NSE Clearing

Circular

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

SEGMENT: MUTUAL FUND SERVICE SYSTEM	
Download Ref No : NCL/MFSS/43616	**Date : February 20, 2020**
Circular Ref. No : 0088/2020	

All Participants,

Sub: Settlement of subscription unit shortages

This is further to circular no NCL/MFSS/40768 dated April 18, 2019. Participants are hereby requested to note that unit shortages for subscription orders in MFSS will be settled through NSE Clearing Ltd till S+5 (S being the settlement day) from existing S+1 with effect from trade date February 24, 2020.

The shortages shall be shifted to next immediate settlement type and settlement number till S+5. However, such shifted orders shall be settled in next settlement cycle in a second preference i.e. priority shall be given to orders received for the present settlement type and settlement number and then to shortages of previous settlement in ascending order of the trade date i.e. oldest date orders will be given priority after the present settlement orders.

An example is given below to explain the same:

	Current Trade Date	Shortages in Previous Trade Date				
Settlement Date	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5	Priority 6
03-Mar-2020	02-Mar-2020	24-Feb-2020	25-Feb-2020	26-Feb-2020	27-Feb-2020	28-Feb-2020
04-Mar-2020	03-Mar-2020	25-Feb-2020	26-Feb-2020	27-Feb-2020	28-Feb-2020	02-Mar-2020
05-Mar-2020	04-Mar-2020	26-Feb-2020	27-Feb-2020	28-Feb-2020	02-Mar-2020	03-Mar-2020
06-Mar-2020	05-Mar-2020	27-Feb-2020	28-Feb-2020	02-Mar-2020	03-Mar-2020	04-Mar-2020
09-Mar-2020	06-Mar-2020	28-Feb-2020	02-Mar-2020	03-Mar-2020	04-Mar-2020	05-Mar-2020
10-Mar-2020	09-Mar-2020	02-Mar-2020	03-Mar-2020	04-Mar-2020	05-Mar-2020	06-Mar-2020

NSE Clearing Ltd shall receive shortages for the previous trading days from the respective RTAs in the respective AMC's demat account. Remaining shortages if any on S+5 will be not be settled through NSE Clearing Ltd and AMC/RTA is expected to settle the units directly with the investors.

There is no change in the shortage reports sent to participants.

For and on behalf of
NSE Clearing Limited

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