

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Circular

DEPARTMENT: COMPLIANCE

Download Ref No: 53287

Date: August 12, 2022

Circular Ref. No:15/2022

All Members

Sub: Segregation and Monitoring of Collateral at Client Level

This is with reference to SEBI circular no SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021, on Segregation and Monitoring of Collateral at Client Level.

NSE Clearing Ltd. (NCL) vide circulars NCL/CMPL/49348 dated August 20, 2021, NCL/CMPL/49640 dated September 17, 2021, and NCL/CMPL/49764 dated September 29, 2021 issued guidelines for reporting of disaggregated collateral information at the client level and vide circulars NCL/CMPT/50217 dated November 03, 2021 and NCL/CMPT/51657 dated March 17, 2022, issued guidelines for allocation of collateral.

In accordance with the aforesaid SEBI circular, which mandates that (i) the amount of collateral allocated shall not exceed the amount of collateral received by the TM/CM from the client and reported as such under the reporting mechanism (ii) the allocation of collateral at CC shall not be lower than the amount of collateral (except securities collateral re-pledged to CC) reported as having been passed on by the CM to the CC, Client collateral data that is reported by the members is being validated with that of allocation details at EOD.

Discrepancies observed between reporting and allocation of collateral data with regards to the aforesaid checks (i & ii above) are made available on the member portal (ENIT) under allocation mismatch details. User manual to view and download the reports is enclosed as Annexure 1

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Members are required to take corrective actions and ensure compliance to the SEBI Circular.

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

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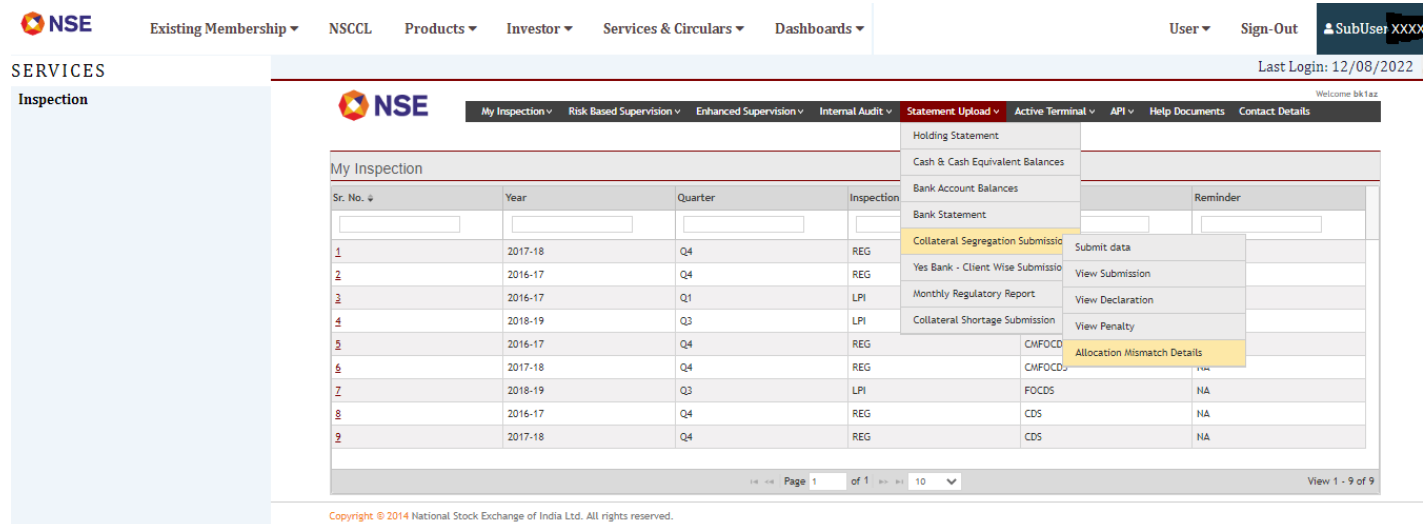
Annexure 1:-

Steps for viewing the allocation details report on Member portal (ENIT)

1. Login using the following link

<https://inspection.nseindia.com/MemberPortal/>

2. Navigation: - Inspection → Statement Upload → Client Collateral Submission → Allocation Mismatch Details



The screenshot shows the NSE Member Portal interface. The top navigation bar includes 'Existing Membership', 'NSCCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The user is logged in as 'SubUser XXXX' with a last login of '12/08/2022'. The 'SERVICES' menu is open, showing 'Inspection' selected. The 'My Inspection' table is displayed with the following data:

