NSE Clearing

Circular

DEPARTMENT: COMPLIANCE	
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All Clearing Members / Custodians,

Sub: FAQ on Peak Margin reporting of Custodian Participant trades in Capital Market Segment

NCL had issued circular No. NCL/CMPL/46503 dated November 27, 2020 on Peak Margin reporting of Marginable Custodian Participant trades in Capital Market Segment. Based on queries received from members, frequently asked questions (FAQs) are being issued as Annexure-A.

All members are advised to take note of the same.

For and on behalf of
NSE Clearing Limited

Dhawal Shah
Head-Compliance

Telephone No	Fax No	Email id
1800 266 0050	022-26598243	support@nsccl.co.in

Annexure A

FAQ for Peak Margin Reporting of Marginable Custodian Participant trades in Capital Market Segment

1. **What will be the reportable peak margin by custodian in respect of CP trades?**

   The Clearing Corporation shall aggregate the margins on confirmed trades as well as unconfirmed trades for marginable CP and include the same in the snapshot provided to the custodian on T day and shall be reportable by the Custodian

2. **What will be the reportable upfront margin by custodian in respect of marginable CP trades?**

   The Clearing Corporation shall aggregate the margins on confirmed trades as well as unconfirmed trades for marginable CPs and the same shall be reportable by the Custodian.

3. **Can securities available in clearing member's/custodians account be considered for margin collection and reporting?**

   Member shall accept collateral from clients in the form of securities, only by way of 'margin pledge', created in the Depository system. In view of the same, following clarifications are provided for margin collection and reporting purpose:

   Securities which are sold in cash market and available in CM/Custodian's account i.e. POOL/EPI can be considered as margin collected for the same trade/position. In respect of sale of shares by a client for which early pay-in has been accepted by CC, since settlement is guaranteed by the CC, member may choose to give credit of the sale value of the shares in the ledger account of the client, which may be considered as margin towards subsequent trade/s of the client. However, the sale value of such securities (EPI value), as reduced by value of the 20% upfront Margin, shall be available as Margin for other positions across all the segments.

4. **Can funds available in Clearing Member's/ Custodian's account be considered for upfront / peak margin collection and reporting?**

   Funds lying in the Clearing Member's/Custodian's account / funds blocked in the client account towards margin requirement can be considered for upfront and peak margin collection and reporting. Similarly funds provided as early pay-in to Clearing Corporation by the cut-off time can be considered for upfront and peak margin collection and reporting.