

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

Download Ref No: NSE/INSP/46302

Date : November 06, 2020

Circular Ref. No: 69/2020

To All Trading Members,

Sub: Closure of Client Collateral Accounts and Client Margin Trading Securities Accounts maintained by Trading Members

Members' attention is drawn to SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 on "Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System" and SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020 wherein the members were required to close all existing demat accounts tagged as 'Client Margin/ Collateral' by August 31, 2020. Further members were also prohibited from holding any client securities in any beneficial owner accounts of members, other than in pool account(s), unpaid securities account(s). Exchange had also issued clarifications on the same; vide its circular NSE/INSP/45191 dated July 31, 2020.

It has, however, come to the notice of the Exchange that some of the Members have neither closed their Client Collateral and Client Margin Trading Securities accounts as required by aforesaid SEBI circulars nor marked them for closure or disabled the standing instructions for credits in such accounts.

In view of the above, all the members are directed to close the Client Collateral and Client Margin Trading Securities accounts by **November 13, 2020**, failing which the Exchange will issue suitable directions to freeze such accounts for both debits & credits (except corporate actions).

Notwithstanding the above, Exchange may also initiate appropriate disciplinary actions for non-compliance of the said SEBI circular with respect to the closure of the such accounts by the due date.

Members are requested to take note of the contents of the circular and comply.

For and on behalf of**National Stock Exchange of India Limited****Subhankar Chowdhury
Senior Manager-Inspection**

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

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