PAKISTAN STOCK BROKERS ASSOCIATION
(A company setup under section 42 of the Companies Act 2017)
Regd Office: Mezzanine Floor, Trading Hall, Stock Exchange Building, Stock Exchange Road, Off I.I Chundrigar Road, Karachi.
Tel: 021-32401278, E-mail: secretariat@psba.pk, Web: www.psba.pk, Fax: 021-32401279

PSBA/Notice-210 June 04, 2025

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS IN THE NCCPL REGULATIONS, 2015 FOR PUBLIC COMMENTS

This is in reference to the notification NCCPL/CM/JUNE-25/01 dated June 03, 2025 (attached), whereby the comments have been invited by the NCCPL:

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **June 06, 2024**, so that a consolidated response is submitted to the authorities for their consideration.

________**Sd**________
Akber Ali
Officer - Secretariat

Copy to:

1. PSBA Website

National Clearing Company

National Clearing Company of Pakistan Limited

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

NCCPL/CM/JUNE-25/01
June 3, 2025

Proposed Amendment in the NCCPL Regulations, 2015 for Public Comments

Dear Clearing Members,

Please find enclosed herewith the following drafts of Proposed Amendments in the NCCPL Regulations, 2015, which are self-explanatory, for Public Comments:

- Liquidity Margins
- Calculation of Impact Cost and Determination of Categories of Securities
- Collection of MtM Loss in DFC

In this regard, all concerned are hereby requested to submit their Comments as per Annexure A at info@nccpl.com.pk, if any.

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,

_______sd___________
Adnan Akhtar
Senior Manager - CSS

PROPOSED AMENDMENTS IN NCCPL REGULATIONS, 2015

A. Liquidity Margins

B. Calculation of Impact Cost and Determination of Categories of Securities

C. Collection of MtM Loss in DFC

GUIDELINES AND TIME PERIOD FOR SUBMISSION OF PUBLIC COMMENTS:

NCCPL invites all stakeholders to provide their comments on the proposed amendments in NCCPL Regulations 2015. The proposed amendments have been approved by the Board and are placed on NCCPL's website for seeking public comments in pursuance of provisions stipulated in Section 26(5) of the Securities Act, 2015 for a period of 7 Days, ending on **June 10, 2025**.

Respondent of the comments is required to fill the form given below as **Annexure A** along with the comments submitted to NCCPL. Comments with no or incomplete form will be disregarded. Further anonymous comments are discouraged by NCCPL, however the respondent may request confidentiality for its identity on all or any part of comments by filling the relevant section of the form.

NCCPL will publish the comments of respondents and its management's response thereon in the form of a response paper, within a reasonable timeframe, after close of mentioned period, unless the respondent has made a confidentiality request. However, NCCPL shall share all responses with the SECP.

By submitting comments, respondents are deemed to have consented to the collection, use and disclosure of data that is provided to NCCPL, unless respondents wish to keep their identity or comments confidential.

Annexure A

Form for submission of Public Comments to NCCPL

Regulation title: ____

Date: ___________________

Name of respondent:	
Company name:	
Designation:	
Contact number:	
Email address:	

Please check the box if you wish to keep your identity and comments confidential:

☐ I wish to have my identity remain confidential.

☐ I wish to keep all of my comments confidential.

☐ I wish to keep parts of my comments confidential.

In case of last checkbox please mention part of comments in below section.

A. PROPOSED REGULATORY AMENDMENTS IN THE NCCPL REGULATIONS, 2015 PERTAINING TO LIQUIDITY MARGINS

OVERVIEW:

As part of its endeavor to simplify the risk management regime, NCCPL reviewed the different types of margins collected by the Company from market participants against their exposure in different market segments. As part of this exercise, liquidity margins were also reviewed and evaluated under the prevailing market dynamics.

Liquidity margins are collected when the total exposure of a broker exceeds the prescribed exposure threshold, which is slab based, in the Ready or GEM Market. It is also collected, under prescribed conditions, against leveraged purchase from the ready market. Further, it is collected from the proprietary account of the broker and can be deposited in the form of Market Collateral. The existing schedule is reproduced herein below for ready reference:

Exposure Value		Liquidity Margin
From	**To**	**%**
0	Rs 250 million	**0%**
Above Rs. 250 million	Rs.500 million	**2.5%**
Above Rs. 500 million	Rs. 1 billion	**5.0%**
Above Rs. 1 billion	-	**7.5%**

Review of the liquidity margins related data for the period from **January 2024 to February 2025** depicted that majority of the brokers fall within the first slab where the liquidity margins are not imposed and only a few are depositing the liquidity margins as per the highest slab.

