

Payment Systems Department

Subject: Instructions for Settlement of Funds using MT 103 for National Clearing Company of Pakistan (NCCPL)

The following procedure will be followed for using MT 103 (Customer Transfers) in PRISM System:

1. All settlement banks for the purpose of NCCPL's transfers shall be Direct Participants of PRISM.
2. NCCPL shall maintain settlement accounts for the purposes in the designated branches of all settlement banks.
3. MT 103 shall be used in PRISM System for NCCPL related funds settlement only.
4. NCCPL based on these parameters will request the designated stock exchange settlement branch of a bank (e.g. Branch X of Participant A) to initiate an MT 103 (Credit Instruction) in favor of another stock exchange settlement branch of another bank (e.g. Branch Y of Participant B).
5. Designated settlement bank's branch (remitting branch-X) will intimate its treasury office to send an MT 103 in favor of the other settlement bank's designated branch (beneficiary branch-Y) via PRISM. For this purpose they may use their core banking solutions or any other appropriate method depending on the level of their automation.
6. Treasury office of Participant A after receiving instructions from its settlement branch will prepare an MT 103 with the required details and will send it to Participant B via PRISM System.
7. Treasury office of Participant B after receiving the credit instructions will make arrangement (online using core banking solution if available) to transfer funds to its designated settlement branch as per the related MT 103 details.
8. Settlement Branch (Branch Y) shall accordingly credit NCCPL's account maintained for the purposes.