

National Stock Exchange Of India Limited**Department : Inspection**

Download Ref No: NSE/INSP/48655

Date: June 18, 2021

Circular Ref. No: 31/2021

To All Trading Members,

Sub: Penalty structure for incorrect submission of Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances by members

This is further to Exchange circulars NSE/INSP/45899 dated September 30, 2020 on the weekly upload of the Client Level Holding Statement, NSE/INSP/44478 dated May 27, 2020, NSE/INSP/46704 dated December 17, 2020 and NSE/INSP/46960 dated January 08, 2021 , on the weekly upload of the Cash & Cash Equivalent Balances and Bank Account Balances data to the Exchange.

All Members are required to ensure correct submission of data towards Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances to the Exchange. In this regard, the existing penalty structure for correct submission of data towards Holding Statement to Exchange has been reviewed and revised. The Disciplinary actions with respect to wrong or incorrect submissions of Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances are stipulated as under: -

Particulars	Disciplinary Actions
Material incorrect submission or procedurally incorrect submission of Client Level Holding Statement, Cash & Cash Equivalent Balances and Bank Account Balances	Penalty of Rs. 1 lakh in case of procedurally incorrect submission and disablement of trading terminals for 1 day in case of material incorrect submission.

An indicative list of incorrect submission or procedurally incorrect submission depending upon the nature of error to be considered while deciding the above penal provisions is enclosed as **Annexure A**.

Disciplinary actions shall be applicable w.e.f. **June 18, 2021**.

All Members are advised to ensure correct submission in order to avoid any disciplinary actions.

For and on behalf of

National Stock Exchange of India Limited

Subhankar Chowdhury
Senior Manager-Inspection

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

Regional Office	CONTACT NO.	E MAIL ID
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Kolkata (KRO)	033-40400411 / 06	inspection_kolkata@nse.co.in
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Central Help Desk	compliance_assistance@nse.co.in	

Annexure A

SL. No.	Indicative list of reasons for incorrect submission	Nature of Error
1	Holding of EPI, Pool & CUSA a/c was not reported	Material
2	Technical errors like reversal of margin postings, open bills while reporting clear balance	Material
3	Entry in register of securities was done prior to the date of actual execution in Demat a/c	Material
4	Qty marked for delivery in NSDL Pool a/c was not reported for T/ T+1 days	Material
5	Holding file of client/(s) were not uploaded	Material
6	Stock of one Client was wrongly reported under another Client UCC	Material
7	Shares given to Client, but Member has not reduced the same from Holding	Material
8	Mismatch because cash & cash equivalent balance of client/(s) was not uploaded	Material
9	Bank balances of a bank account was not uploaded	Material
10	Bank balance was uploaded by broker as per the bank books	Material
11	Corporate action Qty was incorrectly reported	Procedural
12	Due to change in ISIN as Member uploaded holding in old ISIN	Procedural
13	Wrong PAN of client was uploaded	Procedural
14	Mismatch due to fraction quantity	Procedural
15	Holding in pool a/c was reported twice	Procedural
16	DP Instruction for transfer of shares got failed and rectified later in back office	Procedural