

# National Stock Exchange of India Limited

## Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/58772	Date: October 05, 2023
Circular Ref. No: 86/2023	

To All Members,

### **Sub: Reporting requirement on Bank Guarantees (BGs) created out of clients' funds**

This is with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/061 dated April 25, 2023, and Exchange Circular No. NSE/INSP/56489 dated April 25, 2023 on "Bank Guarantees (BGs) created out of clients' funds".

In accordance with the aforesaid SEBI Circular, the following provisions were required to be implemented:

- No new Bank Guarantees (BGs) shall be created out of clients' funds by Members w.e.f. May 01, 2023.
- Existing Bank Guarantees (BGs) created out of clients' funds shall be wound down by September 30, 2023.

Further, as per Para 5 of the aforementioned SEBI Circular, members are required to submit a certificate to the Stock Exchange by October 16, 2023, confirming the implementation of provisions of SEBI Circular duly certified by their Statutory Auditor.

Accordingly, Members are advised to submit the aforesaid certificate in the prescribed format enclosed as **Annexure A**. Members who are carrying out only proprietary trading without any clients since the date of above SEBI Circular, shall submit a one-time declaration.

An online facility is being provided to members for submission of Statutory Auditor Certificate / one time declaration to the Exchange. User manual for submission of the certificate / one time declaration is enclosed as **Annexure B**.

All members are advised to take note of the contents of this Circular and comply.

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## National Stock Exchange of India Limited

For and on behalf of  
National Stock Exchange of India Limited

Jayalakshmi Iyer  
Chief Manager

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)	033-40400412 / 59	inspection_kolkata@nse.co.in
Mumbai (WRO)	022-26598200 / 022-61928200	compliance_wro@nse.co.in
Central Help Desk	compliance_assistance@nse.co.in	

**Annexure A**

**Certificate from Statutory Auditor on Bank Guarantees (BGs) created out of clients' funds.**

We have examined the relevant books of accounts, records and documents maintained by M/s. \_\_\_\_\_, bearing SEBI registration number \_\_\_\_\_, a member of the \_\_\_\_\_ and obtained all the information and explanations to fulfill the requirements as prescribed by SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/061 dated April 25, 2023.

Based on the scrutiny of relevant books of accounts, records and documents, we hereby certify as under:

- a) No new BGs have been created by the M/s. \_\_\_\_\_ out of clients' funds from May 01, 2023 onwards.
- b) M/s. \_\_\_\_\_ has no existing / open BGs created out of client funds as on September 30, 2023 and on the date of execution of this certificate.

Further, we declare that we do not have any direct / indirect interest in or relationship with the member or its shareholders / directors / partners / proprietors / management, and also confirm that we do not perceive any conflict of interest in such relationship / interest with the said member.

(Seal & Signature)  
(Name of the Proprietor / Partner / Person Signing)  
(Auditor Designation)

Membership no. / CP. No.:

For (Name of Firm)

Firm Registration Number:

Unique Document Identification Number (UDIN):

Place:

Date:

