

National Stock Exchange Of India Limited**Department : Inspection**

Download Ref No: NSE/INSP/45583

Date: September 03, 2020

Circular Ref. No: 54/2020

To All Trading Members,

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

This has reference to SEBI circular no. CIR/DNPD/7/2011 dated August 10, 2011, and Exchange circulars no. NSE/CMPT/18591 & NSE/CD/C&S/18594 dated August 10, 2011 regarding Short-collection/Non-collection of client margins (Derivatives Segment).

Attention is also drawn towards SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019 read with SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/146 dated July 31, 2020 and circulars no. NCL/CMPT/43826 dated March 11, 2020 & NCL/CMPT/45210 dated July 31, 2020 on Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment.

Consequent to the implementation of new framework of acceptance of securities as margin by way of pledge / re-pledge mechanism through the depository system effective September 1, 2020, based on the feedback received from the members, 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 are hereby advised to take note of the same.

For and on behalf of**National Stock Exchange of India Limited****Subhankar Chowdhury
Senior Manager-Inspection**

In case of any clarifications, Members may contact our below offices:

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