

Schedule II

[see regulation 6(3)]⁸⁰

COMPUTATION OF NET CAPITAL BALANCE

Current assets and current liabilities in relation to a securities broker for the purpose of net capital shall be determined by accounting for the current assets and liabilities in the following manner:

A-Description of Current Assets	Valuation basis
1. Cash in hand or in bank	As per book value
2. Trade Receivables	Book Value less those overdue for more than fourteen days
3. Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount
4. Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days
5. Listed TFCs/ Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to Market less 10% discount
6. FIBs	Marked to Market less 5% discount
7. Treasury Bill	At market value
8. Any other current asset specified by the Commission	As per the valuation basis determined by the Commission
B-Description of Current liabilities	Valuation basis
1. Trade payables	Book Value less those overdue for more than 30 days
2. Other liabilities	As classified under the generally accepted accounting principles

Guidelines issued by the Commission from time to time shall also be followed while calculating the Net Capital Balance

⁸⁰ Substituted for the words “see regulation 6(4)” vide SRO 77(I)/2018 dated January 29, 2018