



National Commodity Exchange Limited
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Circular No: NCEL/004/052007

Date: May 10, 2007

Circular Name: Trading on the Exchange, Systems Access & Unique Identification Numbers

a. Broker and Client Relationship

NCEL Regulations require, that prior to the Broker and the Client entering into any transactions, or the Broker allowing the Client to trade on the Exchange, the Client shall be required to enter into an agreement with the Broker in the format specified by the Exchange which would include an Account Opening Form (form attached) and a Risk Disclosure Document (form attached) and the Client shall acknowledge and accept that he has read and understood the risk disclosure document and any other documents specified by the Exchange from time to time.

Further, Clause 4.8 of the NCEL Regulations require that if an order is entered into the Electronic Trading System (ETS) for and on behalf of a Client, the Broker must enter the respective Trader Account Identification Code provided by the Exchange at the time of setting up of the account.

b. Trade Segregation and Identification

Every Broker shall segregate trading on his own account from that of his Clients by entering the Trader Account Identification Code.

Further, for transactions entered into on behalf of a Director or an employee of the Broker or for transactions in which a Director or employee has beneficial interest, such Director or employee shall be considered as propriety trades of the Broker and margins shall be collected for each such transactions, separately.

c. Unique Identification Number

As per the Regulations of National Commodity Exchange Limited (NCEL), Section 5.8 and Section 6.1 all Market Participants, i.e. Brokers and their Clients, are required to be registered in an Exchange prescribed manner.

Accordingly, all Market Participants are required to have a Unique Identification Number (UIN) provided and maintained by the National Clearing Company of Pakistan Limited (NCCPL).

UIN means;

- (1) **For individual Pakistani (other than individual Broker)** - Computerized National Identity Card Number (CNIC) issued by National Database Registration Authority (NADRA);

- (II) **For Individual Broker** - Broker registration number issued by the Commission;
- (III) **For Individual Foreigner / Overseas Pakistani citizen (without CNIC)** - Passport number;
- (IV) **For Overseas Pakistani** - Computerized National Identity Card for Overseas Pakistanis (NICOP) number issued by NADRA;
- (V) **For Foreign Individual of Pakistan Origin**—Pakistan Origin Card (POC) number issued by NADRA;
- (VI) **For a Non-Pakistani residing in Pakistan**—National Alien Registration (NAR) number issued by the National Alien Registration Authority;
- (VII) **For a Corporate Entity including a Corporate Broker** - Registration number issued by the Commission;
- (VIII) **For a Mutual Fund / Modaraba** - Specific number issued by the Company;
- (IX) **For Foreign Institutional Investor / Foreign Asset Management Company / International Broker Dealer** - Registration number issued by the concerned authority in the country of incorporation or registration of the foreign institutional investor / foreign asset management company / international broker dealer placing the order with an alphabetical prefix or suffix attached to such number by the Company;
- (X) **For a Trust, Foundation, Gratuity Fund, Provident Fund, Co-operative Society or similar other entity** - Registration number, if any, issued by the concerned authority where registration number is not issued by the Commission; and
- (XI) Where (i) to (x) do not apply, or cannot be given effect to, any other number issued by the Company to a Broker client as per the scheme prescribed by the Company and approved by the Commission for this purpose from time to time.

Broker will be required to submit Trader Accounts UIN requests for clients to NCCPL for verification thorough NCEL TAMS™ (Trader Accounts Management System). After UIN request has been processed and approved by NCCPL, then Broker will be allowed to create Trader Accounts.

d. Special Conditions

For points (iii) to (x) listed above, Brokers may be asked to submit to NCEL a copy of the Account Opening Forms and other relevant information, to facilitate the setting up of the UIN number in the NCCPL Database.

e. Non-Compliance

All the above must be strictly adhered to as per the NCEL Regulations. Any non-compliance will result in fines and / or disciplinary action by the Exchange.