

Department: Inspection	Segment: All
Circular No: MSE/INSP/15163/2024	Date : April 08, 2024

Subject: Handling of Clients' Securities by Trading Members (TM) / Clearing Members (CM)

To All Members,

This has reference to SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated November 11, 2022 and Exchange Circular MSE/INSP/12573/2022 dated November 14, 2022 on the subject "Handling of Clients' Securities by Trading Members(TM) / Clearing Members (CM)". As per point number 3.10 of said SEBI circular, unpaid securities pledged in client's account shall not be considered for the margin obligations of the client.

In view of the representation received from Broker's Industry Standards Forum (ISF) with respect to aforesaid provision and in consultation with SEBI, it is clarified that unpaid securities pledged in favor of CUSPA account of member (reduced by the appropriate haircut subject to minimum 20%) may be considered for collection and reporting of margin by member to the extent of debit balances in client ledger arising out of buying obligation of such securities.

Members are advised to take note of the above and ensure compliance.

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

**Praveenkumar Acharya
AVP – Inspection and Membership Department**

In case of any query kindly contact Inspection Department on (022) 6112 9000 or mail on compliancemsx@msei.in.

Metropolitan Stock Exchange of India Limited