

## National Stock Exchange of India Limited

### **Operational Guidelines with respect to Settlement of Running Account of Client's Funds lying with Trading Member**

Guidelines as stipulated with respect to running account settlement in SEBI Circulars SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/71 dated May 17, 2023, SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/197 dated December 28, 2023, Exchange circulars NSE/INSP/53820 dated September 23, 2022 and NSE/INSP/60066 dated January 01, 2024 shall continue to be followed by members, with following amendments.

1. Members are required to carry out settlement on the dates as stipulated by the Stock Exchanges in Annual Calendar issued by them for the settlement of running account of client's funds (Quarterly/Monthly).
2. Following points with respect to computation stipulated in point number 5 of Exchange FAQ issued vide circular NSE/INSP/53820 dated September 23, 2022, are clarified for the purpose of settlement of the clients carried out on **Saturday (non-trading day)**:
  - The outstanding pay in and margin obligation data of the last trading day shall be considered in the computation specified in the point number 5 of FAQ e.g. the EOD outstanding pay in and margin obligation of last trading day i.e. Friday shall be considered for the purpose of settlement to be carried out on Saturday assuming Friday is not a trading holiday.
  - Margin pledged securities as on settlement date i.e. Saturday shall be considered.
  - Client Funds Balance as on settlement date i.e. Saturday shall be considered.
  - While computing the value of margin pledged securities, the closing rate for T-1 trading day should be considered after appropriate hair-cut viz. VaR margin rate applicable for the security in the Capital Market segment. e.g. Closing rate of T-1 trading day i.e. Thursday shall be considered for settlement to be carried out on Saturday assuming Friday and Thursday are not a trading holiday.
3. Members are requested to note that clarifications provided in point number 2 mentioned above are only applicable to settlement carried out on Saturday i.e. non-trading day. There is no change for the settlement carried out on Friday i.e. trading day.
4. Members shall ensure that funds if any, received by Members from clients, whose running account has been settled, shall remain in the "Up Streaming Client Nodal Bank Account" and such funds shall not be used for settlement of running account of other clients.
5. In accordance with SEBI guidelines on upstreaming of client's funds, with respect to Question number 11 of FAQ issued vide circular NSE/INSP/53820 dated September 23, 2022 on

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circumstances wherein the settlement need not be done by a member, sub point 11(b) of the same stands modified as under:

“Margin received in the form of Bank Guarantees in accordance with SEBI guidelines on upstreaming of clients funds which are created by clients.”