

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

Download Ref No: NSE/INSP/44490

Date : May 28, 2020

Circular Ref. No: 34/2020

To All Members,

Sub: Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System

This has reference to the SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/28 and Exchange circular NSE/INSP/43653 dated February 25, 2020 on the subject “Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System”.

SEBI has issued a circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020 on the subject matter wherein they have extended the implementation date of the aforesaid circular to August 01, 2020. Accordingly, in terms of paragraph 12 of the SEBI circular dated February 25, 2020, trading members (TM) shall be required to close all existing demat accounts tagged as ‘Client Margin / Collateral’ by August 31, 2020.

Members are, however, advised to note that holding of Power of Attorney (POA) shall not be considered as equivalent to margin collection in respect of securities held in the demat account of the client, with effect from June 01, 2020. Hence, in view of the said SEBI circular, the clarification provided under question no. 2 of the Annexure-A of the circular NSE/INSP/43069 dated December 31, 2019, with respect to considering of securities in the client's demat account, as margin, where the client has given a POA, stands deleted with effect from June 01, 2020.

The copy of the said SEBI circular is enclosed as **Annexure A** for your reference.

All members are advised to take note of the same and comply.

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

**Srijith Menon
Associate Vice President-Inspection
Encl: Annexure A**

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

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