NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : INVESTIGATION	
Download Ref. No.: NSE/INVG/38284	Date: July 10, 2018
Circular Ref. No.:- 0102/2018	

To All Members

Sub: Withholding of sale proceeds of securities in which unsolicited messages being circulated – update

This is in continuation with the NSE circular no. NSE/INVG/37765 dated May 15, 2018 and NSE/INVG/38270 dated July 07, 2018, inter alia informing members that withholding of sale proceeds may be in form of cash or cash equivalents or in form of securities forming part of NSE 500 or S&P BSE 500 to ensure compliance.

In this regard, operational modalities for maintaining / monitoring of securities by the members are given as under:

1. Securities forming part of NSE 500 or S&P BSE 500 with a hair-cut of 30% or applicable Var whichever is higher shall only be considered as collateral in lieu of funds required to be withheld.
2. Members shall promptly replace the securities in case of any change in the composition of NSE 500 or S&P BSE 500.
3. Members shall ensure that any fall in value of securities shall have to be compensated by bringing in additional eligible securities from time to time and shall maintain audit trail of such changes.
4. Compliance officer of the Members on a monthly basis shall submit at invg@nse.co.in the following:
    a) Details of securities held with its market valuation and any change in it confirming the compliance w.r.t. withholding of sale proceeds.

b) Confirmation that securities kept as collateral in lieu of withholding sale proceeds of securities in which unsolicited messages being circulated and these securities are not used for any other purpose other than for the purpose for which same is withheld.

Members are advised to take note of the above and ensure compliance with aforementioned requirements, as may be applicable.

In case of any further queries, members are requested to contact the following officials: Mr. Chirag Jain (Extn: 22480), Mr Hiren Thakkar (Extn: 22399) & Mr. Binoy Yohannan (Extn: 24332).

Direct No: 022-26598417/18. Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Avishkar Naik
Vice President