

DEPARTMENT: COMPLIANCE

Download Ref No: NCL/CMPL/46505

Date: November 28, 2020

Circular Ref. No: 42/2020

All Members,

Sub: FAQ on Peak Margin reporting of Marginable Custodian Participant trades in Capital Market Segment

NCL had issued circular No. NCL/CMPL/46503 dated November 27, 2020 on Peak Margin reporting of Marginable Custodian Participant trades in Capital Market Segment. Based on queries received from Members, frequently asked questions (FAQs) are being issued as Annexure-A.

All members are advised to take note of the same.

**For and on behalf of
NSE Clearing Limited****Dhawal Shah
Head-Compliance**

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Annexure A**FAQ for Peak Margin reporting of Marginable Custodian Participant trades in Capital Market Segment (Interim Process)****1. What is the responsibility of the Trading Member (executing broker) for margin reporting?**

The Trading Member will have to report peak margins for CP trades in the MG13 reporting considering collection of margins by the Custodian as the penalties shall be levied by the Clearing Corporation on the basis of reporting by Custodian

2. How would the penalty be levied if the Trading Member (executing broker) reports shortage in margin reporting?

In the event of Trading Member reports shortage, penalty will be levied to the Trading Member and collected through its Custodian as per the existing process.

3. How would the penalty be levied if the Custodian reports shortage?

In the event of Custodian reports shortage (and executing broker has reported no shortage), penalty will be levied to the Custodian based on shortage reported by the Custodian.

4. What happens if both Trading Member (executing broker) and Custodian reports no shortage?

No penalties will be levied.

5. Will the Clearing Corporation continue with the approach of providing intraday peak snapshots during the interim process?

Yes

6. What is the cut off time for reporting peak margins collection by the Trading Member and the Custodian (through email)?

T+5 as is being presently followed

7. Can a revised reporting be accepted in the event of erroneous confirmation on email?

Revised reporting will be accepted on best effort basis. Custodian are required to ensure proper due diligence before sending the email to CC.