

National Stock Exchange Of India Limited**Department :**

Download Ref No: NSE/INSP/40743

Date : April 12, 2019

Circular Ref. No: 08/2019

To All Members,

Sub: Clarification on weekly upload of holding statements

This is further to Exchange circulars NSE/INSP/39393 dated November 13, 2018 and NSE/INSP/39855 dated January 03, 2019 on the weekly upload of the Holding Statement data to the Exchange.

Exchange has received various queries and representations from members on the upload of the data wherein they had expressed certain practical concerns in the matter. In order to address the operational difficulties faced by the Members and based on the joint deliberations with SEBI and other Stock Exchanges, further clarifications as specified in **Annexure-A** are issued.

Further, based on the submissions made by the Members till date, we have identified following areas which requires Members' immediate attention. The same should be noted and duly complied with, by all Members:

- i. SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 on Enhanced Supervision of Stock Brokers permits pledging of securities of debit balance clients only through Depository system in compliance with Regulation 58 of the SEBI (Depositories and Participants) Regulations, 1996. Members are hereby advised to ensure strict compliance of the said provision and not transfer the securities to Banks/NBFCs for raising funds.
- ii. It should be strictly ensured that the securities of only debit balance clients are pledged and the funds raised by pledging such securities does not exceed the respective client's debit balance. The funds so raised are credited only to the client bank account and used for the respective clients only.
- iii. Members are advised to update their PAN in all the Demat/Beneficiary accounts with the Depositories/Depositories participants.
- iv. Members should ensure proper & daily reconciliation of all their securities and proper segregation of clients securities and own securities. Members should have adequate systems and procedures in place to ensure that client collaterals are not used for any purposes other than meeting the respective client's margin / Pay-in requirements.

All Members are required to ensure strict adherence to the timelines of submission of the Holding statements. Any non-submission by the due date will be viewed seriously and appropriate action including levy of penalty & withdrawal of trading rights may be initiated.

In order to further enhance the effectiveness of the submission process, Exchanges & SEBI have jointly decided to introduce the below mentioned changes, of which the due date of implementation will be informed in due course:

- a) In order to bring in uniformity across all Exchanges and ensure upload of a single file for all the dates (Monday to Saturday) in a week, the format of holding statement that needs to be uploaded is proposed to be revised. The revised indicative format is enclosed as **Annexure-B**. The revised file naming convention shall be **PAN_HS_DDMMYYYY** wherein PAN shall be the Member's PAN and date shall be end of the reporting week (i.e. Saturday)
- b) The revised format shall also incorporate an additional column "Action" indicating any revision in the report submitted. "A" will be default option available in the column while making the submission. In case of any revision, Members shall only upload the file with incremental data and shall mention 'D' for deleted records and 'U' for updated records in the said additional column.
- c) With respect to dormant or active clients with nil holdings, Members shall be required to upload a separate file to the Exchange. The file format is enclosed as **Annexure-C**. The file shall be in csv and in zip format. The file naming convention shall be **PAN_NH_DDMMYYYY** wherein PAN shall be the Member's PAN and date shall be end of the reporting week (i.e. Saturday). The mode of submission shall be informed in due course.
- d) Exchange shall make the system, incorporating the above mentioned [points (a) to (c)] functionalities, available for testing and shall duly inform the implementation of aforesaid changes to the Market via a separate circular, in due course. Till such time, Member are advised to upload the holding statement as per the current process and as per the clarifications issued in Annexure-A.

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

For and on behalf of

National Stock Exchange of India Limited

Srijith Menon

Chief Manager-Inspection

In case of any clarifications, Members may contact our below offices:

Regional Office	CONTACT NO.	E MAIL ID
Ahmedabad (ARO)	079-49008632	inspectionahm@nse.co.in
Chennai (CRO)	044- 66309915/17	inspection_cro@nse.co.in
Delhi (DRO)	011-23459127 / 38 / 46	delhi_inspection@nse.co.in
Kolkata (KRO)	033-40400411 / 06	inspection_kolkata@nse.co.in
Mumbai(WRO)	022-25045264/259/224	compliance_wro@nse.co.in
Central Help Desk	compliance_assistance@nse.co.in	

Annexure-A
Clarifications to the upload of weekly Holding Statement

- Members have to submit the data for all calendar days of the week except Sunday on or before the next four trading days of subsequent week. For example, data for the week from April 15, 2019 (Monday) to April 20, 2019 (Saturday) shall be submitted by April 25, 2019 (Thursday).
- The Holding statement has to be maintained & submitted client-wise & scrip-wise for all the demat accounts where member is holding client securities including own securities lying in Pool, Early Pay-in (EPI) account, Own/Proprietary account, collateral account, clearing Member or any other Account where such securities are held.

