



Procedure for Settlement of Pending Trades of a Restricted / Suspended / Terminated Participant/blocked account/closed account

In order to settle the pending trades by the restricted / suspended / terminated Participant, following procedures will be followed:

I. Settlement of Pending Purchases – Proprietary as well as Clients’ Trades

Pending purchases relating to the Restricted/Suspended/Terminated Participant (both Proprietary as well as Client’s Trades) will be settled through Auto mechanism for ‘Move-In’ portion of BO by NCCPL, as the same is allowed in CDS for the said Participant. In case where pending purchases relating to the blocked/closed CDS Account, the CDC would act in accordance with the proviso (b) & (c) of Regulation 9.3A.3. However, where the money obligation of client’s trades is settled by the concerned Participant through its own resources, CDC on the basis of request letter from the Participant, would enable the movement of such securities from the Main Account to the House Account of such Participant.

II. Settlement of Pending Sales – Propriety Trades

1. On the basis of Balance Order Position provided by NCCPL, and written request in this behalf from the concerned Participant (on letter head signed by authorized signatory), and/or NOC from the concerned authority/court, CDC would allow settlement of pending sales from the House Account of the Participant.
2. For this purpose, transaction will be executed manually by the Participant through free delivery from the House Account to NCCPL using Reason Code P049 under control environment. CDC would block the Move-out authorities through exception and unblock only the save mode users of the Participants for saving of necessary Inter transactions.
3. CDC would verify the saved transactions with the Balance Order (BO) position of NCCPL. After that save mode users would be again blocked and only post mode users would be allowed to post the transactions.

III. Settlement of Pending Sales – Clients’ Trades

1. On the basis of Balance Order Position provided by NCCPL, and upon receipt of authorization from the relevant sub-account holder (format attached – signature of the sub-account holder would be verified by the Participant under its signature and stamp), and/or NOC from the concerned authority/court, CDC would allow settlement of pending sales from the relevant sub-accounts of the Participant.
2. For this purpose, transaction will be executed manually by the Participant through free delivery from the relevant sub-accounts to NCCPL using Reason Code P049 under control environment. CDC would block the Move-out authorities through exception and unblock only the save mode users of the Participants for saving of necessary Inter transactions.



3. CDC would verify the saved transactions with the Balance Order (BO) position of NCCPL. After that save mode users would be again blocked and only post mode users would be allowed to post the transactions.
4. In case there is a “Shortfall” in number of securities to be moved from any Sub-Account forming part of the account family of the participant, or where authorization from the sub-account holder has not been received by CDC (this scenario has also been referred to as ‘Shortfall’ in the Regulation), CDC will allow the movement of the required number of securities to NCCPL with the extent of shortfall from the House Account of the Participant.

Note

1. In case authorization is received from all the relevant Sub-Accounts holders along with request from concerned Participant for settlement of pending sales relating to House account, all the pending sales trades would be settled through execution of BO, and for this purpose "Move out" authorities would be unblock through exception.
2. The aforementioned process may continue for 2 days, however after the completion of the entire process of each day, Operations Department would again restrict / suspend / terminate the participant.



To be provided by the Sub-Account Holder of a Restricted / Suspended / Terminated Participant

Central Depository Company of Pakistan Limited,
CDC House, 99 B, Block `B',
S.M.C.H.S., Main Shakra-e-Faisal,
Karachi

Dear Sir,

Authorization to Transfer Book-Entry Securities Pursuant to Clause (j) of Regulation 15.5.1.

I maintaining a sub-account bearing no (*Insert no of Sub-Account*) under CDS Participant (*Insert name & Id of restricted / suspended / terminated Participant*) hereby authorize Central Depository Company of Pakistan Limited – CDC to transfer specified number of Book-Entry Securities from my sub-account to the relevant / target account for settlement of trade executed through UIN (insert UIN) as per the details provided below:

<i>S. No.</i>	<i>Security Name</i>	<i>Number of Shares</i>

Yours Sincerely,

Name / Title of Sub-Account Holder