

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : INSPECTION	
Download Ref.No.: NSE/INSP/24849	Date : October 29, 2013
Circular Ref.No.: 169/2013	

To All Members

Sub : Clarification on Actual Settlement of Funds & Securities

This has reference to the SEBI circular MIRSD/ SE /Cir-19/2009 dated Dec 03, 2009, Exchange Circular NSE/INSP/13606 dated Dec 03, 2009, clarification circulars NSE/INSP/14048 dated Feb 03, 2010 and NSE/INSP/21651 dated Sep 07, 2012, regarding quarterly/monthly settlement of running accounts of clients.

Based on representations received from investors and members, the Exchange in consultation with SEBI, further clarifies as under:

- a) For the purpose of settlement, the Member is allowed to settle across segments and across Stock Exchanges for a particular client.
- b) In respect of Derivative Market transactions, apart from the margin liability as on the date of settlement, the Member may retain **additional margin requirement** of maximum up to 125 % of margin requirement on the day of settlement to take care of any margin obligation arising in next 5 days.
- c) The actual settlement of funds and securities shall be done by the Member, at least once in a calendar quarter or month, depending on the preference of the client, as per aforesaid circulars.

To address the administrative/operational difficulties in settling the accounts of regular trading clients (active clients), the Member **may retain an amount of up to Rs 10,000/-** (net amount across segment and across stock exchanges), **only after taking written consent of the client.**

The above threshold limit on retention of amount shall not be applicable in case of clients who have not traded even once during the last one month/quarter, as the case may be; i.e settlement shall be done as per the aforesaid SEBI circular, in such cases.

Members are requested to take note and comply with the same.

**For and on behalf of
National Stock Exchange of India Limited**

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