



**NATIONAL
COMMODITY
EXCHANGE
LIMITED**

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NCEL/MEM/06/2011

February 22, 2011

Dear Member,

Subject: - NCEL Membership

In order to address queries of our members relating to the documentation requirement for NCEL membership and broker registration with the Securities and Exchange Commission of Pakistan (SECP), please find attached herewith annexure explaining about list of documentation requirement of the Exchange as per NCEL General Regulations (the "Regulations") and broker registration and renewal thereon as per Commodity Exchange and Futures Contracts Rules, 2005 (the "Rules").

Broker Registration Requirements

As per NCEL General Regulation 3.13 **"all new members are required to apply to the Commission for registration as NCEL broker within six months of becoming a member whereas, all existing members are required to apply to the Commission for registration as NCEL broker before the extended time of March 31, 2011."**

We hope that the above would clarify the queries raised by the members. However, please do not hesitate to contact us in case of any further clarification.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Aamir Zareef Khan'.

Aamir Zareef Khan
Head of Compliance

Encl.: As stated above.



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Checklist for NCEL Corporate Membership

Annexure "A"

Following documents are required for grant of membership rights in compliance with Regulations:

Sr. No.	Documents	Yes/No/NA
1.	Copy of Certificate of Incorporation and Memorandum & Articles of Association of the company (One Time Submission Only)	
2.	Copy of Certificate of Commencement of Business, in case of Public Limited Company (One Time Submission Only)	
3.	List of Directors & Shareholders of the company along with attested copies of CNIC/Passport of all directors (First Time Submission & Submission on any change)	
4.	Attested copies of educational and experience certificates of CEO (minimum graduation / five years experience of buying and selling or dealing in commodities or securities market required) (First Time Submission & Submission on every change of CEO)	
5.	Latest Statement of Net Worth of the company of: <ul style="list-style-type: none">• Minimum Rs. 20 million for Universal Membership• Minimum Rs. 10 million for Commodity Specific Membership certified on prescribed format by the State Bank of Pakistan's approved panel A/B/C category auditor (Continuing Compliance)	
6.	Latest Statement of Net Capital Balance of the company (minimum Rs. 2.5 million) certified on prescribed format by the State Bank of Pakistan's approved panel A/B/C category auditor (Continuing Compliance)	
7.	Affidavit on prescribed format signed by the CEO on a non-judicial stamp paper of Rs.50/- (First Time Submission & Submission on every change of CEO)	
8.	Undertaking in the prescribed format signed by the CEO (First Time Submission & Submission on every change of CEO)	
9.	Reference Letter from Principal Bank	
10.	Copy of NTN certificate of CEO (First Time Submission & Submission on every change of CEO)	

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Checklist for Corporate Broker Registration with SECP

Annexure "B"

In case, the member has submitted all documents to the Exchange as listed down under annexure "B" and there is no change as stated therein, following additional documents are required to be submitted in compliance with the Rules for broker registration. The Commission may ask for additional documents as it may think fit.

S. No.	Description of Documents	Yes / No
1	Broker Registration Form duly filled and signed by the Nominee Director of the company (format available on our website http://www.ncel.com.pk/trade/cmember/doc/corporate-broker-registration-form.doc);	
2	Recommendation letter of the Stock Exchange(s), if the company is also a member thereof (format available on our website http://www.ncel.com.pk/circulars/recommendation-form-Revised-replacement.doc);	
3	Latest Statement of Net Worth of the company along with report thereon by a Chartered Accountants Firm listed on the State Bank of Pakistan's panel of auditors – category A, B or C (list available on our website http://www.ncel.com.pk/circulars/SBP_Panel_of_Auditors.pdf), and (format available on our website http://www.ncel.com.pk/trade/cmember/doc/statement-of-net-worth-revised.doc) (if not provided earlier);	
4	Latest Statement of Net Capital Balance of the company along with report thereon by a Chartered Accountants Firm listed on the State Bank of Pakistan's panel of auditors – category A, B or C (List available on our website http://www.ncel.com.pk/circulars/SBP_Panel_of_Auditors.pdf), and (format available on our website http://www.ncel.com.pk/trade/cmember/doc/statement-of-net-capital-balance.doc) (if not provided earlier);	
5	Undertaking in prescribed format on company's letterhead signed by the Nominee Director of the company (format available on our website. http://www.ncel.com.pk/trade/imember/doc/undertaking-for-segregated-net-capital-balance.doc);	
6	Latest annual audited financial statements of the Company;	
7	Affidavit in prescribed format filed by the Nominee Director of the company in compliance with Rule 11 (1) of the Rules on a non-judicial stamp paper of Rs. 50/- issued in the name of the Company (format available on our website http://www.ncel.com.pk/trade/cmember/doc/affidavit-corporate.doc);	
8	Original paid bank challan of Rs. 100,000 against SECP broker registration fee;	
9	Copy of latest Form 'A' and Form 29 of the Company filed with the SECP.	

