

**DEPARTMENT: COMPLIANCE**

Download Ref No: NCL/CMPL/45586

Date: September 03, 2020

Circular Ref. No: 21/2020

All Members and Custodians

**Sub: Levy of penalty for short/ non collection of margin from clients in cash and derivative segments**

This has reference to circulars no. NCL/CMPT/42691 dated November 20, 2019, NCL/CMPT/42900 dated December 12, 2019, NCL/CMPT/ 45210 dated July 31, 2020, on Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in cash segment.

This also has a reference to circulars no. NSE/CMPT/18591 & NSE/CD/C&S/18594 dated August 10, 2011 and NCL/COM/39106 dated October 10, 2018 regarding Short-collection/ Non-collection of client margins in derivative segments.

Consequent to the implementation of new framework of acceptance of securities as margin by way of pledge / re-pledge mechanism through the depository system, based on the feedback received from the members effective September 1, 2020, there has been a system congestion due to large number of client securities being pledged in TMs/ CMs/ CCs systems. This has restricted the ability of the members to comply with the requirements of collection of margins.

In view of the same, it has been decided to not levy penalty for client margin short/ non collection and reporting in Cash and Derivatives segments. This provision shall be applicable for a period of 15 days i.e. from September 1, 2020 to September 15, 2020 to facilitate a smooth transition for members to the new system.

All members and custodians are hereby advised to take note of the same.

**For and on behalf of  
NSE Clearing Limited**

Divya Potdar

Manager

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