

Department: Inspection	Segment: All
Circular No: MSE/INSP/16116/2024	Date : October 07, 2024

Subject: Guidelines on Margin collection & reporting

To All Members,

This has reference to Exchange Circulars Ref. No. MSE/INSP/13389/2023 dated April 27, 2023 and MSE/INSP/13647/2023 dated June 15, 2023 on “Guidelines/clarifications on Margin collection & reporting”, wherein it was clarified as under.

“In respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories, the same may be considered as margin collected towards peak margin for the said sale transaction. Further, in respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories and credit entry is posted of the sale value of the shares in the ledger account of the client, EPI value may be considered as margin collected towards subsequent margin requirement of the client. However, the sale value of such securities (EPI value), as reduced by value of the 20% upfront Margin, shall be available as Margin for other positions across all the segments.”

In view of the representations received from Broker’s Industry Standards Forum (ISF) and after consideration of the same by SEBI, members are requested to note the following change in the aforesaid requirement:

- The entire EPI value of sold securities without reduction of 20% upfront Margin shall be available as Margin for other positions across all the segments.

Thus, the aforesaid provision stands revised as under:

“In respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories, the same may be considered as margin collected towards peak margin for the said sale transaction. Further, in respect of sale of shares by a client for which early pay-in (EPI) request via Block mechanism has been accepted by depositories and credit entry is posted of the sale value of the shares in the ledger account of the client, EPI value may be considered as margin collected towards subsequent margin requirement of the client. The sale value up to 100% of such securities (EPI value) shall be available as Margin for other positions across all the segments.”

Further, in view of the aforesaid change, members are advised to report value of EPI accordingly in column numbered 20 “Credit entry in ledger in lieu of EPI for clients / TM Pro” of the daily submission of segregation and monitoring of collateral at client level to Clearing Corporations.

Members are advised to take note of the above and ensure compliance.

In case of any query kindly contact Inspection Department on (022) 6112 9000 or mail on compliancemsx@msei.in.

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

**Praveenkumar Acharya
AVP – Inspection and Membership Department**

Metropolitan Stock Exchange of India Limited