However, it was also concluded from the analysis that although liquidity margins are being applied to a few number of active brokers, considering the significant trading volumes and open exposure of brokers, the starting slab prescribed for imposing the liquidity margins should be revised. Further, to accommodate for exposure exceeding PKR 1 billion, a few new slabs should also be added to manage and mitigate the risk.

PROPOSED CHANGES:

1. Liquidity margins should not be collected on Exposure below or up to PKR 500 million.
2. Three new slabs should be added showing exposure between 1 to 2 billion, 2 to 3 billion and above 3 billion, where liquidity margin should be collected at the rate of 5%, 7.5% and 10% respectively.

EXPOSURE VALUE AS PER NEW REGIME		LIQUIDITY MARGINS
From	**To**	**%**
0	500 million	0%
Above Rs. 500 million	Rs. 1 billion	2.5%
Above Rs. 1 billion	Rs. 2 billion	5%
Above Rs. 2 billion	Rs. 3 billion	7.5%
Rs. 3 billion above	-	10%

Accordingly, the proposed amendments have been approved by the Board and are placed on NCCPL's website for soliciting public comments, as prescribed under Section 26(5) of the Securities Act, 2015.

IMPACT:

Upward revision in starting slabs will provide more flexibility to the smaller brokers for taking exposure in the relevant markets. Further, brokers with significantly high exposure will have to pay higher liquidity margins.

For amendments, kindly refer Annexure 1

B. PROPOSED REGULATORY AMENDMENTS IN THE NCCPL REGULATIONS, 2015 PERTAINING TO CALCULATION OF IMPACT COST AND DETERMINATION OF CATEGORIES OF SECURITIES

OVERVIEW:

The NCCPL reviewed the impact on Value at Risk "VAR" margins till January 22, 2025 due to enhancement in circuit breakers from 7.5% to 10% at PSX. During the review it was observed that VAR margins computed after the enhancement in circuit breaker showed a mixed trend. For KSE- All Share index, VAR margins increased for 168 securities, while a decrease is witnessed for 187 securities, Further, for around 173 securities it remained unchanged.

Furthermore, it was also noted that on account of significant enhancement in the market trading level, PSX has also increased the order placement limit in monetary terms from PKR 50 million to 100 million in Regular Market and from PKR 25 million to PKR 50 million in Futures Market, applicable from March 3, 2025.

Moreover, details relating to change in the trading values were also considered along with number of securities falling under VAR based categories of securities over the period of last six years (approximately) and it was noted that trading values and the number of securities falling under VAR based category A and B have significantly increased since 2019.

Accordingly, on the basis of this detailed analysis and data, few changes are proposed in the risk management regime pertaining to computation of impact cost and VAR.

PROPOSED CHANGES:

Impact Cost:

At present, in order to gauge the adverse price movement in completing an order in a particular symbol, a threshold of PKR 500,000 has been determined. *It is now proposed that this benchmark of PKR 500,000 should be increased to PKR 1,000,000 keeping in view the significant increase in the traded values, order size and circuit breakers.*

VAR based categorization of Securities:

Securities are categorized based on certain factors which include the trading activity in securities during the preceding six months. At present there are four such categories "A", "B", "C" and "D", where "A" category represents the most liquid securities and "D" category denotes illiquid securities.

For a security to be included in Category A to C, it should have traded on at least equal to or greater than 80% of the days (during the preceding six months) and such trading will be counted, only if a threshold of PKR 500,000 is met. To simplify, every day, during the review period, where a symbol has trading value of at least PKR 500,000, it will be included in the number of days' count when determining the fulfilment of 80% trading days' requirement.

It is now proposed that this daily trading threshold of minimum PKR 500,000 should be increased to PKR 1,000,000.

Accordingly, the proposed amendments have been approved by the Board and are placed on NCCPL's website for soliciting public comments as prescribed under Section 26(5) of the Securities Act, 2015.

IMPACT:

It will lead to further strengthening the risk management regime, as higher trading threshold value will be applicable for determination of liquidity of the securities.

