

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/66840	Date: February 24, 2025
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To All Trading Members,

Sub: Guidelines on consideration of VAR Margin Rate/Haircut on securities for Margin Collection & Reporting

This has reference to various guidelines/clarifications issued by Exchange on margin collection and reporting.

As per guidelines issued by Exchange, margin can be collected in form of securities (including mutual fund, Government securities and Treasury bills) in dematerialized form actively traded on the National Exchanges, not declared as illiquid securities by any of such Exchanges, with appropriate haircut. For the purpose of client Margin collection and reporting, the member shall compute the value of such securities as per the closing rate on T-1 day as reduced by the appropriate haircut at a rate not less than the VAR margin rate of the security on that day i.e. T-1 day.

Exchange has received representations from member associations that while providing collateral limit since Clearing Corporations consider VAR margin at the beginning of the T Day for the purpose of valuation of margin pledge-repledge securities, the same practice of applying VAR margin at the beginning of T Day should also be permitted while computing the value of securities for the purpose of client Margin collection and reporting by Trading Member.

In view of the above and in consultation with Broker's Industry Standards Forum (ISF), members are requested to note that for the purpose of client Margin collection and reporting, the member shall compute the value of securities as per the closing rate on T-1 day as reduced by the appropriate haircut at a rate not less than the VAR margin rate of the security at the beginning of T day. Detailed guideline for the same is attached herewith as **Annexure A**.

The provisions of circular shall be effective from May 02,2025.

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

National Stock Exchange of India Limited

**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:

Regional Office	CONTACT NO.	E MAIL ID
Ahmedabad (ARO)	079-49008632	inspectionahm@nse.co.in
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Annexure A

Guideline with respect to VAR/Haircut applicable on securities is as under:

S.No.	Securities	Guidelines for VAR/Haircut
1	G-Sec/T-Bill	Haircut as specified by clearing corporation from time to time. In case where clearing corporations have not specified the haircut for G-Sec/T-bills then haircut of 10%.
2	Dematerialized units of liquid mutual funds	Haircut equivalent to the VAR of T day for listed liquid mutual funds. In case of others (mutual funds not listed), the haircut should be equivalent to 10% of the NAV. Member may refer MF haircut file (MF_VAR_DDMMYYYY) available on NSE Website.
3	Liquid securities, in dematerialized form, actively traded on the National Exchanges,	Haircut at a rate not less than the VAR margin rate of the security at the beginning of T Day. Member may refer below files downloaded from Exchanges website NSE : C_VAR1_DDMMYYYY_1.DAT (refer column VAR Margin i.e. column number 7) BSE :ICCL00_VARELMAM_DDMMYY (Refer column VAR Margin of BOD file of T day)

Note: Member may have preference of one exchange var file over another exchange var file however said practice should be part of Members Risk Management Policy and followed uniformly across all clients.