

# NOTICE

31<sup>st</sup> August, 2020

Member's attention is drawn to SEBI Circular SEBI/HO/MIRSD/DOP/CIR/P /2020/146 dated July 31, 2020 wherein SEBI has prescribed that "If TM/ CM collects minimum 20% upfront margin in lieu of VaR and ELM from the client, then penalty for short-collection / non-collection of margin shall not be applicable". However, it is reiterated that Clearing Corporation shall continue to collect the upfront margin from the TM / CM based on VaR.

In view of this, Trading Members (TM) are required to mandatorily collect minimum 20% upfront margin in lieu of VaR and ELM from the client on an upfront basis. Other margins such as Mark-to-market margin (MTM), delivery margin, special/additional Margin or such other margins as may be prescribed from time to time, shall be collected within 'T+2' working days from their clients. It must be ensured that minimum 20% upfront margin is collected in advance of trade and other margins are collected/paid as soon as margin calls are made by the clearing corporations."

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