

## PRESS RELEASE

Mumbai, 21 November 2024

### Clarification on Margin Funding

There is a report in media stating that a regulatory circular supposedly issued in October 2024 expelled 1010 stocks, effective November 2024, from the list of 'collaterals' acceptable as margin pledges for availing Margin Trading Facility (MTF) from clearing corporations.

This is factually incorrect. No such circular was issued by SEBI in October, and no large-scale changes have been made recently to the list of securities on which MTF can be offered.

As per the current Regulatory framework, MTF is provided by Trading Members (TMs) to their clients, in Stocks and Exchange Traded Funds that are part of Group I list of securities issued by Clearing Corporations. The list of Group I securities is computed based on objective criteria of impact cost and same is updated every month and published by Exchanges' on their websites. As per this, currently around 2,000 securities form part of Group I.

Contrary to the article's claim, there has been no reduction in the number of securities eligible for MTF. Further, acceptance of collaterals by Clearing Corporation is based on Risk based objective approach to manage the efficiency of risk management and clearing and settlement. There is no scrip specific discrimination that is exercised while updating the list of acceptable collaterals on periodic basis.

Note that lending under MTF went up in October 2024 to all-time record high level of over INR 80,500 crores.

This press release is being issued by both the Exchanges NSE and BSE to clarify and correct this report.

#### **About National Stock Exchange of India Limited (NSE):**

National Stock Exchange of India (NSE) is the world's largest derivatives exchange by trading volume (contracts) as per the statistics maintained by Futures Industry Association (FIA) for calendar year 2023. NSE is ranked 3rd in the world in the cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for calendar year 2023. NSE was the first



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### **About BSE**

BSE, India's leading exchange group is celebrating its 150th year anniversary. BSE has been playing a prominent role in developing the Indian capital market. BSE is a corporatized and demutualized entity, with a broad shareholder base. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, interest rate derivatives, mutual funds, stock lending and borrowing.

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