For amendments, kindly refer Annexure 2

C. PROPOSED REGULATORY AMENDMENTS IN THE NCCPL REGULATIONS, 2015 PERTAINING TO COLLECTION OF MARK-TO-MARKET LOSSES WITH RESPECT TO DELIVERABLE FUTURES CONTRACT "DFC" FROM NET-SELLER THAT HAS PROVIDED PRE-SETTLEMENT DELIVERY

OVERVIEW:

At present, in case of a net - seller in DFC Market that has provided the Pre-Settlement Delivery "PSD", NCCPL does not collect any Margin or Mark to Market "MTM" losses from such net - seller from the date of receipt of PSD till the last day of the contract i.e. Friday, and in case of profit to the net – seller, who has provided the PSD, NCCPL does not pay any such profits to the net – seller as well.

However, in accordance with the settlement price prescribed in the PSX Rule Book as "last day closing price of the security in the ready market", NCCPL ignores the PSD for MTM purposes on the last day of the contract and generates demand for MTM losses to be collected from the net - seller before the opening of the market on next working day i.e. Monday.

Accordingly, this matter was highlighted to NCCPL by Pakistan Stock Brokers Association "PSBA" and it was requested that the time allowed for MTM loss collection in such cases should be extended to the settlement date to allow the concerned Clearing Member sufficient time to deposit the MTM losses.

The matter was evaluated and it was concluded that the PSBA's recommendation will be considered positively and amendments will be recommended in NCCPL Regulations, 2015.

Accordingly, the proposed amendments have been approved by the Board and are placed on NCCPL's website for soliciting public comments as prescribed under Section 26(5) of the Securities Act, 2015.

PROPOSED CHANGES:

To allow collection of MTM losses from the net – seller in DFC Market who has deposited the PSD, on settlement date of the contract.

IMPACT:

These amendments will provide enhanced liquidity to the market participants that deposit PSD against their net- sell position in the DFC market at the time of end of the contract period, as they shall not be required to deposit all the MTM losses accrued on their net-sell position over the period of contract at once, at the end of the contract period, or before opening of the market on next day.

For amendments, kindly refer Annexure 3

<u>Annexure 1</u>

PROPOSED AMENDMENTS IN NCCPL REGULATIONS, 2015 - LIQUIDITY MARGINS

<table>
<tr><th>Existing Regulations</th><th>Proposed Regulations</th><th>Rationale</th></tr>
<tr>
<td>12.7.3 LIQUIDITY MARGINS:

The liquidity Margins shall be payable by a PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member once his Exposure limit in the Ready Delivery Contract Market and GEM respectively, reaches a certain level at the rate as prescribed in the Schedule-VII. Such Margins shall be payable by the TOSB (Keeping limited custody), TSSB & TCSB Clearing Member from his Proprietary Account. However, in case of PCM and TCSB Clearing Member providing clearing and settlement services to the Associated Entity and its Clients, liquidity margin may be paid from the proprietary CDS sub account of the Associated Entity i.e. TOSB to whom services have been provided.</td>
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The liquidity Margins shall be payable by a PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member once his Exposure limit in the Ready Delivery Contract Market and GEM respectively, reaches a certain level at the rate as prescribed in the Schedule-VII. Such Margins shall be payable by the TOSB (Keeping limited custody), TSSB & TCSB Clearing Member from his Proprietary Account. However, in case of PCM and TCSB Clearing Member providing clearing and settlement services to the Associated Entity and its Clients, liquidity margin may be paid from the proprietary CDS sub account of the Associated Entity i.e. TOSB to whom services have been provided.</td>
<td>No Change</td>
</tr>
<tr>
<td>
Schedule-VII
<u>MARKET LIQUIDITY MARGINS DEPOSITS</u>
<table>
<tr><th colspan="2">EXPOSURE VALUE AS PER NEW REGIME</th><th>LIQUIDITY MARGINS %</th></tr>
<tr><th>From</th><th>To</th><th></th></tr>
<tr><td>0</td><td>Rs 250 million</td><td>0%</td></tr>
<tr><td>Above Rs. 250 million</td><td>Rs.500 million</td><td>2.5%</td></tr>
<tr><td>Above Rs. 500 million</td><td>Rs. 1 billion</td><td>5%</td></tr>
<tr><td>Above Rs. 1 billion</td><td></td><td>7.5%</td></tr>
</table>
However, TOSB (Keeping limited custody), TSSB, TCSB Clearing Member Clearing Members holding minimum short term independent credit rating of A-2 and above, will be exempted from liquidity margin requirements upto Rs. 500 million.

