

DEPARTMENT: COMPLIANCE

Download Ref No: NCL/CMPL/45668

Date: September 11, 2020

Circular Ref. No: 23/2020

All Members

Sub: Investor Awareness regarding the revised guidelines on margin collection

This has reference to SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, read with SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 and NCL circular no. NCL/CMPL/45180 dated July 30, 2020 regarding Margin obligations to be given by way of pledge / re-pledge in the Depository system, which has been implemented with effect from August 01, 2020 and discontinuation of title transfer of securities collateral with effect from August 31, 2020.

Attention is also drawn towards SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019 read with SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/146 dated July 31, 2020 and NCL circular NCL/CMPL/45206 dated July 31, 2020 on Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment.

Members are requested to create awareness amongst clients / investors with regard to procedure of pledge/ re-pledge of securities and placing them as collateral with their Trading Member (TM)/Clearing Member (CM) only by way of “margin pledge” created in the Depository system and collection of upfront margin in cash market segment in accordance with the guidelines prescribed by the aforementioned circulars. Member are also advised to display the following messages on their respective websites:

“Attention Investors

1. Stock Brokers can accept securities as margin from clients only ***by way of pledge in the depository system w.e.f. September 1, 2020.***
2. ***Update your mobile number & email Id*** with your stock broker/depository participant and receive OTP directly from depository on your email id and/or mobile number to create pledge.
3. ***Pay 20% upfront margin*** of the transaction value to trade in cash market segment
4. Investors may please refer to the Exchange's ***Frequently Asked Questions (FAQs) issued vide circular reference NSE/INSP/45191 dated July 31, 2020 and NSE/INSP/45534 dated August 31, 2020*** and other guidelines issued from time to time in this regard.

5. Check your Securities /MF/ Bonds in the consolidated account statement issued by NSDL/CDSL every month.

..... Issued in the interest of Investors"

All members having websites are hereby advised to display the above messages on the homepage of their respective websites at a prominent place.

**For and on behalf of
NSE Clearing Limited**

**Divya Potdar
Manager**

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