Members shall adhere to the following while reporting:

Account where Securities are available	Values to be reported under "Member account type"
Client beneficiary account	CLNTBENE
Own beneficiary account	OWN
Pool Account	POOL
Collateral A/c	TM COLL*
Transferred to Clearing member Account	CM COLL
Early Pay-in (EPI) account	EPI
Client beneficiary account for margin trading (MTF)	CLNTBENE-MTF
Collateral A/c for margin trading (MTF)	TM COLL-MTF*

* COLL & COLL-MTF mentioned in circular NSE/INSP39393 dated Nov 13, 2018 has been replaced with TM COLL & TM COLL-MTF

- Members have to report holding data of all securities kept in each demat account reported as mentioned in point 2 including Equity, MF units, Bond, Debentures, Pref. Share, Indian Depository Receipts (IDR), Warrants, etc., whether suspended or not.
- It is again re-iterated that in cases where client securities have been transferred to the Clearing Member, Members shall specify Clearing Member's demat account number and mandatorily classify such demat accounts as CM Collateral and mention "CM COLL" under 'Member Account Type' field. Quantity of such securities, if any shall be populated in "Pledged Balance (Qty.)" field.
- It has also been observed, in some instances that, details of the Securities pledged with Clearing Corporation are not being reported by the Members. Members shall classify such demat accounts as "TM COLL" under 'Member Account Type' field instead of "COLL" as specified by Exchange circular NSE/INSP/39393 dated November 13, 2018. Members

are hereby advised to ensure that such securities are also duly reported at the time of submission to the Exchange, under the “**pledge balance (Qty)**” column.

6. It is again reiterated that Members have to submit securities holding data on a consolidated basis across all Exchanges. The holding statement shall be prepared & submitted for all the clients irrespective of the Exchange on which the clients are trading and the same shall be reported to all the exchanges.
7. For dormant clients whose PAN is not available or PAN exempt cases (e.g. Sikkim clients), the following dummy PAN can be mentioned in the client PAN column :

Particulars	Dummy PAN to be used
For dormant clients whose PAN is not available	ABCDE1234F
PAN exempt cases	NNNNN1111N

8. Members are also required to report details of the Securities taken, as security deposit, from their Authorized persons (APs) who do not have a trading account with them. In such a case, a standard dummy UCC (for eg., Back office code for the AP etc.) should be mentioned in UCC column (for instance, UCC will be “**AP_UCC**”). However the concerned AP’s PAN must be mentioned under client PAN field.
9. It has been noted that members have reported the security balances in incorrect DP account resulting in observation of discrepancies. Members are hereby advised to ensure that the balances are duly reported in the correct & relevant DP account only.
10. The requirement for submission is applicable to all Members, except for those who are carrying out only proprietary trading and/or only trading for institutional clients or who are only enabled in debt Segment. A separate system for submission of a one-time declaration in this regard shall be made available in due course.

The guideline on the applicability w.r.t submission of holding data to Exchanges is as under:

S.No.	Particulars	Remarks
1	Members registered however not enabled on the Exchange	Such Members are not required to upload the data to the Exchange where they are not enabled.
2	Members who are enabled on an Exchange, but has not commenced trading.	Such Members shall upload the holding data once they commence clientele trading or hold client securities.
3	Member who have applied for voluntarily disablement on an Exchange.	Such Members are required to submit the data as long as they have client securities pertaining to that Exchange. In case no client securities are available or held for that Exchange, Member is not required to submit the data after submitting an undertaking that they do not hold any client securities pertaining to that Exchange.

4	Members who have applied for Surrender of Membership (from all segments of the Exchange).	Undertaking to be submitted by such Member stating that they do not hold any client securities pertaining to that Exchange. Such Member shall however continue to upload the data to the Exchange/s where they are enabled.
5	Members with Proprietary trading only, in a particular Exchange.	A one-time undertaking to be submitted indicating no clientele dealings. Such Members shall upload the holding data once they commence clientele trading or hold client securities.
6	Members doing only Institutional trading.	A one-time undertaking to be submitted stating that they do not hold any non-institutional client securities. Such Members shall upload the holding data once they commence to hold securities of non-institutional client.
7	Banks	Bank holding client's securities are required to upload the holding data.
8	Members who are only enabled in debt Segment on an Exchange	Not required to submit the data to that Exchange