

DEPARTMENT: LEGAL & SECRETARIAL

Download Ref No: NCL/SD/47038

Date: January 18, 2021

Circular Ref. No: 02/2021

All Clearing Members

Sub: Amendments to NCL Byelaws

NCL Byelaws (Capital Market, Futures & Options, Currency Derivatives and Commodity Derivatives segments) are amended as under:

The following new clause is inserted as Bye-Law No. 8 in “Chapter VII: Dealing by Clearing Members” of NCL Bye-Law applicable to Capital Market segment, Futures & Options segment, Currency Segment and Commodity segment after the existing Bye-Law No.7 :-

Quote

8 - Potential Default by Clearing Member

(1) The Clearing Corporation shall act in accordance with the circulars issued by SEBI from time to time with respect to Standard Operating Procedure in cases of Clearing Member leading to default.

(2) In accordance with the Circular(s) issued by SEBI under the above Byelaw, the Clearing Corporation shall issue instructions to the bank(s) concerned to freeze the bank account(s) maintained by a Clearing Member, for all debits / withdrawal by the Clearing Member in the event of potential default by such a Clearing Member in meeting its obligations to a recognised stock exchange / Clearing Member / Clearing Corporation and / or repayment of funds / securities to his / its clients.

Unquote

The above amendments have come into force with effect from January 16, 2021 being the date of notification in the Gazette of India.

Note:

For further clarification, the signatory may be contacted at secretarialdept@nse.co.in.

**For and on behalf of
NSE Clearing Limited****Chirag S Nagda
Company Secretary**

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