National Stock Exchange of India

Circular

Department:	
Download Ref No: NSE/INSP/49432	**Date:** August 27, 2021
Circular Ref. No: 44/2021	

To All Trading Members,

Sub: Penalty structure for incorrect submission of Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances by members

This has reference to Exchange circulars NSE/INSP/48655 and NSE/INSP/48661 dated June 18, 2021 and June 21, 2021 respectively on penalty structure for incorrect submission of Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances by members.

Exchange has received representations from members seeking clarification on the implementation of disciplinary actions for incorrect submission of Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances by members.

In this regard, trading members are hereby informed that Exchange has provided guidelines for reporting of various weekly submissions vide circulars NSE/INSP/39393 dated November 13, 2018, NSE/INSP/40743 dated April 12, 2019, NSE/INSP/43213 dated January 14, 2020 and NSE/INSP/45193 dated July 31, 2020 on Client level weekly Holding Statement, Circulars NSE/INSP/44478 dated May 27, 2020, NSE/INSP/46704 dated December 17, 2020 and NSE/INSP/46960 dated January 08, 2021 on the weekly Cash & Cash Equivalent Balances and Bank Account Balances data uploaded to the Exchange. In the recent past, it has come to the notice of the Exchange that certain members are submitting incorrect data to the Exchange. Indicative list of reasons for incorrect submissions has been provided in Annexure A of Circular NSE/INSP/48655 dated June 18, 2021. Trading members are requested to note that based on the Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances submissions by members, Exchange/SEBI has been generating alerts with respect to the client funds & securities periodically. Therefore, Exchange has formulated a penalty structure for any non-compliance of the provisions of the aforementioned circulars.

Further, it is clarified that the penalty structure is indicative in nature. The relevant authority of the Exchange, on case to case basis and based on the gravity of the violation, shall deal with such non-compliances after following the due process & providing necessary opportunity to the trading members for clarification in the matter.

All Members are advised to take note of the above.

For and on behalf of

National Stock Exchange of India Limited

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

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