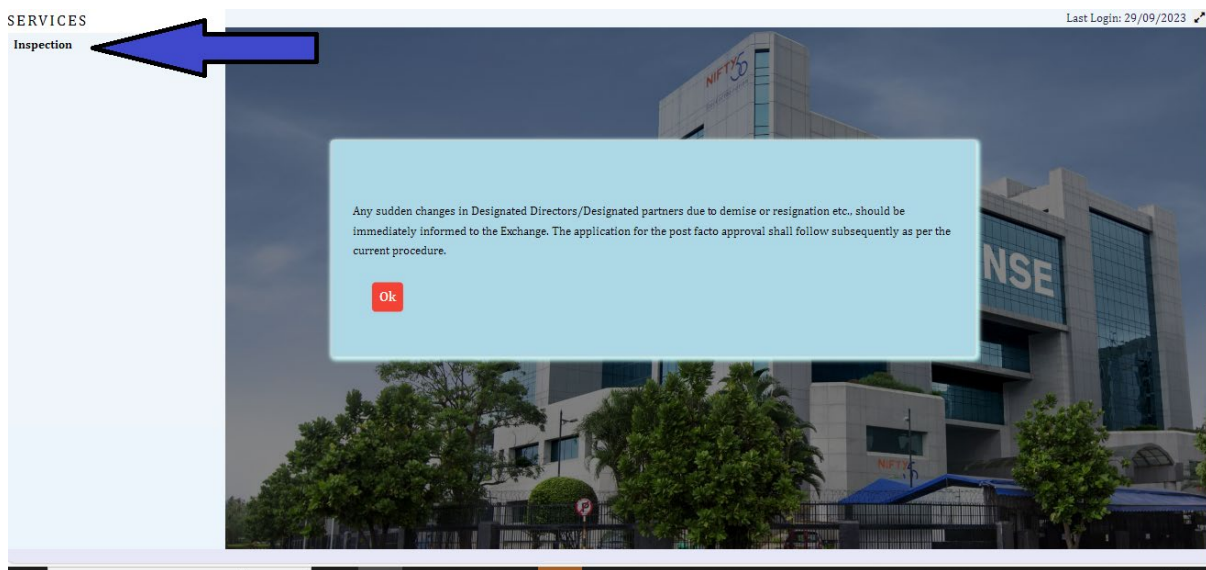
## Annexure B

### MANUAL FOR SUBMISSION OF CERTIFICATE:

Open Internet browser from the desktop.

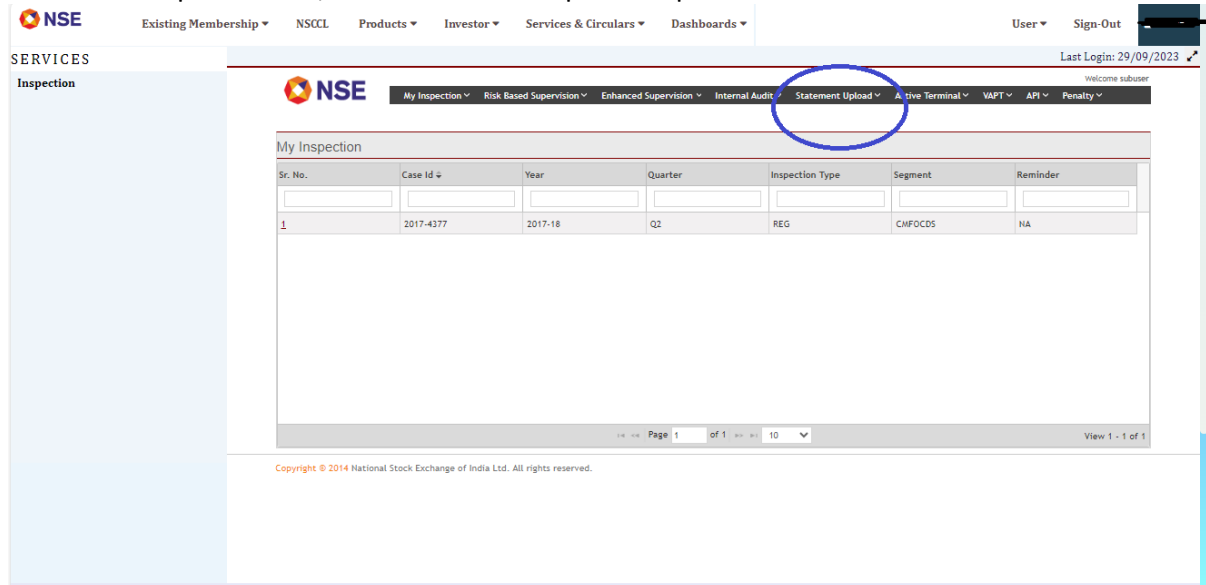
Type <https://inspection.nseindia.com/MemberPortal/> in the address bar and then click the Go button from the browser.

Login to Member Portal. After this step, below screen will be displayed along with the 'Inspection' tab at the left side.



Double click on the 'Inspection' tab from the left-hand side & Inspection module will be launched.