Note: The liquidity Margin deposits as calculated above will be charged to proprietary account of the TOSB (Keeping
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<tr><td>Above Rs. ~~1~~ 2 billion</td><td>Rs. 3 billion</td><td>7.5%</td></tr>
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Note: The liquidity Margin deposits as calculated above will be charged to proprietary account of the TOSB (Keeping
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<td>Schedule updated to include the revised slabs of liquidity margins and to remove the condition applied previously for exempting brokers from liquidity margin requirements up to PKR 500 million.</td>
</tr>
</table>

limited custody), TSSB, TCSB Clearing Member Clearing Member concerned. For a PCM and TCSB Clearing Member providing Clearing and Settlement Services to the Associated Entity and its clients, the liquidity margins specified in the table given above can be charged by such PCM and / or TCSB Clearing Member to the proprietary account of the Associated Entity (i.e. TOSB) maintained by such PCM or TCSB. However, the Company shall collect the liquidity margins from the PCM or the TCSB Clearing Members irrespective of the fact that the same may not be available in the proprietary account of the respective Associated Entity of the PCM or TCSB Brokers.	limited custody), TSSB, TCSB Clearing Member Clearing Member concerned. For a PCM and TCSB Clearing Member providing Clearing and Settlement Services to the Associated Entity and its clients, the liquidity margins specified in the table given above can be charged by such PCM and / or TCSB Clearing Member to the proprietary account of the Associated Entity (i.e. TOSB) maintained by such PCM or TCSB. However, the Company shall collect the liquidity margins from the PCM or the TCSB Clearing Members irrespective of the fact that the same may not be available in the proprietary account of the respective Associated Entity of the PCM or TCSB Brokers.	

<u>Annexure 2</u>

PROPOSED AMENDMENTS IN NCCPL REGULATIONS, 2015 - CALCULATION OF IMPACT COST AND DETERMINATION OF CATEGORIES OF SECURITIES

<table>
<tr><th>Existing Regulations</th><th>Proposed Regulations</th></tr>
<tr>
<td>Definitions:
Impact Cost (“IC”)
represents the amount of adverse price movement in fulfilling an order size of Rs. 500,000/- or any other amount as prescribed by the Company with the prior approval of the Commission, during the last six months. The IC is calculated on a real time basis and is adjusted for every change in the order book due to an order size of Rs. 500,000/- or any other amount prescribed in the above manner.</td>
<td>Definitions:
Impact Cost (“IC”)
represents the amount of adverse price movement in fulfilling an order size of Rs. <u>1,000,000</u> ~~500,000~~/- or any other amount as prescribed by the Company with the prior approval of the Commission, during the last six months. The IC is calculated on a real time basis and is adjusted for every change in the order book due to an order size of Rs. <u>1,000,000</u> ~~500,000~~/- or any other amount prescribed in the above manner.</td>
</tr>
<tr>
<td>12.5.2 VAR BASED MARGINS:
(a) CATEGORIZATION OF SECURITIES:
The Securities shall be classified into four categories on the basis of following:
<table>
<tr><th>CATEGORY</th><th>SCALE UP
FACTOR</th><th>NO. OF DAYS COUNT (BASED ON
AVAILABILITY OF RS.500,000 TRADE DATA)</th><th>IMPACT COST</th></tr>
<tr><td>A</td><td>1</td><td>≥ 80% of traded days</td><td>≤ 1%</td></tr>
<tr><td>B</td><td>√3</td><td>≥ 80% of traded days</td><td>> 1% ≤ 2%</td></tr>
<tr><td rowspan="2">C</td><td rowspan="2">√5</td><td>≥ 80% of traded days</td><td>> 2%</td></tr>
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<table>
<tr><th>CATEGORY</th><th>SCALE UP
FACTOR</th><th>NO. OF DAYS COUNT (BASED ON
AVAILABILITY OF <u>RS.1,000,000</u> ~~RS.500,000~~ TRADE DATA)</th><th>IMPACT COST</th></tr>
<tr><td>A</td><td>1</td><td>≥ 80% of traded days</td><td>≤ 1%</td></tr>
<tr><td>B</td><td>√3</td><td>≥ 80% of traded days</td><td>> 1% ≤ 2%</td></tr>
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</td>
</tr>
</table>

