and Scope Under the Margin Trading System ("MTS") and MF System transactions the Trading Financier and Margin Financier is not the beneficial owner of the MT Financed Securities and Margin Financed Securities respectively although such securities are held as Market Collateral against the financing provided to the beneficial owner of the securities (Finance and/or Margin Finance). Any entitlements on such securities arising due to corporate action should accrue to the beneficial owner (Finance and/or Margin Finance) of the securities and not to the Trading Financier and/or Margin Financier. As per the current CDS mechanism and CDC procedures, the account holder of the securities is treated as the beneficial owner of the securities due to which the resultant entitlements, as and when announced, are also calculated and transferred in favor of the account holders where securities are appearing in the CDS account at the end of the day before the start of the Book Closure Date. Under the MT Transaction and MF Transaction settlement mechanism, all the MT Financed Securities and Margin Financed Securities are delivered to the CDS Accounts of the Trading Financier and Margin Financier respectively. Such Financed Securities are held under blocked status in the respective CDS Accounts of the Financier until the settlement of MT (R) Transaction and MF (R) Transaction. However, the ultimate beneficial owners of such MT Financed Securities and Margin Financed	7.1.1 Purpose and Scope Under the Margin Trading System ("MTS") and MF System transactions the Trading Financier and Margin Financier is not the beneficial owner of the MT Financed Securities and Margin Financed Securities respectively although such securities are held as Market Collateral against the financing provided to the beneficial owner of the securities (Finance and/or Margin Finance). Any entitlements on such securities arising due to corporate action should accrue to the beneficial owner (Finance and/or Margin Finance) of the securities and not to the Trading Financier and/or Margin Financier. As per the current CDS mechanism and CDC procedures, the account holder of the securities is treated as the beneficial owner of the securities due to which the resultant entitlements, as and when announced, are also calculated and transferred in favor of the account holders where securities are appearing in the CDS account at the end of the day before the start of the Book Closure Date. Under the MT Transaction and MF Transaction settlement mechanism, all the MT Financed Securities and Margin Financed Securities are delivered to the CDS Accounts of the Trading Financier and Margin Financier respectively. Such Financed Securities are held under blocked status in the respective CDS Accounts of the Financier until the settlement of MT (R) Transaction and MF (R) Transaction. However, the ultimate beneficial owners of such MT Financed Securities and Margin Financed

<table>
<tr><td>Securities are the Finances who have executed such MT Transaction and MF Transactions.

Accordingly, in order to provide benefit of such corporate entitlements to the Finance, being the ultimate beneficial owner, following mechanism for automated transfer of corporate entitlements shall be applied</td><td>Securities are the Finances who have executed such MT Transaction and MF Transactions.

Accordingly, in order to provide benefit of such corporate entitlements to the Finance, being the ultimate beneficial owner, following mechanism for automated transfer of corporate entitlements shall be applied</td></tr>
<tr><td>7.2 Application of the Mechanism</td><td>7.2 Application of the Mechanism</td></tr>
<tr><td>The mechanism shall be applicable to the following entitlements:
General Meetings
Cash Dividend
Stock Dividend (including dividend in specie)
Rights
Acquisition
The mechanism shall not be applicable for the following corporate actions:
Mergers
De-mergers
Split
Consolidation, etc.
For such corporate actions, all open Contract shall be forced released before the start of spot period.</td><td>The mechanism shall be applicable to the following <s>entitlements</s> Corporate Actions:
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<tr><td>Chapter 5 Risk Management</td><td>Chapter 5 Risk Management</td></tr>
<tr><td>5.3.2.1 Process of Releasing Pledged Securities
s shall require to initiate request (on the prescribed format ly signed by the authorized person) to the Company for e of pledged Securities.

b. Upon receipt of release request, the Company shall first release the pledged Securities in the account of CM in CMS.</td><td>5.3.2.1 Process of Releasing Pledged Securities
a. CMs shall require to initiate request <s>(on the prescribed format and duly signed by the authorized person) to the</s> through an interface made available by the Company to CM for release of pledged Securities.

b. Upon receipt of automated pledge release request, <s>the Company shall first release the pledged Securities in the account of CM in</s> the CMS validate the latest pledged position of such CM against margins and MTM Losses requirement.</td></tr>
</table>

c. The Company shall then, validate the current pledged Margin Eligible Securities of such CM against margins and MTM Losses requirement.	~~c. The Company shall then, validate the current pledged Margin Eligible Securities of such CM against margins and MTM Losses requirement~~
d. In case of excessive Market Collateral; The Company shall release pledged Securities from the respective Pledgee accounts in the CMs pledge group Ids.	c. In case of ~~excessive~~ surplus Market Collateral, ~~The Company shall release pledged Securities from the respective Pledgee accounts in the CMs pledge group Ids~~ such request shall be transmitted to CDC and respective pledged securities shall be released in the CMs pledge group Ids through an automated pledge release functionality.
f. In case of deficiency in the required Market Collateral;	f. In case of deficiency in the required Market Collateral,
i. The Company shall reject the release request of pledged Margin Eligible Securities and deposit the pledged Margin Eligible Securities in the account of such CM in CMS.	i. ~~The Company shall reject the release request of pledged Margin Eligible~~ ~~Securities and deposit the pledged Margin Eligible Securities in the account of such CM in CMS.~~ Pledge release request of Margin Eligible Securities shall not be processed.
ii. The rejected request(s) shall not be re-processed and the CMs shall submit fresh release request once the initial request is rejected.	ii. The rejected request(s) shall not be re-processed and the CMs shall ~~submit fresh release request once the initial request is rejected~~ require to submit fresh release request.
CMs can also initiate request for release of pledged Margin Eligible Securities directly through an interface made available by the Company to CMs as per the mechanism notified by the Company from time to time.	~~CMs can also initiate request for release of pledged Margin Eligible Securities directly through an interface made available by the Company to CMs as per the mechanism notified by the Company from time to time.~~ Where required by the Company, CM can also initiate request (on the prescribed format and duly signed by the authorized person) to the Company for release of pledged Margin Securities