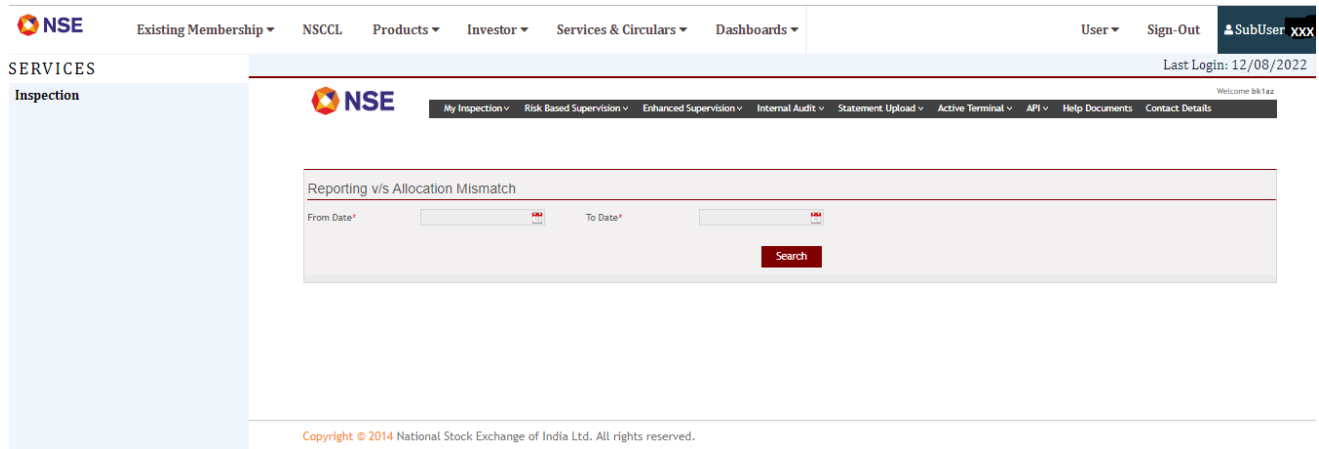
Sr. No.	Year	Quarter	Inspection	Statement Upload	Active Terminal	API	Help Documents	Contact Details
1	2017-18	Q4	REG					
2	2016-17	Q4	REG					
3	2016-17	Q1	LPI					
4	2018-19	Q3	LPI					
5	2016-17	Q4	REG		CMFOCD			
6	2017-18	Q4	REG		CMFOCD			
7	2018-19	Q3	LPI		FOCDS		NA	
8	2016-17	Q4	REG		CDS		NA	
9	2017-18	Q4	REG		CDS		NA	

The dropdown menu for row 6 is open, showing options: 'Submit data', 'View Submission', 'View Declaration', 'View Penalty', and 'Allocation Mismatch Details' (highlighted).

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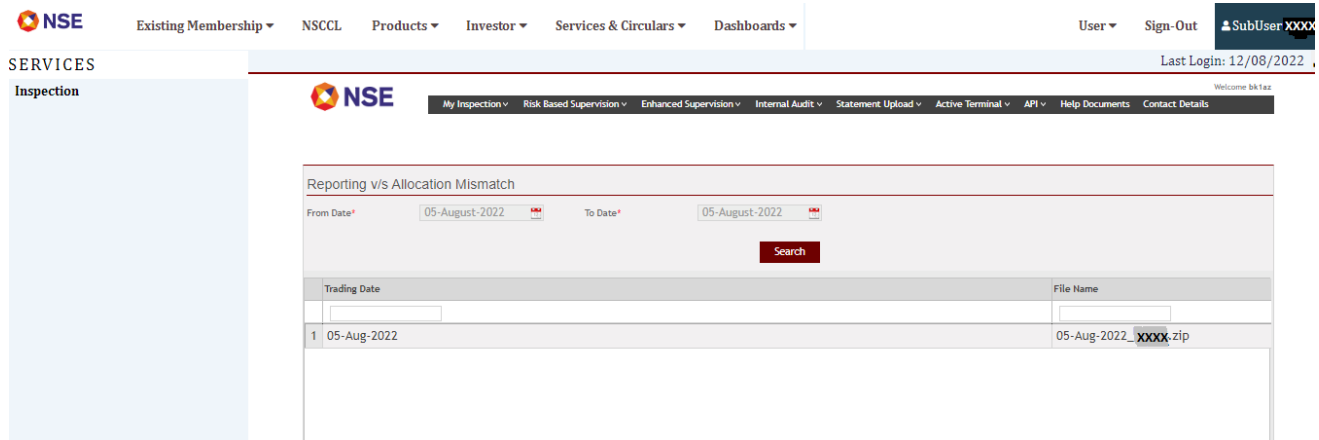
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- After clicking on the Allocation Mismatch Details, the following screen shall be displayed stated as Reporting v/s Allocation Mismatch