Annexure 3

PROPOSED AMENDMENTS IN NCCPL REGULATIONS, 2015 - COLLECTION OF MARK-TO-MARKET LOSSES WITH RESPECT TO DFC MARKET FROM NET-SELLER THAT HAS PROVIDED PSD

Existing Regulations	Proposed Regulations	Rationale
12.6.3 MARK-TO-MARKET LOSSES DEPOSIT: (a) Each Clearing Member will pay its Mark-to-Market Losses to the Company at any point in time (as demanded by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company. (b) Mark-to-Market Losses of Clearing Members (client/Associated entity and its clients as well as proprietary Positions) having total Exposures in the Deliverable Future Contracts Market or index options market of more than Rs.200 million will be collected twice a day, including at the end of each Trade Date. Each PCM, Clearing Member entering into Deliverable Future Contracts shall pay Mark-to-Market Losses in accordance with these Regulations. (c) the obligation of the SLB Participants to deposit their respective Mark-to-Market Losses shall commence from the SLB Transaction Date and shall continue till such time that SLB Transaction is settled. Thereafter, Mark-to-Market Losses shall be collected from the SLB Participants on SLB (R) Transaction till the Settlement Date of such SLB (R) Transaction. However, in case of IDS SLB Transactions, the Mark-to-Market Losses with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB (R)	**12.6.3 MARK-TO-MARKET LOSSES DEPOSIT:** (a) Each Clearing Member will pay its Mark-to-Market Losses to the Company at any point in time (as demanded by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company. (b) Mark-to-Market Losses of Clearing Members (client/Associated entity and its clients as well as proprietary Positions) having total Exposures in the Deliverable Future Contracts Market or index options market of more than Rs.200 million will be collected twice a day, including at the end of each Trade Date. Each PCM, Clearing Member entering into Deliverable Future Contracts shall pay Mark-to-Market Losses in accordance with these Regulations. (c) the obligation of the SLB Participants to deposit their respective Mark-to-Market Losses shall commence from the SLB Transaction Date and shall continue till such time that SLB Transaction is settled. Thereafter, Mark-to-Market Losses shall be collected from the SLB Participants on SLB (R) Transaction till the Settlement Date of such SLB (R) Transaction. However, in case of IDS SLB Transactions, the Mark-to-Market Losses with respect to all affirmed IDS SLB Transactions and till the settlement of auto affirmed SLB (R)	To include the provisions allowing the net-seller in the DFC market that has provided PSD to deposit MTM losses at the close of DFC contract on Settlement Date.

Transaction shall be deposited by the affirming Non – Broker Clearing Member SLB Participant. Mark-to-Market Losses shall be deposited by each SLB Participant with the Company before such time as may be specified by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company. (d) Mark-to-Market Losses by each MT Participant shall be deposited with the Company on demand by the Company or at the end of each Trade Date but not later than prior to opening of trading on the next day. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company. PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers shall deposit their respective Mark-to-Market Losses as per schedule-II in this Chapter on the Trade Date on which such PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers offer is accepted and MT Transaction is executed. The Mark-to-Market Losses will be collected till such time that MT Transaction is settled. Thereafter, Mark-to-Market Losses shall not be collected from PCM, TOSB (Keeping limited custody), TSSB & TCSB Trading Financier on MT (R) Transaction. Such Mark-to-Market Losses shall be collected by the Company in respect of obligation of the PCM, TOSB (Keeping limited	Transaction shall be deposited by the affirming Non – Broker Clearing Member SLB Participant. Mark-to-Market Losses shall be deposited by each SLB Participant with the Company before such time as may be specified by the Company or at the end of each Trade Date~~.~~ but not later than prior to opening of trading on the next Trade Date. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company. (d) Mark-to-Market Losses by each MT Participant shall be deposited with the Company on demand by the Company or at the end of each Trade Date~~.~~ but not later than prior to opening of trading on the next day. Provided that where index based market halts are implemented by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the Mark-to-Market loss on the Trade Date within the time prescribed by the Company. PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers shall deposit their respective Mark-to-Market Losses as per schedule-II in this Chapter on the Trade Date on which such PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers offer is accepted and MT Transaction is executed. The Mark-to-Market Losses will be collected till such time that MT Transaction is settled. Thereafter, Mark-to-Market Losses shall not be collected from PCM, TOSB (Keeping limited custody), TSSB & TCSB Trading Financier on MT (R) Transaction. Such Mark-to-Market Losses shall be collected by the Company in respect of obligation of the PCM, TOSB (Keeping limited	

