



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,
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PSBA/Notice-223

August 06, 2025

NOTICE FOR MEMBERS

PROPOSED AMENDMENTS IN THE NCCPL REGULATIONS, 2015 FOR PUBLIC COMMENTS

This is in reference to the notification NCCPL/CM/AUGUST-25/03 dated August 06, 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 **August 08, 2025**, 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 of Pakistan Limited
8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/AUGUST-25/03
August 5, 2025

Proposed Amendments in the NCCPL Regulations, 2015 for Public Comments

Dear Clearing Members,

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

- **Action on Failure of Clearing Member to Collect CGT**

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
Assistant General Manager - CSS

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 **August 12, 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.

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PROPOSED AMENDMENTS IN NCCPL REGULATIONS, 2015 REGARDING ACTION ON FAILURE OF CLEARING MEMBER TO COLLECT CGT

Overview:

The Clearing Members have been reaching out to NCCPL for considering to remove the penalty that can be imposed by NCCPL on the Clearing Members failing to collect and / or deposit the CGT amount demanded by the Company. The latest such request was received in February 2025.

Availability of penal provision is required to ensure that CGT amount is retained from the sale proceeds passed on to the customers by the Clearing Members and absence of any penal provision may lead to collection of CGT becoming an option. Therefore, it was recommended that such provisions should not be removed, however, it was agreed that provisions should be added to revise the process implemented for imposition of penalties on failure to collect CGT liability. Further, the amount of penalty may also be considered for reduction. It is pertinent to mention that no such penalty has been imposed on any Clearing Member in the past.

The draft regulatory amendments were also shared with market participants and a meeting was scheduled. The market participants agreed with the proposal and requested two changes that were duly incorporated. Accordingly, necessary amendments have been proposed in the NCCPL Regulations, 2015.

Proposal:

Following changes have been proposed:

- a) Penalty will not be imposed on Clearing Member on failure to collect CGT amount under following circumstances:
 - The client is exempt from CGT application.
 - The CGT demanded on disposal of securities is under litigation.
 - Restriction has been imposed by a competent authority on usage of client's funds available with the Clearing Member.
 - The client has refused to deposit its CGT obligation and funds are also not available with the Clearing Member, however, the Clearing Member has provided an undertaking in writing confirming that it holds sufficient securities of its client and it will withhold the amount of unpaid CGT obligation on future disposal of such securities.
 - The company has cogent grounds to believe that factors leading to unpaid CGT obligation were beyond the reasonable control of the Clearing Member.
- b) The Company to have full authority to ask for any supporting documents to establish the authenticity of explanation provided by the Clearing Member with respect to unpaid CGT liability.
- c) The amount of penalty prescribed in the NCCPL Regulations, 2015 in relation to failure of collection of CGT amount by the Clearing Member may be reduced by 50%.

Impact:

The proposed amendments are expected to provide clarity to the Clearing Members about the circumstances wherein inability to deduct the CGT will not lead towards imposition of penalty. Further, these amendments also provide relief to the Clearing Members through reduction in the rate of penalty.

PROPOSED AMENDMENTS IN NCCPL REGULATIONS, 2015 – ACTION ON FAILURE OF CLEARING MEMBER TO COLLECT CGT

Existing Regulations	Proposed Amendments	Rationale
<p>28.10 Actions in the event of Non or Short payment of CGT by Clearing Members, asset management companies or PMEX to the Company</p> <p>28.10.1 Where a Clearing Member fails to deposit an amount in respect of CGT of its own and its clients/Associated Entity and its clients, as the case may be, such Clearing Member shall be required to identify the defaulted UIN(s) by next day of the date of default.</p> <p>28.10.2 The Company shall immediately suspend such UIN(s) to take further Position in any Market and serve a notice at the day end to such Clearing Member so as to give an opportunity to deposit the required amount of CGT by the end of next working day and fulfill the requisite demand of CGT. In case Clearing Member is not able to deposit or collect an amount of CGT for its own behalf or from the defaulted client within the above mentioned stipulated time, such defaulting UIN(s) may be restricted from taking new Positions in all Markets till the recovery of amount of CGT. However, squaring-up of open Position(s) may be allowed for such restricted UIN(s).</p> <p>28.10.3 The short collection or non-collection of CGT in any month during the financial year shall continue to appear in the CGT liability of coming month or months during the same financial year. After the end of the financial year the Company shall have right to refer the case to FBR with all relevant details.</p> <p>28.10.4 The Company shall refer such matter to the FBR. However, the Company shall also take necessary action so as to reasonably ensure the compliance of the Ordinance and the CGT Rules made there-under.</p>	<p>28.10 Actions in the event of Non or Short payment of CGT by Clearing Members, asset management companies or PMEX to the Company</p> <p>28.10.1 Where a Clearing Member fails to deposit an amount in respect of CGT of its own and its clients/Associated Entity and its clients, as the case may be, such Clearing Member shall be required to identify the defaulted UIN(s) by next day of the date of default.</p> <p>28.10.2 The Company shall immediately suspend such UIN(s) to take further Position in any Market and serve a notice at the day end to such Clearing Member so as to give an opportunity to deposit the required amount of CGT by the end of next working day and fulfill the requisite demand of CGT. In case Clearing Member is not able to deposit or collect an amount of CGT for its own behalf or from the defaulted client within the above mentioned stipulated time, such defaulting UIN(s) may be restricted from taking new Positions in all Markets till the recovery of amount of CGT. However, squaring-up of open Position(s) may be allowed for such restricted UIN(s).</p> <p>28.10.3 The short collection or non-collection of CGT in any month during the financial year shall continue to appear in the CGT liability of coming month or months during the same financial year. After the end of the financial year the Company shall have right to refer the case to FBR with all relevant details.</p> <p>28.10.4 The Company shall refer such matter to the FBR. However, the Company shall also take necessary action as prescribed in Regulation 28.10.5, so as to reasonably ensure the compliance of the Ordinance and the CGT Rules made there-under.</p>	<p>Text improvement and clarity.</p>

