

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/ 52711	Date: June 23, 2022
Circular Ref. No: 46/2022	

To All Members,

Sub: Guidelines/clarifications on Margin collection & reporting

This has reference to Exchange circular NSE/INSP/45191 dated July 31, 2020 wherein it was clarified that the members cannot pass on the penalty w.r.t short collection of upfront margin to client. Further, it has been reiterated again vide Exchange circular NSE/INSP/49929 dated October 12, 2021 that members are not permitted to pass on the penalty levied by clearing corporations on account of “short/non-collection of upfront margins” to clients under any circumstances.

In accordance with the above mentioned circulars and in consultation with SEBI that member shall submit an undertaking attached as **Annexure A** to Exchange on half yearly basis (i.e. April-September and October-March) confirming that penalty levied by clearing corporations on account of “short/non-collection of upfront margins from clients” is not being passed on to respective clients under any circumstances. Further members are requested to note that submission of said undertaking shall be made part of periodic internal audit report and henceforth same shall be provided by member for the applicable period along with internal audit report of said periods to Exchange.

An online facility will be provided to all members to submit the said undertaking. The system for submission of said undertaking through the inspection module of the member portal shall be informed to the members through a separate circular, in due course.

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

For and on behalf of
National Stock Exchange of India Limited

Naresh Sawana
Senior Manager– Inspection

National Stock Exchange of India Limited

In case of any clarifications, Members may contact our below offices:

Regional Office	E MAIL ID	CONTACT NO.
Ahmedabad (ARO)	inspectionahm@nse.co.in	079- 49008632
Chennai (CRO)	inspection_cro@nse.co.in	044- 66309915 / 17
Delhi (DRO)	delhi_inspection@nse.co.in	011- 23459127 / 38 / 46
Kolkata (KRO)	inspection_kolkata@nse.co.in	033-40400412/59
Mumbai (WRO)	compliance_wro@nse.co.in	Board Line: 022-25045000 / 022-61928200 Direct Line: 022-25045138 / 022-25045144 Extn: 28144/28138
Central Help Desk	compliance_assistance@nse.co.in	

National Stock Exchange of India Limited**Annexure A****Undertaking on 'Penalty for Short-collection / Non-collection of client margins'**

I / We, M/s _____ (name of the member) hereby confirm that, we have not passed on the penalty levied by clearing corporation on account of "Short collection/ Non-collection of upfront margins" to the clients under any circumstances in accordance with the Exchange circulars NSE/INSP/45191 dated July 31, 2020 and NSE/INSP/49929 dated October 12, 2021.

Further, wherever actual penalties have been passed on for Short collection/Non-collection of margins other than "upfront margins" such as consolidated crystallized obligation, Delivery margins, other margins (Mark-to-market & additional margins), then relevant supporting documents showing short reporting of margins other than "Upfront margins" have been provided to the client and we are maintaining evidence to demonstrate the failure on part of the client.

For M/s
(Name of proprietor/ firm/ company)

Stamp and Signature

Place :

Date :

Undertaking to be stamped & signed by a designated director only mentioning name.