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Checklist for Corporate Broker Registration Renewal with SECP

Annexure "C"

Following documents are required in compliance with the Rules:

S.No.	Documents	Yes / No
1	Application to SECP for renewal of broker registration signed by the Nominee Director on company's letterhead as per prescribed format;	
2	Copy of latest issued certificate of broker registration;	
3	Latest Statement of Net Capital Balance of the applicant company (minimum Rs. 2.5 million) along with review report thereon by a Chartered Accountants Firm listed on the State Bank of Pakistan panel of auditors' – category A/B/C (List available on our website http://www.ncel.com.pk/circulars/SBP Panel of Auditors.pdf), and (format available on our website http://www.ncel.com.pk/trade/imember/doc/statement-of-net-capital-balance.doc) (if not provided earlier);	
4	Original paid bank challan of Rs. 10,000 against SECP broker registration renewal fee;	

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Checklist for NCEL Individual Membership

Annexure "A"

Following documents are required for grant of membership rights in compliance with Regulations:

Sr. No.	Documents	Yes/No
1.	Attested copy of CNIC of individual (One Time Submission Only)	
2.	Latest Statement of Net Worth of: <ul style="list-style-type: none">• Minimum Rs. 20 million for Universal Membership• Minimum Rs. 10 million for Commodity Specific Membership certified on prescribed format by the State Bank of Pakistan's approved panel A/B/C category auditor (Continuing Compliance)	
3.	Latest Statement of Net Capital Balance of minimum Rs. 2.5 million certified on prescribed format by the State Bank of Pakistan's approved panel A/B/C category auditor (Continuing Compliance)	
4.	Affidavit on prescribed format signed by the individual on a non-judicial stamp paper of Rs.50/- (One Time Submission Only)	
5.	Undertaking in the prescribed format signed by the individual (One Time Submission Only)	
6.	Attested copies of educational and experience certificates of individual (minimum graduation / five years experience of buying and selling or dealing in commodities or securities market required) (One Time Submission Only)	
7.	Reference Letter from Principal Bank of the individual (One Time Submission Only)	
8.	Copy of individual's NTN certificate (One Time Submission Only)	

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Checklist for Individual Broker Registration with SECP

Annexure "B"

In case, the member has submitted all documents as listed down under annexure "A" and there is no change at status therein, following additional documents are required in compliance with the SECP Rules 2005 for broker registration. The Commission may ask for such additional documents as it may think fit.

S.No.	Documents	Yes / No
1	Broker Registration form duly filled and signed by the applicant member (format available on our website http://www.ncel.com.pk/trade/imember/doc/individual-broker-registration-form.doc);	
2	Recommendation letter of the Stock Exchange, if the applicant member is also a member thereof (format available on our website http://www.ncel.com.pk/circulars/recommendation-form-Revised-replacement.doc);	
3	Latest Statement of Net Worth of the applicant member along with review report thereon by a Chartered Accountants Firm listed on the State Bank of Pakistan panel of auditors' – category A/B/C (list available on our website http://www.ncel.com.pk/circulars/SBP_Panel_of_Auditors.pdf), and (format available on our website http://www.ncel.com.pk/trade/imember/doc/statement-of-net-worth-revised1.doc) (if not provided earlier) ;	
4	Latest Statement of Net Capital Balance of the applicant member along with review report thereon by a Chartered Accountants Firm listed on the State Bank of Pakistan panel of auditors' – category A/B/C (List available on our website http://www.ncel.com.pk/circulars/SBP_Panel_of_Auditors.pdf), and (format available on our website http://www.ncel.com.pk/trade/imember/doc/statement-of-net-capital-balance.doc) (if not provided earlier) ;	
5	Undertaking in prescribed format on applicant member's letterhead signed by the applicant member (format available on our website http://www.ncel.com.pk/trade/imember/doc/undertaking-for-segregated-net-capital-balance.doc);	
6	Affidavit in prescribed format filed by the applicant member in compliance with Rule 11 (1) of the Rules on a non-judicial stamp paper of Rs. 50/- issued in the name of the applicant member (format available on our website http://www.ncel.com.pk/trade/imember/doc/affidavit-individual.doc);	
7	Original paid bank challan of Rs. 100,000 against SECP broker registration fee;	

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Checklist for Individual Broker Registration Renewal with SECP

Annexure "C"

Following documents are required in compliance with the Rules:

S.No.	Documents	Yes / No
1	Application to SECP for renewal of broker registration signed by the applicant member on his/her letterhead as per prescribed format;	
2	Copy of latest issued certificate of broker registration;	
3	Latest Statement of Net Capital Balance of the applicant member (minimum Rs. 2.5 million) along with review report thereon by a Chartered Accountants Firm listed on the State Bank of Pakistan panel of auditors' – category A/B/C (List available on our website http://www.ncel.com.pk/circulars/SBP_Panel_of_Auditors.pdf), and (format available on our website http://www.ncel.com.pk/trade/imember/doc/statement-of-net-capital-balance.doc) (if not provided earlier);	
4	Original paid bank challan of Rs. 10,000 against SECP broker registration renewal fee.	

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