<p><u>New Insertion</u></p>	<p><u>28.10.4(a) The Company shall not take any action as prescribed under Regulation 28.10.5 against the Clearing Member under following circumstances:</u></p> <ol style="list-style-type: none"> <u>1) The client holds a valid exemption from CGT as per the applicable tax laws.</u> <u>2) The matter relating to computation and collection of CGT on disposal of securities demanded by the Company is under litigation.</u> <u>3) Any restriction has been imposed by a competent authority on usage of the funds of client available with the Clearing Member, including payment of CGT obligation.</u> <u>4) The client has refused to deposit its CGT obligation at the time when the CGT demand was received from the Company and funds are also not available in such client's account maintained by the Clearing Member, subject to the condition that Clearing Member provides an undertaking in writing to the Company, as per the manner and format prescribed in the Procedures, confirming that:</u> <ol style="list-style-type: none"> <u>a) Adequate Securities are available in the client's CDS sub-account maintained with the Clearing Member having market value exceeding the amount of unpaid CGT obligation; and</u> <u>b) The Clearing Member shall withhold the amount of unpaid CGT obligation along with CGT obligation arising from disposal of such securities held in Customer's CDS sub-account maintained with Clearing Member on future disposal of such securities.</u> <p><u>Provided, any subsequent failure to deposit the unpaid CGT liability, either due to decrease in the value</u></p> 	<p>To include relevant provisions highlighting the circumstances, including the terms and conditions, where the Clearing Member will not be penalized on its failure to collect CGT liability from its clients.</p>
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	<p><u>of securities of the client held in the CDS sub-account maintained with the Securities Broker or failure of the Clearing Member to withhold the unpaid CGT obligation from the sale proceeds on subsequent disposal of securities, the penalty prescribed in Regulation 28.10.5 shall be imposed on such Clearing Member.</u></p> <p><u>Provided further, provisions stipulated in Regulation 28.10.4(a) shall not be applicable where securities held in the CDS sub-account of the client maintained with the Clearing Member have a market value which is inadequate to recover the unpaid amount of CGT on subsequent disposal.</u></p> <p>5) <u>The Company has reasonable grounds to believe that the reasons leading to unpaid CGT obligation of the client are beyond the reasonable control of the Clearing Member subject to such terms and conditions as prescribed in the Procedures.</u></p> <p><u>28.10.4(a)i The Company shall have the full authority and jurisdiction to direct the Clearing Member to provide any supporting documents to establish the accuracy and authenticity of the explanation provided by the Clearing Member with respect to unpaid CGT obligation of the client.</u></p> <p>28.10.5 Relevant Clearing Member shall also be liable to pay penalty, <u>except for the circumstances explained in Regulation 28.10.4(a)</u>, for such <u>short CGT</u> deposits in the following manner:</p>			
28.10.5 Relevant Clearing Member shall also be liable to pay penalty for such deposits in the following manner:				
First default by the client/ Associated Entity and its client or proprietary in a financial year	Penalty @ 2% of the defaulted amount of such UIN(s)	<table><tr><td>First default by the client/ Associated Entity and its client or proprietary in a financial year</td><td>Penalty @ 12% of the defaulted amount of such UIN(s) including</td></tr></table>	First default by the client/ Associated Entity and its client or proprietary in a financial year	Penalty @ 12 % of the defaulted amount of such UIN(s) including
First default by the client/ Associated Entity and its client or proprietary in a financial year	Penalty @ 12 % of the defaulted amount of such UIN(s) including			

	including proprietary UIN.		proprietary UIN.	
second default by the same client/ Associated Entity and its client or any other client or proprietary in a financial year	Penalty @ 4% of the defaulted amount of such UIN(s) including proprietary UIN	second default by the same client/ Associated Entity and its client or any other client or proprietary in a financial year	Penalty @ 2 4% of the defaulted amount of such UIN(s) including proprietary UIN	
on any subsequent default by any UIN or proprietary	Penalty @ 10% of the defaulted amount of such UIN(s) including proprietary UIN.	on any subsequent default by any UIN or proprietary	Penalty @ 5 10% of the defaulted amount of such UIN(s) including proprietary UIN.	