



National Clearing Company of Pakistan Limited

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

NCCPL/CM/February -13/07
February 25, 2013

Facilitation of Multiple Settling Bank Accounts for Clearing Members

Dear Clearing Members,

1. Presently, Clearing Members (CMs) are required to designate **Only One Bank Account** in the Designated Branch of a Settling Bank. For that purposes, a Tripartite Agreement needs to be executed among National Clearing Company of Pakistan Limited (“NCCPL”), CM and Settling Bank.
2. In order to provide further facilitation to CMs to manage their NCSS money settlement more efficiently and effectively, we are pleased to inform you that, effective from **Monday, February 25, 2013, CMs have been allowed to designate more than one bank account in any of the Designated Branch of a Settling Bank for all NCSS money settlement and collateral requirements.**
3. CMs who are desirous to avail the facility of having Multiple Settling Bank Accounts, will be required to enter into a Tripartite Agreement with existing title of their Clearing Member Account in NCSS, with the required Designated Branch of Settling Bank and NCCPL.
4. Accordingly, CMs can settle their NCSS Money Obligation with any of the Designated Branch of Settling Bank.
5. A new “***CM Settling Bank Screen***” has been made available in NCSS whereby CMs who have more than one Settling Bank Account, will be allowed to identify the required Settling Bank Account on SD-1 i.e. a day before the Settlement Date as per the Designated Time Schedule. **Accordingly, all NCSS money settlement and collateral requirements shall be processed through the identified settling account for that Settlement Date.**
6. Please note that, the identified/revised Settling Bank Account shall be applicable **only for a single Settlement Date**. At the end of relevant Settlement Date, **NCSS shall automatically revert to the main Settling Bank Account of a CM** for onward NCSS money settlement.
7. Approved amendments in NCCPL Regulations and NCSS Procedures pertaining to multiple settling bank accounts are attached herewith for your ready reference.



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8. In order to provide detailed understanding of said new functionality of NCSS, we have arranged **Presentations at KSE, LSE and ISE as per the following schedule:**
- **KSE Auditorium on Thursday, February 28, 2013, at 4:00pm;**
 - **LSE Auditorium on Friday, February 29, 2013, at 4:00pm; and**
 - **ISE Auditorium on Thursday, February 28, 2013, at 4:00pm.**

For further queries or concerns, please feel free to contact the Customer Support Services of your respective locations.

City	Telephone Number	Fax Number	Email
Karachi	021-32460811-19	021-32460827	helpdesk@nccpl.pk
Lahore	042-36280815-7	042-36280818	helpdesk@nccpl.pk
Islamabad	051-2895460-62	051-2895463	helpdesk@nccpl.pk

Regards,

_____sd
Badiuddin Akber
Chief Operating Officer

CC:

1. Director (PRDD) Securities and Exchange Commission of Pakistan – Islamabad
2. Director (MSCID) Securities and Exchange Commission of Pakistan – Islamabad
3. Managing Director - The Karachi Stock Exchange Limited
4. Managing Director - The Lahore Stock Exchange Limited
5. Managing Director - The Islamabad Stock Exchange Limited
6. Chief Executive Officer – Central Depository Company of Pakistan Limited



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Approved Amendments in NCCPL Regulations

