METROPOLITAN STOCK EXCHANGE

Department: Inspection **Segment: All Segments**

Circular No: MSE/INSP/6813/2018 **Date : September 21, 2018**

Subject: Clarification on Client Fund Balance

Exchange has received communication from SEBI regarding references being received from investors, stating that the brokers are levying Interest/late payment charges for debit balances even though the clients have credit balance with the brokers, instead of levying the same on net debit balances.

It is clarified that excess cash with the stock brokers may be considered for netting against debit balance to calculate net obligation payable by the client. Further, excess securities held with brokers are only for the purpose of meeting margin requirement, and not for settlement.

Stock Brokers are advised to comply with above mentioned requirement.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Mahendra Choudhari
Asst. Vice President – Inspection

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