The screenshot shows the NSE Clearing portal interface. The top navigation bar includes 'Existing Membership', 'NSCCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The user is logged in as 'SubUser XXX' with a last login of '12/08/2022'. The left sidebar shows 'SERVICES' and 'Inspection'. The main content area displays the 'Reporting v/s Allocation Mismatch' search form with 'From Date' and 'To Date' input fields and a 'Search' button. A copyright notice at the bottom reads: 'Copyright © 2014 National Stock Exchange of India Ltd. All rights reserved.'

- Clearing member can select the trade date in the date range provided as per the below screen. A zip folder will be visible under the File name.



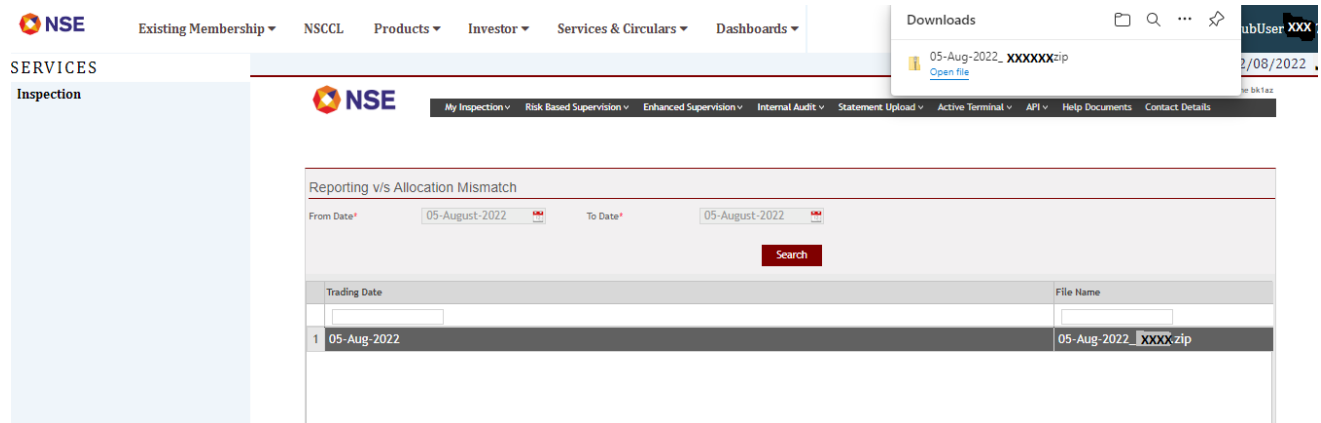
The screenshot shows the search results for 'Reporting v/s Allocation Mismatch'. The 'From Date' and 'To Date' are both set to '05-August-2022'. The search results table is as follows:

Trading Date	File Name
1 05-Aug-2022	05-Aug-2022_XXXX.zip

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- 5. After clicking on the Zip folder, the folder will get downloaded on the member's system as shown in the below screen.



The screenshot shows the NSE Clearing web application interface. The top navigation bar includes the NSE logo and menu items: Existing Membership, NSCL, Products, Investor, Services & Circulars, and Dashboards. A left sidebar lists 'SERVICES' with 'Inspection' selected. A secondary navigation bar contains: My Inspection, Risk Based Supervision, Enhanced Supervision, Internal Audit, Statement Upload, Active Terminal, API, Help Documents, and Contact Details. The main content area is titled 'Reporting v/s Allocation Mismatch' and features search filters for 'From Date' (05-August-2022) and 'To Date' (05-August-2022), with a 'Search' button. Below the filters is a table with two columns: 'Trading Date' and 'File Name'. The table contains one row with the following data:

Trading Date	File Name
05-Aug-2022	05-Aug-2022_XXXXX.zip

A Windows 'Downloads' window is open in the top right corner, showing a file named '05-Aug-2022_XXXXX.zip' with an 'Open file' link.