



## Metropolitan Stock Exchange of India Limited

Department: Investigation

Segment: All

Circular No: MSE/ID/6538/2018

Date : July 9, 2018

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### **Withholding of sale proceeds of securities in which unsolicited messages being circulated - Update**

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To All Members,

This is in continuation with the Exchange circular no. MSE/ID/6333/2018 dated May 18, 2018 inter alia cautioning the trading members / market participants against unsolicited messages ("SMS Stocks") being circulated by unregistered / unauthorized entities and advising trading members/ market participants having significant selling concentration of clients in the SMS Stocks to withhold the sale proceeds of the clients and transfer the same to the designated Bank Account earmarked for this purpose.

In this regard, during the meeting of SEBI with Stock Exchanges, it has been decided as under :

1. Trading Members/ market participants may provide the amount required to be withheld in form of cash or cash equivalents or in form of securities forming part of NSE 500 or BSE 500 with applicable VaR based haircut or a higher haircut as decided by the Stock Exchanges
2. Operational modalities for maintaining / monitoring of securities by the trading members/ market participants shall be intimated separately.

Trading members/ market participants are advised to take note of the above and ensure compliance with aforementioned requirements, as may be applicable.

In case of any clarification, members may contact on 022 6112 9000

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

Prachi Lendhe  
Assitant Vice President