

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/64391	Date: October 04, 2024
Circular Ref. No: 74/2024	

To All Trading Members,

Sub: Guidelines on Margin collection & reporting

This has reference to Exchange Circulars Ref. No. NSE/INSP/56512 dated April 26, 2023 and NSE/INSP/57112 dated June 14, 2023 on “Guidelines/clarifications on Margin collection & reporting”, wherein it was clarified as under.

“In respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories, the same may be considered as margin collected towards peak margin for the said sale transaction. Further, in respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories and credit entry is posted of the sale value of the shares in the ledger account of the client, EPI value may be considered as margin collected towards subsequent margin requirement of the client. However, the sale value of such securities (EPI value), as reduced by value of the 20% upfront Margin, shall be available as Margin for other positions across all the segments.”

In view of the representations received from Broker’s Industry Standards Forum (ISF) and after consideration of the same by SEBI, members are requested to note following change in the aforesaid requirement:

- The entire EPI value of sold securities without reduction of 20% upfront Margin shall be available as Margin for other positions across all the segments.

Thus, the aforesaid provision stands revised as under:

“In respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories, the same may be considered as margin collected towards peak margin for the said sale transaction. Further, in respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories and credit entry is posted of the sale value of the shares in the ledger account of the client, EPI value may be considered as margin collected towards subsequent

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margin requirement of the client. The sale value up to 100% of such securities (EPI value) shall be available as Margin for other positions across all the segments."

Further, in view of the aforesaid change, members are advised to report value of EPI accordingly in column numbered 20 "Credit entry in ledger in lieu of EPI for clients / TM Pro" of the daily submission of segregation and monitoring of collateral at client level to Clearing Corporations.

Members are advised to take note of the above and ensure compliance.

**For and on behalf of
National Stock Exchange of India Limited**

**Naresh Sawana
Chief Manager**

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

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