Under the inspection tab, select statement upload as per the screenshot below:



Under statement upload select 'Certificate of BG' as per below screenshot:

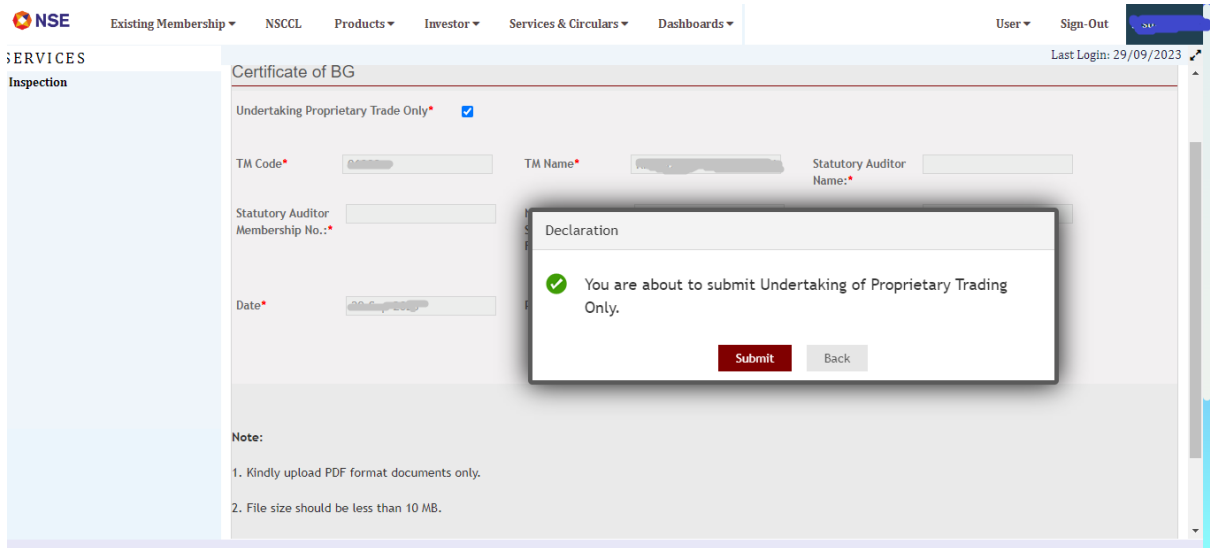
The screenshot shows the NSE portal interface. The top navigation bar includes 'Existing Membership', 'NSCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The user is logged in as 'User' and the last login is '26/09/2023'. The main content area is titled 'My Inspection' and contains a table with columns for 'Sr. No.', 'Case Id', 'Year', 'Quarter', and 'Insp'. A dropdown menu is open under 'Statement Upload', listing various options: 'Holding Statement Weekly', 'Holding Statement Daily', 'Cash & Cash Equivalent Balances', 'Bank Account Balances Weekly', 'Bank Account Balances Daily', 'Bank Statement', 'Running Account Settlement', 'Collateral Segregation Submission', 'Yes Bank - Client Wise Submission', 'Monthly Regulatory Report', 'Cyber Security', and 'Certificate of BG'. The 'Certificate of BG' option is circled in blue. The footer of the page includes the URL 'https://uat.connect2nsccl.com/inspectionhel8/Entry#' and the copyright notice 'Copyright © 2014 National Stock Exchange of India Ltd. All rights reserved.'

In case wherein member is doing only proprietary trading, members are required to submit the declaration as follows:

