

NOTICES

Notice No.	20191213-40	Notice Date	13 Dec 2019
Category	Others	Segment	Equity
Subject	Sub. : Collection and reporting of margins by Trading Members (TMs) /Clearing Members (CMs) in Equity Cash Segment		
Attachments	Annexure 1.pdf		

Content

Attention of Members is drawn to [SEBI Circular No CIR/HO/MIRSD/DOP/CIR/P/2019/139](#) dated November 19, 2019 and [Indian Clearing Corporation Ltd. \(ICCL\) Circular No 20191122-8](#) dated November 22, 2019, regarding collection and reporting of margins by Trading Member (TM) /Clearing Member (CM) in Equity Cash Segment.

In this connection, members are hereby requested to note and comply with the following guidelines pertaining to Margin Collection/Reporting for Equity Cash Segment as stipulated by SEBI/ICCL, which shall be implemented from Jan 01, 2020:

- The margins in Equity cash segment will mean VaR margin, extreme loss margin (ELM), mark to market margin (MTM), special / additional margin or any other margin as prescribed by the Exchange/ICCL to be collected by TM/CM/Custodian from their clients/trading members.
- TMs/CMs/Custodians will be required to mandatorily collect upfront VaR margins and ELM from their respective clients/trading members.
- The TMs/CMs/Custodians will have time till 'T+2' working days to collect margins (except VaR margins and ELM) from their clients/trading members. (The clients/trading members must ensure that the VaR margins and ELM are paid in advance of trade and other margins are paid as soon as margin calls are made by the Stock Exchange/TMs/CMs/Custodians. The period of T+2 days has been allowed to TMs/CMs/Custodians to collect margin from clients taking into account the practical difficulties often faced by them only for the purpose of levy of penalty and it should not be construed that clients have been allowed 2 days to pay margin due from them.)
- TMs/CMs/Custodians will be exempted from collecting upfront margins from the institutional investors carrying out institutional trades.
- TMs/CMs/Custodians will be exempted from collecting upfront margins in respect of positions for which client level early pay-in of securities (EPN) and early pay-in of funds (EPF) is done prior to the settlement.
- If the TM/CM/Custodians have collected adequate initial margins from the client to cover the potential losses over time till pay-in, TMs/CMs/Custodians need not collect MTM from their client/TMs.
- Members are required to report the collection of the above mentioned margins, from their clients/trading members by T+5 day. i.e., for trades done on T day, the facility of reporting the margin collection from clients/trading members will be available up to 11.00 pm on T+5 (i.e. 5th working day from T day).
- Clearing Members (including Custodians) and Trading Members will be provided daily files (**refer Annexure 1**) for reporting of margin collection as per the following criteria:
 - Self-Clearing Members (SCMs): Proprietary positions will not be included for margin reporting.
 - CMs other than SCMs: Margins for Proprietary positions of other Trading Members clearing through them will be included in the file.
 - Trading Members: For trades of their non- Institutional Clients.
 - Custodians: File will include details of CP Code clients clearing through them. Margins levied on transactions confirmed by Custodians on T+1 day will be required to be collected & reported by the custodians.
 - In case of institutional trades not confirmed by the custodians, the margin reporting will be at TM level.

➤ Procedure for Margin Reporting in Equity Cash Segment

The margin reporting files will be provided to members through Extranet at end of day (EOD). The members will be required to update the margin collection amount (in the respective field) in the same file and upload it within the prescribed timelines:

- ✓ Download of Margin reporting files from member extranet folder:

Member Extranet>EQ>Transaction>month/date folder

- ✓ Download the Margin Reporting File as per the below file nomenclature

Title	Margin Reporting File for Clearing Member/Trading Member	
File Name	EQ_MGCM_<MEMBERCODE>_DDMMYYYY.CSV	For Clearing Members/Custodians (for unsettled positions)
	EQ_MGTM_<MEMBERCODE>_DDMMYYYY.CSV	For Trading Members (for unsettled positions)

- ✓ Upload Extranet path: **Member Extranet>EQ>Uploads>month/date folder**

- ✓ Upload the Margin Reporting File as per the below file nomenclature