Clause	Approved Text
2.8	<p>Designated Branch</p> <p>means a branch of a Settling Bank acceptable to the Company and to be used for performing money settlement services for the benefit of those Clearing Members who have entered into Tripartite Agreements with Settling Bank(s).</p> <p>Explanation:</p> <p>A Clearing Member may also open multiple Settling Bank accounts with any of the Designated Branch and enter into Tripartite Agreement with same title as that of his Clearing Account in NCSS, in connection with money settlement except where otherwise permitted by the Company.</p>
2.8	<p>Settling Bank</p> <p>means a bank acceptable to the Company which meets the eligible criteria set out in these Regulations and is a party to a Tripartite Agreement whereby such bank undertakes to perform money settlement services for the Clearing Member through its Designated Branch. Save and specifically provided that, a Clearing Member may appoint more than one Settling Bank(s) and enter into a Tripartite Agreement with the Designated Branch.</p>
5.7 5.7.1	<p>Execution of Clearing Member Agreement and Tripartite Agreement</p> <p>An applicant shall, as a pre-condition to admission to the NCSS in the capacity of a Clearing Member pursuant to Regulation 5.2.1, enter into a Clearing Member Agreement and Tripartite Agreement.</p> <p>5.7.1.1 However, an applicant may enter into more than one Tripartite Agreement with any of the Designated Branch of Settling Banks. In such cases of having more than one settling account to be maintained with the Designated Branch of a Settling Bank, an applicant shall also be required to identify its main Designated Branch for NCSS money settlement. Accordingly, the Company shall process NCSS money settlement activities through NCSS pay & collect in accordance with the Procedures.</p> <p>5.7.1.2 Save and specifically provided that, existing Clearing Member may also have more than one settling account maintained with the Designated Branch of a Settling Banks. In such cases of having more than one settling account maintained with the Designated Branch of a Settling Bank, a Clearing Member shall also be required to identify its main Designated Branch for NCSS money settlement. Accordingly, the Company shall process NCSS money settlement activities through NCSS pay & collect in accordance with the Procedures.</p> <p>5.7.1.3. In case whenever a Clearing Member opted to settle its NCSS money settlement activities other than the main Designated Branch of a Settling Bank, the Company shall collect fee in accordance with the Fee, Charges and Security Deposit Schedule of these Regulations.</p>

SCHEDULE OF FEE

S. No.	NAME	RATE	BASIS	LEVIED ON	COLLECTION	
					TIME	MODE
24	Transaction Fee for using settling bank other than the main designated settling bank	Rs. 500	Per request by CM	Clearing Members	Month end	Through NCSS Pay & Collect



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Approved Amendments in NCSS Procedures

Clause	Approved Text
2.2.4	Account Structure
2.2.4.2	<p>A CM shall open at least a bank account (“settling account”) with same title as that of his Clearing Account in NCSS, with any Designated Branch of a Settling Banks in connection with settlement of all his money obligations except where otherwise permitted by the Company.</p> <ol style="list-style-type: none">1. However, a CM may also open multiple bank accounts (“settling accounts”) with same title as that of his Clearing Account in NCSS, with any Designated Branch of Settling Banks in connection with settlement of all his money obligations except where otherwise permitted by the Company.2. In case where CM desirous to settle NCSS money settlement other the main settling account, such CM shall be required to identify the settling account on SD-1 i.e. a day before the Settlement Date, through a separate screen in NCSS, as per the Designated Time Schedule. The identified settling account shall be applicable only for the relevant Settlement Date. At the end of the day of said relevant Settlement Date, NCSS shall revert the said identified settling account to the main settling account of a CM.3. All NCSS money settlement and Collateral requirements shall be processed through the identified settling account (as stated in 2 above) or through the main settling account, as the case may be, of a CM.4. CM shall be required to submit a duly signed Tripartite Agreement (s) for the effectiveness of its settling account (s).5. Before the implementation of said facility of multiple settling accounts (as notified by the Company), the existing settling account of a CM at the time of its admission to NCSS, shall always be treated as its main settling account for all NCSS money settlement and Collateral requirements, unless or otherwise the CM identified any other settling account, for NCSS money settlement for any particular Settlement Date, as per the mechanism set out in 2 above.6. In case where a CM admitted after the implementation of said facility of multiple settling accounts (as notified by the Company), the CM shall be required to identify a main settling account at the time of its admission to NCSS. Accordingly, all NCSS money settlement and Collateral requirements shall be processed by the Company through this settling account unless or otherwise the CM identified any other settling account, for NCSS money settlement for any particular Settlement Date, as per the mechanism set out in 2 above.