NSE Clearing Limited

Department: Compliance	
Download Ref No: NCL/CMPL/ 76318	Date: September 11,2026
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To All Members/Custodians

Sub: - FAQ on Segregation and Monitoring of collateral at client level

This is with reference to SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021 and subsequent NCL circulars in this regard wherein clearing members and custodians are required to report daily client collateral segregation data to NCL.

Members are requested to note that the data reported in the segregation report is used for various monitoring and supervision related activities. Some of the common mistakes observed while reporting client collateral segregation are listed out in Annexure A.

All members and custodians are advised to take note of the same and strictly comply.

For and on behalf of
NSE Clearing Limited

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Annexure A

1. **Is "Error/own" code" required to be reported in the client collateral segregation report?**
   Yes. Error/own code reporting needs to be reported with account type as "C".

2. **Whether collateral segregation is required to be reported if there is Peak margin obligation and no EOD margin obligation or if there is no Peak/EOD margin obligation?**
   Yes, members are required to report segregated client collateral balances if they are holding collateral of any client, irrespective of the margin obligation. Failure to report will attract penalty for non-submission of client collateral in terms of Violation 1 of NCL/CMPL/50662 dated December 17, 2021.

3. **How should segregation of collateral be reported if stock broker is moving from one clearing member to another clearing member since stock broker shall start clearing from new clearing member effective next trading day?**
   The existing clearing member may report such collaterals in its client collateral report on T Day although the release request of collaterals have been given by the clearing member to NCL. The new clearing member may report such collaterals effective next trading day.

4. **Is collateral lying with other CC required be reported to NCL in T+1 reporting?**
   Collaterals lying with other clearing corporations should be reported to the respective clearing corporations with which the same is placed.

5. **If client has debit balance and funds are received after cut off time in that case how should member report retention in T+1 reporting?**
   Funds received from client shall be initially adjusted towards debit balance of respective client and remaining amount after adjusting debit balance, if any, shall be reported as retained amount in T+1 report with proper justification code as per NCL/CMPL/61186.
   If funds received are not sufficient to cover the debit balance, then no amount shall be reported in T+1 reporting under retained with TM/Retained with CM. Hence, there is no requirement of reporting any justification code as per NCL/CMPL/61186.

6. **What ledger balance of the client should be reported in segregation reporting in case of Collection of option value in Cash in view of 10.7.2 of NCL/CMPT/67750 dated April 29, 2025?**
   Member should include the option value in the ledger balance of the client and report the same under header "Cash placed with CM" and "Cash placed with NCL" in T+1 reporting.