PAKISTAN STOCK EXCHANGE LIMITED

(Formerly: Karachi Stock Exchange Limited)
Stock Exchange Building, Stock Exchange Road, Karachi-74000
Phones: **111-001-122**, Fax **(021) 32462640**

PSX / N-6201 — October 31, 2016

NOTICE FOR ALL TREC HOLDERS

ONLINE SUBMISSION OF MONTHLY LIQUID CAPITAL AND NET CAPITAL BALANCE STATEMENTS

In accordance with clause 6(4) of the Securities Brokers (licensing and Operations) Regulations, 2016, every broker is required to file monthly statements of Net Capital Balance (NCB) and Liquid Capital (LC) in the manner specified in Schedule II and III of aforesaid Regulations.

In this regard, the Exchange is pleased to announce that to enhance the efficiency and effectiveness in the compliance of aforesaid requirement, a functionality has been developed through which brokerage houses will be able to submit their monthly statements of Liquid Capital and Net Capital Balance online from their NCHS Terminals.

The said functionality/system can be accessed on NCHS terminal under the **VIEWS Menu** and online submission facility shall be operative w.e.f. November 1, 2016 for submission of statements as on October 31, 2016.

It may be noted that manual submission of Liquid Capital and Net Capital Balance statements shall not be accepted w.e.f. November 1, 2016.

Salient features and detailed operational mechanics of the new application/system are annexed for guidance and ready reference purposes.

In case you require any clarification or further information in this regard, please write to **RMG@PSX.COM.PK**.

The above is submitted for information and compliance.

HAROON ASKARI
Deputy Managing Director

Copy to:
01. The Executive Director (PRDD), SMD, SECP, **E-mail:** smd.notices@secp.gov.pk
02. The Managing Director, Pakistan Stock Exchange Limited
03. The Chief Regulatory Officer – Pakistan Stock Exchange Limited
04. The Chief Executive Officer, Central Depository Company of Pakistan Limited
05. The Chief Executive Officer, National Clearing Company of Pakistan Limited
06. All Head of Departments-PSX
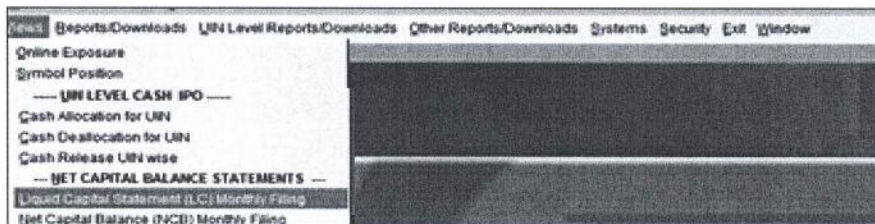07. Notice Board
08. PSX Website

SALIENT FEATURES

- The due statement for the Liquid Capital and Net Capital Balance will automatically become active and available to Brokers for submission on the 1st day of every month.

- The status of non-submitted active statement will be shown as "Open", which shall be turned to "Submitted" once the broker submits the statement. The status shall not be editable.

- Brokerage houses will have option to either fill the form by entering/typing the data or upload the system generated statement as per the format attached herewith as Annexure A. It is strongly recommended NOT to delete or ADD any rows/column of the downloaded format (excel file) otherwise system will be unable to upload data properly.

- The statement could be submitted to the Exchange by clicking on "Verify and Submit" button. CAUTION: once the statement is submitted then it will not be editable by user. If any amendment is needed then brokerage house is required to send their request to RMG@PSX.COM.PK or write letter to Head of Operations for allowing revision in desired statement.

PROCEDURES for Submission of Liquid Capital and Net Capital Balance Statements

Procedure for Liquid Capital:

1. Access the Liquid Capital Statement form on Views menu of NCHS terminal

2. Following screen will appear on the selection of liquid capital option.

a. **Statement Date**: is a non-editable filed which indicates the date of statement for which broker is filing its Liquid Capital statement.

b. **Remarks**: is an editable optional field which gives option to the broker for entering its comments (if any) for the PSX.

c. **Statement Submission Due Date**: is a non-editable field which shows the last date of submission for the selected/active statement.

d. **Revision ID**: This field is not editable which indicate that how many times the statement has been revised by the broker.

e. **Print Statement**: It gives the option to print the selected statement.

f. **Verify and Submit**: The selected statement could be submitted to the Exchange by clicking on the Verify and Submit button.

g. **Status**: This field is not editable and indicates the status of selected statement whether the same is "Open, Submitted or Revised".

I. OPEN – Means Statement has not yet been completed/submitted and is available to update/enter the data and submit the same to PSX.
II. REVISED – Means the statement which was submitted earlier has been revised by the broker.
III. SUBMITED – Means Statement Submitted to PSX

h. **Liquid Capital**: This field is not editable and shows the value of Liquid Capital.
i. **Upload Data From Excel File**: The data prepared on excel file could be upload to the system which will automatically fill the required fields of the statement.
j. **Calculate**: It will calculate/determine the value of Liquid Capital.
k. **Refresh**: It will refresh the statement by removing data from all fields of the form/statement.
l. Exit: Use this button to close the form.

