

Circular No.: NSDL/POLICY/2020/0101

July 28, 2020

**Subject: Additional Operational Guidelines on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System.**

Attention of Participants is invited to NSDL Circular no. NSDL/POLICY/2020/0077 dated June 1, 2020 regarding Operational Guidelines on margin obligations to be given by way of Pledge/ Re-pledge in the Depository System.

Participants are hereby requested to take note of the following additional operational guidelines in this regard:

1. Client Securities under Margin Funding Account
  - a. As per point no. 11 of SEBI Circular Nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, funded stocks held by the TM / CM under the margin trading facility shall be held by the TM / CM only by way of pledge in a separate demat account tagged as 'Client Securities under Margin Funding Account'.
  - b. To facilitate Participants to open the aforesaid demat account, new type and sub-type has been made available in DPM system (Refer NSDL Circular no. NSDL/POLICY/2020/0091 dated July 7, 2020).
  - c. Further, as clarified by SEBI, margin funded shares shall be pledged in favor of the TMs / CMs 'Client Securities under Margin Funding Account' (CSMA a/c) only through OTP confirmation by the concerned clients and pledged securities could move to the CSMA a/c only on invocation. The margin pledge module shall be used and the OTP mechanism as used for margin pledge will be used for validating margin funding transaction by the clients.
  - d. Re-pledge shall not be permitted from CSMA account.
2. In case the margin pledge is initiated by the Client for 'All segments', the re-pledge by the TM for such securities can be done for any specific segment or 'All segments'. However, the re-pledge by the CM for such securities which were pledged by client and re-pledged by TM to CM with 'All segments' will be allowed with the specific segment only.

For and on behalf of  
**National Securities Depository Limited**

**Chirag Shah  
Senior Manager**



### FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 <sup>th</sup> of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Internal/ Concurrent Audit Report (October 2019 – March 2020)	July 31 <sup>st</sup> 2020	Through e-PASS	1. Circular No. NSDL/POLICY/2020/0045 dated April 7, 2020 2. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 3. Circular No. NSDL/ POLICY/2020/0062 dated May 7, 2020. 4. Circular No. NSDL/POLICY/2020/0083 dated June 16, 2020 5. Circular No. NSDL/POLICY/2020/0086 dated June 30, 2020
Compliance Certificate (January - June)	July 31 <sup>st</sup> every year	Through e-PASS	Circular No. NSDL/POLICY/2019/0088 dated December 17, 2019.
System Audit Report (Annual)	July 31, 2020	Through e-PASS	1. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 2. Circular No. NSDL/POLICY/2020/0071 dated May 19, 2020