

National Stock Exchange Of India Limited**DEPARTMENT: INVESTOR SERVICES CELL**

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To All Market Participants,

Sub: Investor Protection Fund

In order to enhance the effectiveness of the Investor Protection Fund (IPF) and to improve the investor experience while making claims against defaulting Trading Members, SEBI has advised Exchange to operationalize a detailed Standard Operating Procedure (SOP), given as Annexure A. The SOP inter alia covers procedures and timelines for obtaining information from investors, processing investor claims from IPF, review of claims and timeline for declaration of a Trading Member as a defaulter. The SOP strengthens existing processes and includes electronic claim submission, pre-filled forms with information as available with the Exchange, processing of claims as per policy, review by independent auditors etc. The SOP is being operationalized to significantly reduce the timelines for making payments to the investors in case of Trading Member defaults.

The policy for evaluating investor claims from IPF is given as Annexure B. All eligible claims from investors of a defaulting Trading Member will be paid as per the policy given in the Annexure B without any limit at the defaulting trading member level but subject to a maximum of Rs.25 lacs per investor.

In light of the recent Trading Member defaults, SEBI has also advised the Exchange to increase the Investor Protection Fund size to Rs.1,500 crores.

The Exchange will undertake half yearly review of IPF corpus size to ascertain its adequacy and in case of short fall, transfer additional funds to IPF. The Exchange is taking necessary steps to augment IPF including by way of additional charges to Trading Members.

Members and Market Participants are requested to take note of the contents of the circular.

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

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