

## NSE Clearing Limited

### Circular

#### DEPARTMENT: COMPLIANCE

Download Ref No.: NCL/CMPL/61314

Date: March 26, 2024

Circular Ref. No: 06/2024

To All Clearing Members

### **Sub: Membership Compliance - Revision/Updates to the Ongoing Membership Compliances**

This is further to the Master circular for Clearing Members of NSE Clearing Limited issued vide Circular No. NCL/CMPL/57386 dated June 30, 2023.

Members are hereby informed that in case of receipt of application for surrender of membership received on or after April 01, 2024, following would be the process of refund of membership deposits.

- In case of Clearing Member clearing for other Trading Members or CP Codes (across segments) during the previous 3 years from the date of application for surrender:

On approval of application for surrender of Clearing Members registration by SEBI, the CC shall release Deposits of the Clearing Member (engaged in Clearing for other Trading Members or CP Codes) after the lock in period mentioned at point a) or b), whichever is earlier:

- (a) Three years from the date of receipt of surrender application by CC from the Clearing Member, or
- (b) Five years from the date of disablement of Clearing Membership

- In case of Self Clearing Member (across segments) during the previous 3 years from the date of application for surrender:

On approval of application for surrender of Self Clearing Member's registration by SEBI, the Clearing Corporation shall release Deposit of the Clearing Member after the lock in period mentioned at point a) or b), whichever is earlier:

- (a) one year from the date of receipt of surrender application by CC from the Self Clearing Member, or

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(b) three years from the date of disablement of Self Clearing Membership

Members are requested to note the following points:

- 1) The Clearing member will have to maintain Rs. 1,00,000/- in cash with NSE Clearing Limited and balance deposit shall be substituted in the form of FDRs
- 2) The deposit of the clearing member will be directly remitted to its Clearing Bank and the clearing Bank will issue FDRs in lieu of the said deposits lien marked to NSE Clearing Limited in denomination of Rs. 5,00,000/- or below
- 3) The FDRs shall be in custody of NCL
- 4) On completion of lock-in period instructions shall be provided to the bank by NCL for releasing the FDRs along with lien removal letters, post receipt of NOC from NCL internal departments.
- 5) The lock-in of deposits shall be applicable only for Cash Deposits (IFSD) remitted by the members.
- 6) In case of segmental surrender of membership with NCL, there shall be no lock-in of deposits.

Further, members are hereby directed to comply with the membership processes, on-going compliances, and corresponding documentation with respect to NCL membership w.e.f. April 1, 2024, for additional processes listed below:

- 1) Change in Shareholding / Profit Sharing Pattern (Including Change in Control)
- 2) Transfer of Business by Sebi Registered Intermediaries to Other Legal Entity
- 3) Change in Directors
- 4) Change in Name of Clearing Members
- 5) Application For Additional Segment Membership/Change in Category of Clearing Membership of the Clearing Corporation
- 6) Upgradation of Membership
- 7) Appointment of Compliance Officer
- 8) Guidelines for Seeking NOC By Stockbrokers / Clearing Members for Setting Up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures In Gift IFSC

Further details to above mentioned processes are provided in **Annexure A**.

The disciplinary /administrative actions/fines/penalties with respect to the above compliances would be intimated in due course.

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This circular shall be applicable effective **April 1, 2024**.

All Clearing Members are advised to take note of the same and comply.

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

Jinal Shah  
Chief Manager

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