NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Circular

Department: COMMODITY DERIVATIVES SEGMENT	
Download Ref No: NCL/COM/53136	**Date: July 29, 2022**
Circular Ref. No: 244/2022	

All Members,

Sub: EOD Short allocation of collateral

This in continuation to our circular no 079/2022 (Download Ref No: NCL/CD/51660) dated March 17, 2022.

As informed in our abovementioned circular Clearing Members shall ensure that allocated collateral plus value of securities collateral re-pledged to NSE Clearing for a TM Prop/CP/client is at all times greater than or equal to the minimum margin collection requirement for the respective TM Prop/CP/client in the respective segment.

Monitoring of EOD short allocation

- In case of instances of EOD short allocation; members shall have an opportunity to report amount of client collateral available with permitted reasons. In case of such reporting, penalty will not be applicable.
- While assessing the EOD short allocation, NSE Clearing will check for availability of excess collateral (allocation and value of pledged securities over and above minimum margin) in other segments for the same TM-UCC (whether with same clearing member or otherwise) or CM-CP. NSE Clearing shall reduce such excess collateral available in other segments from the EOD short allocation before calculation of applicable penalty.
- Members shall be provided details of segment wise, client wise, EOD short allocation as computed by NSE Clearing after considering excess collateral in other segments, if any. The format for the report is given in Annexure.
- Members shall have an opportunity to report amount of client collateral available against such segment wise short allocation due to below mentioned reasons, along with reason code:

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1. Excess collateral (allocation and value of pledged securities over and above minimum margin) available in another Clearing Corporation.

- Such reporting shall be done by TMs for clients and by CMs for TM proprietary and CP clients, by T+4.
- In case false reporting, penalty as applicable on false margin reporting will be applicable.
- NSE Clearing shall compute revised EOD short allocation amount after adjusting for the aforementioned reporting. The revised amount computed shall be considered as short allocation and penalty as specified in above mentioned circular shall be levied.

The detail modalities of reporting including file formats for the same shall be informed separately.

The abovementioned changes shall be applicable from August 01, 2022.

Members are requested to take note of the above.

For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)

Huzefa Mahuvawala
Senior Vice President

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Annexure

Format for EOD short allocation report

1. **Short Allocation report for Trading Member (SA04)**

   File Name O_SA04_<<member code>>_DDMMYYYY.lis.gz

   File Location : COMFTP/<MEMCD>/Reports

   File Format

   Date
   Indicator (Shall be E)
   Client/UCC Code
   Minimum Margin Required (a)
   Total Cash Collateral (b)
   Total Non-Cash Collateral (c)
   Excess Collateral of other segment (d)
   Total value of Collateral (e = b + c+ d)
   Short Allocation (f = a-e)

2. **Short Allocation report for Clearing Member (SA05)**

   File Name O_SA05_<<member code>>_DDMMYYYY.lis.gz

   File Location : COMFTP/<MEMCD>/Reports

   File Format

   Date
   Indicator (Shall be E)
   TM Code/CP Code
   Minimum Margin Required (a)
   Total Cash Collateral (b)
   Total Non-Cash Collateral (c)
   Excess Collateral of other segment (d)
   Total value of Collateral (e = b + c+ d)
   Short Allocation (f = a-e)