



# ISLAMABAD STOCK EXCHANGE (GUARANTEE) LIMITED

## REMINDER

ISE/NCB/320

September 27, 2011

### CIRCULAR

To: All Members

Sub: Submission of Net Capital Balance Certificate

This is in continuation to ISE Circular No. ISE/NCB/197 dated June 13, 2011 on the mentioned subject.

1. Whereas Rule 2(d) of the Securities & Exchange Rules, 1971 ("the Rules") defines Net Capital Balance and every member of the Islamabad Stock Exchange (Guarantee) Limited ("Exchange") is required to maintain a Net Capital Balance ("NCB") as prescribed in Rule 3(b) of the Rules, and calculated in accordance with the Third Schedule of the Rules, of an amount prescribed by the Board from time to time and to the minimum as contained in the UTS Regulations.

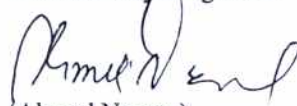
2. And whereas under Regulation 2.1 of the Regulations Governing Risk Management read with Regulation 8.1 of the UTS Regulations, every member has to submit NCB, half yearly, duly certified by auditor biannually.

3. Therefore, in line with the above, every member of the ISE is required to maintain NCB of at least Rs. 4.0 million and submit NCB Certificate, in original, providing calculations as prescribed under the Rules. The NCB Certificate must be verified/audited by a QCR rated audit firm from the panel of auditors prescribed by the ISE under Regulations Governing System Audit of the Brokers of the Exchange, 2004. Hence, all members are requested to submit their NCB Certificates as of June 30, 2011 **on or before September 30, 2011** for the determination of capital adequacy of the member concerned. The NCB certificate calculation should be on the letter head of the Chartered Accountant duly signed & stamped by the CEO/Directors and Chartered Accountant. The NCB Certificate must be submitted under cover of letter of the member concerned.

4. Please note that failure to submit the NCB certificate within the stipulated time, would invoke penalty under Clause 2.1(d) of Schedule 5 of the Regulations Governing Risk Management of the Exchange which reads as under:

No. of Calendar Days under Non-Compliance	Penalty Imposed (Rs. Per Day)	Reduction in Net Capital Balance
From Day 1 to Day 15	2,000	10%
From Day 16 to Day 30	3,000	20%
From Day 31 to Day 45	4,000	40%
From Day 46 to Day 50	5,000	80%
From Day 51 onward	5,000	100%

5. In case the said certificate has already been submitted for the above-mentioned period, this reminder may be ignored.

  
(Ahmad Noman)  
Chief Operating Officer