custody), TSSB & TCSB Trading Financier to settle the Ready Delivery Contract Market trade in proportion to FPR. Financees will however continue to pay Mark-to-Market Losses in proportion to FPR, in cash only, until MT (R) Transaction is settled in accordance with these Regulations. Such Mark-to-Market Losses collected from Financee shall be paid to respective PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers. Upon payment of the Mark-to-Market Losses, the MT Contract Price shall be adjusted to maintain Financee's FPR. (e) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Deliverable Future Contracts and shall be transferred to the next Trade Date. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market loss will be calculated. Such Mark-to-Market Losses shall be deposited by the Clearing Members with the Company on a daily basis till the satisfaction of the settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Deliverable Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Exposures will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company.	custody), TSSB & TCSB Trading Financier to settle the Ready Delivery Contract Market trade in proportion to FPR. Financees will however continue to pay Mark-to-Market Losses in proportion to FPR, in cash only, until MT (R) Transaction is settled in accordance with these Regulations. Such Mark-to-Market Losses collected from Financee shall be paid to respective PCM, TOSB (keeping limited custody), TSSB & TCSB Trading Financiers. Upon payment of the Mark-to-Market Losses, the MT Contract Price shall be adjusted to maintain Financee's FPR. (e) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Deliverable Future Contracts and shall be transferred to the next Trade Date. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market loss will be calculated. Such Mark-to-Market Losses shall be deposited by the Clearing Members with the Company on a daily basis till the satisfaction of the settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Deliverable Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Exposures will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. **Provided where any MtM loss is determined on the last trading**	

	day of the current Deliverable Future Contract from a net - seller that has provided pre-settlement delivery of the net sold securities to the Company, the same shall be adjusted on the Settlement Date instead of being collected on Trade Date.	
The Company may distribute up to 50% of Mark-to-Market Profits, (after adjustment of Mark-to-Market Losses), of the Clearing Members on his proprietary or client/Associated entity and its clients account on UIN basis, in a particular contract, subject to availability of requisite amount of cash with the Company and in accordance with the Procedures until last trading day of the current Deliverable Future Contracts on T+1 basis through Clearing Member designated settling bank account i.e. the 50% Mark-to-Market Profits will be disbursed on the next working day falling after the day on which the Mark-to-Market Loss is collected by the Company. Provided where any Mark-To-Market Profit is determined on the last trading day of the current Deliverable Future Contract, the same shall be disbursed on the Settlement Date instead of being disbursed on T+1 basis. In case of failure of any Clearing Member to deposit Exposure Margins/ Mark-to-Market Losses, it will not be allowed to take any fresh Position. However, the said Clearing Member will be allowed to reduce its Positions. Mark-to-Market Profits retained by the Company shall be paid to the respective Clearing Member on T+2 settlement basis. Provided further, the Company may, with the prior approval of the Board, withhold partially or completely disbursement of Mark-to-Market Profit in Deliverable Futures Contracts keeping in view the underlying risk, prevailing market condition and exceptional circumstances.	The Company may distribute up to 50% of Mark-to-Market Profits, (after adjustment of Mark-to-Market Losses), of the Clearing Members on his proprietary or client/Associated entity and its clients account on UIN basis, in a particular contract, subject to availability of requisite amount of cash with the Company and in accordance with the Procedures until last trading day of the current Deliverable Future Contracts on T+1 basis through Clearing Member designated settling bank account i.e. the 50% Mark-to-Market Profits will be disbursed on the next working day falling after the day on which the Mark-to-Market Loss is collected by the Company. Provided where any Mark-To-Market Profit is determined on the last trading day of the current Deliverable Future Contract, the same shall be disbursed on the Settlement Date instead of being disbursed on T+1 basis. In case of failure of any Clearing Member to deposit Exposure Margins/ Mark-to-Market Losses, it will not be allowed to take any fresh Position. However, the said Clearing Member will be allowed to reduce its Positions. Mark-to-Market Profits retained by the Company shall be paid to the respective Clearing Member on ~~T+2~~ Settlement Date ~~basis~~. Provided further, the Company may, with the prior approval of the Board, withhold partially or completely disbursement of Mark-to-Market Profit in Deliverable Futures Contracts keeping in view the underlying risk, prevailing market condition and exceptional circumstances.	