3. The user will enter the data in all three columns of desired fields. OR

4. The user may upload the data from the Excel sheet on the desired format available on the PSX website to automatically fill all fields of the statement.

5. The user can save a draft of form/statement at any point of filing before submission. To do so, click the "Save" button located at the top of the Form.

6. Click on the calculate button to calculate the Total Assets, Total Liabilities and Liquid Capital.

7. The value of liquid capital could also be shown in the field "Liquid Capital (Net Adjusted Amount)" available on the bottom of screen.

8. After necessary checking/verification of data, the statement could be submitted to the Exchange by clicking on "Verify and Submit".

9. It may be noted that once the statement is submitted to the Exchange, the same could not be revised without prior approval/permission of the Exchange. If any broker wants to change/revise its statement then PSX Operations department shall be requested with valid reason for revision on RMG@PSX.COM.PK.

10. Upon receiving request from the broker, PSX will allow the user to revise the statement and the status of previously submitted statement will be changed as "Revised".

11. The user will have option to generate a PDF file of submitted statement and get the print of the same by clicking on "Print Statement" option.

12. The user may also navigate previously submitted statements by clicking on Forward/Backward arrows available on the top of the statement or by generating query using Query button and entering the desired date in the "Statement Date" field.

Procedure for Net Capital Balance:

1. Access the Net Capital Balance (NCB) Statement form on Views menu of NCHS terminal
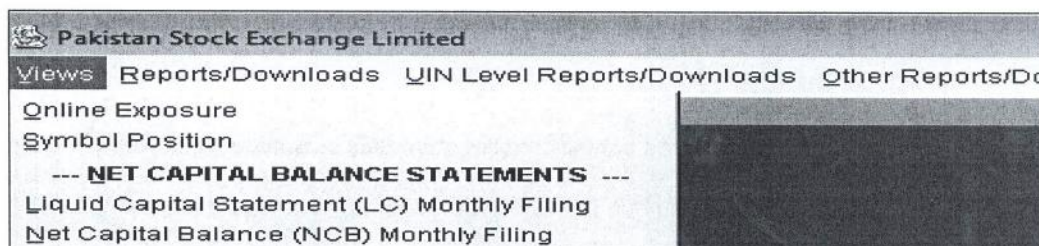
2. Following screen will appear on the selection of NCB Statement.

S.No.	Head of Accounts	Valuation Basis	Value in PKR
A	Description of Current Assets		
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	

Statement Date: 31-JUL-2016 Remarks: [Statement Submission Due Date] 20-OCT-2016 Revision ID 0

Status: Open Net Capital Balance: 0 Upload Data from Excel File Calculate Refresh Exit

Record: 2/4 <OSC>

a. **Statement Date**: is a non-editable filed which indicates the date of statement for which broker is filing its Liquid Capital statement.
b. **Remarks**: is an editable optional field which gives option to the broker for entering its comments (if any) for the PSX.
c. **Statement Submission Due Date**: is a non-editable field which shows the last date of submission for the selected/active statement.
d. **Revision ID**: This field is not editable which indicate that how many times the statement has been revised by the broker.
e. **Print Statement**: It gives the option to print the selected statement.
f. **Verify and Submit**: The selected statement could be submitted to the Exchange by clicking on the Verify and Submit button.
g. **Status**: This field is not editable and indicates the status of selected statement whether the same is "Open, Submitted or revised".
   I. OPEN – Means Statement has not yet been completed/submitted and is available to update/enter the data and submit the same to PSX.
   II. REVISED – Means the statement which was submitted earlier has been revised by the broker.
   III. SUBMITED – Means Statement Submitted to PSX

h. **Net Capital Balance**: This field is not editable and shows the value of Net Capital Balance based on values enter or uploaded by the user.
i. **Upload Data From Excel File**: The data prepared on excel file could be upload to the system which will automatically fill the required fields of the statement.
j. **Calculate**: It will calculate/determine the value of NCB.
k. **Refresh**: It will refresh the statement by removing data from all fields of the form/statement.
l. Exit: Use this button to close the form.

3. The user will enter the data in all the value column of desired fields. OR

4. The user may upload the data from the Excel sheet on the desired format available on the PSX website to automatically fill in all fields of the statement.

5. The user can save a draft of form/statement at any point of filing before submission. To do so, click the "Save" button located at the top of the Form.

6. Click on the calculate button to calculate the Total Assets, Total Liabilities and Net Capital Balance.

7. The value of NCB could also be shown in the field "Net Capital Balance" available on the bottom of screen.

8. After necessary checking/verification of data, the statement could be submitted to the Exchange by clicking on "Verify and Submit".

9. It may be noted that once the statement is submitted to the Exchange, the same could not be revised without prior approval/permission of the Exchange. If any broker wants to change/revise its statement then PSX Operations department shall be requested with valid reason for revision on RMG@PSX.COM.PK.

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