



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-097

May 11, 2023

NOTICE FOR MEMBERS

Proposed Amendments in the CKO Regulations 2017 and NCCPL Regulations, 2015 for Public Comments

This is in reference to the notification **NCCPL/CM/MAY-23/01** dated May 11, 2023 (**attached**), whereby the comments have been invited by the NCCPL:

• **Amendments in Fees Charges and Deposit Schedule**

In this regard, the members are hereby requested to kindly submit your comments, if any, at psamail024@gmail.com latest by **May 17, 2023**, 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/MAY-23/01

May 11, 2023

Proposed Amendments in the CKO Regulations 2017 and NCCPL Regulations, 2015 for Public Comments

Dear Clearing Members,

Please find enclosed herewith the following draft of Proposed Amendments in the CKO Regulations 2017 and NCCPL Regulations, 2015, which is self-explanatory, for Public Comments:

- **Amendments in Fees Charges and Deposit Schedule**

In this regard, all concerned are hereby requested to submit your 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

AMENDMENTS IN FEES, CHARGES AND DEPOSIT SCHEDULE

RATIONALE

a. Technology Fee

This is with reference to the National Clearing and Settlement System (“NCSS”) implemented and operated by National Clearing Company of Pakistan Limited (“NCCPL”) to perform clearing, settlement and risk management function wherein commercial banks have been inducted as settling bank to receive and pay money obligations on behalf of their clients. To facilitate the settlement of money obligation, NCCPL has made state of the art technical/networking arrangement with each settling bank to integrate NCSS with their core banking systems and NCSS terminals have been installed each settling Bank. It may be noted that all Clearing Members are mandatorily required to connect with settling Bank of their choice in order to execute money settlement in NCSS.

You will agree that NCCPL, since inclusion of settling banks in NCSS, has made several technical enhancements and improvements in NCSS on ongoing basis, which involves significant capital expenditure in the NCSS infrastructure and recurring cost to provide infrastructure support with robust information security features with the involvement of highly skilled human resource for the smooth and seamless NCSS operations. Please note that the IT infrastructure deployed or used for NCSS operations is fully compliant with licensing requirements which require incurring significant renewal cost to ensure continuity and support from renowned service providers. Needless to say PKR devaluation and inflationary pressure is increasing these costs substantially in the recent period. Further NCCPL has also obtained independent certification from renowned consultants over compliance of its system/ security features with best practices and industry standards-

In due consideration of cost involved in providing and continuing the NCSS services in a seamless manner, it was considered prudent to re-visit the technology fee being charged to Settling Bank which has not been revised since 7 years.

b. Unique Identification Number (“UIN”) & Centralized Know Your Customer Organization (“CKO”)

NCCPL has also implemented a centralized mechanism for registration of investors in NCSS by assigning UIN. The UIN functionality enables Clearing Members to register their clients by assigning unique code to manage their business efficiently and effectively which provide traceable links for all trades and transactions executed in the capital market.

NCCPL also act as CKO with the objective of making accounting opening process more secure, reliable and efficient. For this purpose, NCCPL has developed CKO system using state-of-the-art technology keeping the needs of market participants under consideration.

NCCPL, since provision of UIN and CKO functionality, has implemented several technological advancements and improvements in the said functionality with the objective of promoting ease of doing business for market participants. This includes provision of online accounting facility, API connectivity with PMD to verify mobile numbers, API connectivity with SBP’s RAAST to verify

IBAN, API connectivity with NADRA to verify CNIC related details & development of Biosys application for conducting biometric verification.

All the aforementioned developments in UIN and CKO systems, required significant capital expenditure and recurring cost to provide infrastructure support with robust information security features to ensure smooth and seamless operations. Further, the IT/networking infrastructure deployed or used for NCSS & CKO operations are fully compliant with licensing requirements which require significant cost of renewals to ensure continuity and support from renowned service providers. The PKR devaluation and inflationary pressure is increasing these costs substantially in the recent period. The costs are also involved in obtaining independent certification from renowned consultants over compliance of its system/ security features with best practices and industry standards.

In due consideration of cost involved in providing and continuing the NCSS and CKO services in a seamless manner, it was considered prudent to re-visit the UIN and CKO Fees being charged to Clearing Members.

Accordingly, following amendment in Fees, Charges and Deposit Schedule has been proposed:

AMENDMENTS

NCCPL Regulations, 2015

3. Fixed Fee

S. No	Particulars	Existing Tariff	Proposed Tariff
b	UIN Maintenance Fee - Individual	200	300
c	UIN Maintenance Fee - Corporate	2,500	4,000
h	Settling bank fee	100,000	200,000

CKO Regulations, 2017

1. CKO Maintenance Fee

S. No	Particulars	Existing Tariff	Proposed Tariff
b	Individual Customers	75	200
c	Corporate Customers	300	500

TIME PERIOD:

These amendments have been placed on NCCPL's website for seeking public comments for a period of 7 Days ending on May 18, 2023.

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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