However, in case, where the prevailing Contract Price of a DFC Contract increase or decrease by 50% compared to the contract open price of such security, under such circumstances, the disbursement of mark-to-market profits will be withheld by the Company till the maturity of the DFC Contract. (f) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Cash-Settled Futures Contracts. The Company will consider such revalued amounts as traded values for collection of Mark-to-Market Losses and for making payment of Mark-to-Market Profits. Net Mark-to-Market Losses shall be collected from Clearing Members in cash on T+0 settlement basis (by day-end on Trade Date). Net Mark-to-Market Profits shall be disbursed to Clearing Members in cash on T+1 settlement basis. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Cash Settled Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. (g) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing provisionally Listed Companies	However, in case, where the prevailing Contract Price of a DFC Contract increase or decrease by 50% compared to the contract open price of such security, under such circumstances, the disbursement of mark-to-market profits will be withheld by the Company till the maturity of the DFC Contract. (f) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing Cash-Settled Futures Contracts. The Company will consider such revalued amounts as traded values for collection of Mark-to-Market Losses and for making payment of Mark-to-Market Profits. Net Mark-to-Market Losses shall be collected from Clearing Members in cash on T+0 settlement basis (by day-end on Trade Date). Net Mark-to-Market Profits shall be disbursed to Clearing Members in cash on T+1 settlement basis. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing Cash Settled Future Contract at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MTM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. (g) the scrip-wise outstanding Positions of the Clearing Members will be revalued at relevant daily settlement price as prescribed in the Exchange regulations governing provisionally Listed Companies	

Market. The Company shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Mark-to-Market Losses in provisionally Listed Companies Market shall be deposited by a Clearing Member with the Company on a daily basis till the satisfaction of his settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing provisionally listed companies market at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member in particular scrip until its final settlement. Such Mark-to-Market Profits, if any, will be adjusted against the Mark-to-Market Losses in the same scrip of such Clearing Member. Total Mark-to-Market Losses collected up to the Settlement Date on account of a provisionally Listed Company shall be adjusted by the Company against money obligation of the Clearing Member on the Settlement Date. (h) in the case of stock index options market, Mark-to-Market Losses determined by the Company at the end of a Trade Date based on the daily settlement price shall be collected only from the option writer by the Company. Provided that where index based market halts are implemented	Market. The Company shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Mark-to-Market Losses in provisionally Listed Companies Market shall be deposited by a Clearing Member with the Company on a daily basis till the satisfaction of his settlement obligation on the relevant Settlement Date of the contract. However, where index based market halts are implemented by Pakistan Stock Exchange the scrip wise outstanding position of the Clearing Member shall be revalued at the last executed price as prescribed in the Pakistan Stock Exchange regulations governing provisionally listed companies market at the time of market halt. The system shall consider such revalued amounts as the traded values, based on which Mark-to-Market losses will be calculated. Such MtM Losses shall be deposited by the Clearing Members on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member in particular scrip until its final settlement. Such Mark-to-Market Profits, if any, will be adjusted against the Mark-to-Market Losses in the same scrip of such Clearing Member. Total Mark-to-Market Losses collected up to the Settlement Date on account of a provisionally Listed Company shall be adjusted by the Company against money obligation of the Clearing Member on the Settlement Date. (h) in the case of stock index options market, Mark-to-Market Losses determined by the Company at the end of a Trade Date based on the daily settlement price shall be collected only from the option writer by the Company. Provided that where index based market halts are implemented	

by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the MTM loss on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member on his proprietary or clients/Associated entity and its clients account in an option contract until the settlement of such option contract.	by the Pakistan Stock Exchange, the Clearing Member shall be required to pay the MTM loss on the Trade Date within the time prescribed by the Company. The Company shall withhold Mark-to-Market Profits, if any, of a Clearing Member on his proprietary or clients/Associated entity and its clients account in an option contract until the settlement of such option contract.	