

Department: Inspection	Segment: All
Circular No: MSE/INSP/11328/2022	Date : January 05, 2022

Subject: Submission of data towards monitoring of client funds under Enhanced Supervision guidelines

To All Trading Members,

This has reference to Exchange Circular No. MSE/INSP/11018/2021 dated October 20, 2021, on Submission of data towards monitoring of client funds under Enhanced Supervision guidelines. Members were directed that any FDRs created out of the client funds received by the members should be only for the purpose of placing with clearing corporation/clearing members. Further Members were also directed not to invest client funds received by the members in the client bank accounts in any Liquid Mutual Funds, Gilt Funds, Government Securities or any other liquid funds and the specified changes shall be applicable with effect from the submissions for the week ended January 07, 2022.

Exchange is in receipt of representations from the member associations, for extension of guidelines w.r.t FDRs created out of the client funds and are not placed with Clearing corporation / Clearing member. In view of the representations received by the Exchange, the applicability of revised guidelines with respect to considering of FDRs created out of the client funds received by the members, but not placed with Clearing corporation / Clearing member, in submission of data towards monitoring of client funds under Enhanced Supervision guidelines has been extended and shall be applicable with effect from the submissions for the week ended **April 01, 2022**.

However, it is reiterated that Members shall not invest client funds received by the members in the client bank accounts in any Liquid Mutual Funds, Gilt Funds, Government Securities or any other liquid funds. All the guidelines issued vide Exchange circular dated October 20, 2021 except the reporting of FDRs as mentioned in aforesaid para shall remain unchanged and would be applicable with effect from the submissions for the ended January 07, 2022.

All Members are advised to take note of the above and strictly comply.

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

**Mahendra Choudhari
AVP – Inspection and Membership Department**

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

Metropolitan Stock Exchange of India Limited