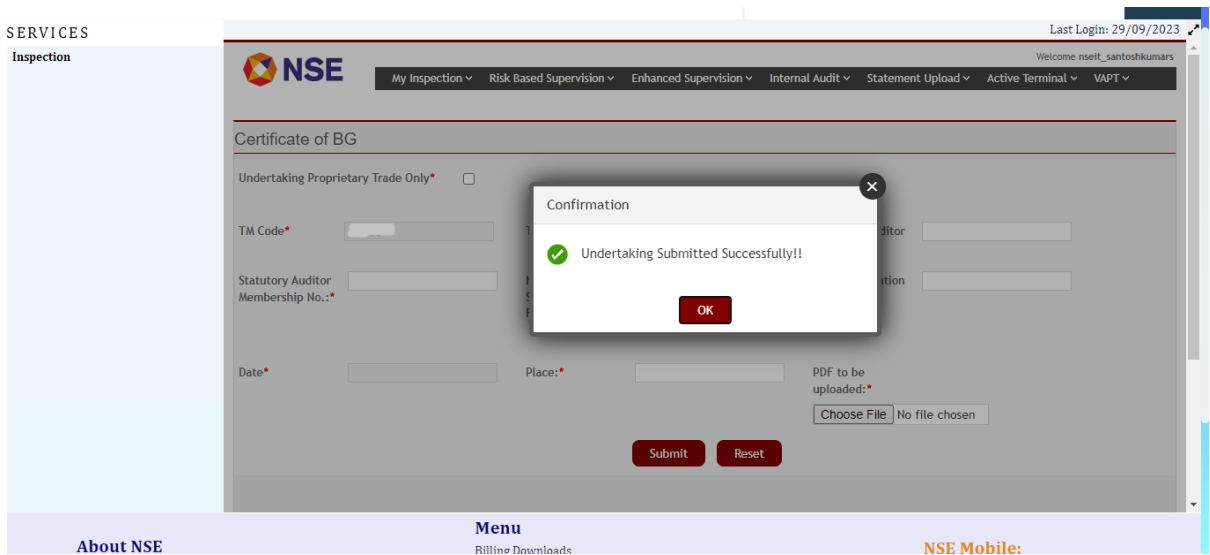
Step 1:

The screenshot shows the 'Certificate of BG' form in the NSE portal. The form includes a checkbox for 'Undertaking Proprietary Trade Only' which is checked. The form fields are: 'TM Code', 'TM Name', 'Statutory Auditor Name', 'Statutory Auditor Membership No.', 'Name of the Statutory Audit Firm', 'Firm Registration No.', 'Date' (set to '29-Sep-2023'), and 'Place'. There are 'Submit' and 'Reset' buttons at the bottom. A 'Note' section at the bottom of the form contains two instructions: '1. Kindly upload PDF format documents only.' and '2. File size should be less than 10 MB.'

Step 2:



Step 3:



For members having clientele business, scanned PDF copy of certificate from Statutory Auditor is to be submitted as below:

Step 1:

Undertaking Proprietary Trade Only\*

TM Code\*  TM Name\*  Statutory Auditor Name\*

Statutory Auditor Membership No. :\*  Name of the Statutory Audit Firm :\*  Firm Registration No. :\*

Date\*  Place\*  PDF to be uploaded :\*

No file chosen

**Note:**

1. Kindly upload PDF format documents only.
2. File size should be less than 10 MB.
3. Kindly save the file in Local Drive and upload.

Following details are required to be updated by member. Further, please note data once submitted cannot be edited.

- Statutory Auditor Name:
- Statutory Auditor Membership No:
- Name of the Firm:
- Firm Registration no:
- Place:
- PDF to be uploaded:

Step 2:

Confirmation

Data once submitted cannot be changed.

**Note:**

1. Kindly upload PDF format documents only.
2. File size should be less than 10 MB.
3. Kindly save the file in Local Drive and upload.
4. Data once submitted cannot be changed.

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Step 3:

NSE Existing Membership NSCL Products Investor Services & Circulars Dashboards User Sign-Out Last Login: 29/09/2023

SERVICES Inspection

### Certificate of BG

Undertaking Proprietary Trade Only\*

TM Code\* [Redacted] TM Name\* [Redacted] Statutory Auditor Name\* [Redacted]

Statutory Auditor Membership No.\* [Redacted] [Redacted] [Redacted]

Date\* [Redacted]

Confirmation

✔ Certificate Submitted Successfully!!

OK

Submit Reset

No file chosen

Note:

1. Kindly upload PDF format documents only.
2. File size should be less than 10 MB.

Successful submission shall be visible to members as per the below screen:

NSE Existing Membership NSCL Products Investor Services & Circulars Dashboards User Sign-Out Last Login: 29/09/2023

SERVICES Inspection

Note:

1. Kindly upload PDF format documents only.
2. File size should be less than 10 MB.
3. Kindly save the file in Local Drive and upload.
4. Data once submitted cannot be changed.

TM CODE	TM NAME	Statutory Auditor Name	Statutory Auditor Membership No	Name of Statutory Audit Firm	Firm Registrat Date No.	Place	Certificate Of BG
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]