

FAQ on digital representation of penalty review requests

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1. When to raise penalty review request?

Penalties related to client collateral segregation, client margin reporting and short allocation are generated and made available on the member portal on a daily basis. Members are advised to check the portal for penalty related information. In the event of any discrepancy or need for clarification regarding penalty or penalty review, request must be raised through portal. Any request raised through emails shall not be considered.

2. Within how many days member should report the discrepancy to NCL?

Clearing members should reach out to NCL within 7 working days from the date of penalty being made available in the portal in terms of NCL/CMPL/58063 dated August 23, 2023.

In case the member does not reach out to NCL within 7 days, member is required to give justification at the time of raising review request through portal, for reaching out to NCL with such delay and such cases shall be only taken up further on a case-to-case basis.

3. How to raise the review request?

As per NCL/CMPL/60651 dated February 12, 2024, members can submit review requests for Penalty for Non-Submission and Penalty for Client Margin/Short Allocation through the member portal. The procedure to raise the review request is given in NCL/CMPL/60651.

4. What is considered as a valid review request raised through portal?

Any review request which has status as “Success” shall be considered as a valid review request.

5. How to check the status of review request submitted through portal?

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After submitting the review request popup will come confirming submission of request. Members are required to check the status of the review request in the tab “View status”. In case of failure, members are required to check the remarks column.

Based on the review request raised by the member, an initial check is done by the NCL team regarding the nature of review. If additional documents/clarification is required from the member, a comment is added by the NCL team in the portal against the relevant Case id on or before two weeks. Members are requested to provide all documents related to penalty review request through portal only. Any details/documents provided through emails will not be accepted.

All communication related to penalty review requests shall be made by NCL with the member through the portal. Members are also requested to make all communications regarding their review request through portal and no emails shall be sent in this regard.

Members shall be given a reasonable time period to submit the necessary clarification. If the necessary clarification does not reach NCL within such time, such review requests shall not be taken up for further consideration.

6. Frequent issues faced by members while raising penalty review request through the portal

- a) What should the member do in case it gets error because of date format in the file MemberCode_TypeofPenalty_DDMMYYYY_SEQNO i.e the csv file?

The error in the date format could be because of two reasons as below: -

- a. Date in the file name i.e. MemberCode_TypeofPenalty_DDMMYYYY_SEQNO has to be the date on which the member is uploading the file in the portal.

For eg, if member is uploading the review request on Feb 10, 2025 for trade date Feb 3, 2025, the date in the file name above shall be
MemberCode_TypeofPenalty_10022025_SEQNO

- b. The trade date format entered inside the file (i.e. csv) MemberCode_TypeofPenalty_DDMMYYYY_SEQNO is not in dd-Mmm-yyyy

Example is given below: -

Trade Date	Clearing Member Code	Trading Member Code	CP code	UCC	Seg	Type of Penalty	Review Reason Category	Detailed Description	Penalty Amount
21-Nov-24	XXXXX	XXXXX		123	CM	SA	Technical issue	Details are attached with supporting documents.	18.37

The trade date given above i.e. 21-Nov-2024 should be mandatorily in dd-Mmm-yyyy format

Members should ensure that under the column “Penalty Amount” in the table above, UCC/CP/TM wise penalty amounts should be put based on the final penalty files/penalty details downloaded by NCL to the member and not on the basis of provisional penalty files.

Further, the “Penalty Amount” should be excluding GST.

- b) What should the member do in case it gets error for Detailed Description

Issue in Detailed Description: - For error “*Please enter correct detailed description up to 200 characters*”, the description provided in the csv file should be less than 200 characters. Should the member need to provide additional information, they may create a PDF document and upload it as supporting documentation for reference.

- c) What should the member ensure while uploading supporting documents?

At the time of raising review request, member should describe the entire chronology of events due to which penalty was levied for the impacted clients.

For a member to upload documents as supporting, a zip folder should contain only one supporting document only in PDF format. e.g. for 3 supporting documents, 3 zip folders need to be uploaded.

It may be further noted that currently supporting documents in the form of excel cannot be uploaded, hence members may convert the excel into pdf and upload the same.

Member should ensure that in the file name of supporting documents i.e. MEMCODE_TYPEOFPENALTY_DDMMYYYY_DOC_SEQNO, the date shall be the date on which the supporting document file is being uploaded by the member on portal.

- d) What should the member do if it gets error due to Review Reason Category? The member should ensure to enter the specific list of values for each category of penalty. To illustrate: -

Type of Penalty	List of values defined (LOV)	Care to be taken by member
Collateral non-submission then enter "NONSUB"	Technical Issue Human Error Operational issues/errors	Member should ensure that the “ <i>Review Reason Category</i> ” inside the csv file is case sensitive and hence should exactly match the LOVs defined.
Client Margin porting then enter "CMR"	Technical issue Issue at NCL end Human Error Penalty Slab Operational error	

Short Allocation then enter "SA"	Technical issue Issue at NCL end Operational/ Human Errors Penalty issue Situations beyond Human control	For eg. If member has selected LOV as "Technical Issue", the "Review request category" should be exactly the same i.e. "Technical Issue". If the member writes the review request category as "technical issue" (i.e. first alphabet written small case, then the file will get rejected) The same applies for other categories as well under each penalty type.
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- e) What should member do when the status of the review request "Processing"

If the file went on Processing status and remains the same for more than an hour, the member is required to raise the concern by email to membermonitoring team (membermonitoring@nscccl.co.in). The team shall take up with the IT team and provide a resolution for the same.

- f) When raising the review request for CP clients, should the member fill the TM code in the csv file?

Yes, Members are mandatorily required to enter the TM code in the csv while raising the request for CP code.

- g) Can member raise multiple review requests for the same combination of i.e. trade date, segment, tm code, CP/ client, irrespective of the status of the review request (i.e. whether the status is Success/Failure/Processing)?

No

h) Which special characters are allowed in detailed description?

Special characters that are allowed in the Detailed Description column in the csv file are -

, . : ; =

7. What minimum details should a CA certificate include?

The CA certificate should include minimum details such as trade date, UCC/CP Code, Cash collateral, Non cash collateral, Total collateral, Initial margin obligation (minimum margin as per SA04/05), Total EOD margin obligation (As per MG12/13), Allocation done as per CC02 file, Initial margin actually collected as per books of accounts (minimum margin actually collected), total EOD margin actually collected as per books of accounts, shortfall if any (Initial/Minimum), shortfall if any EOD, Collateral Upstream to CC (Yes/No).

8. What should the member provide for seeking review of penalty where penalty was generated for UCC code but member erroneously reported segregation for that client under CP code or vice versa?

In such cases at the time of raising review request in portal, the member should provide the UCI details of the client which will clearly reflect the UCC code, CP code, name and PAN of the client.

9. What should the member provide for seeking review of penalty due to change of clearing member?

In such cases at the time of raising review request in portal, member should provide any supporting to substantiate the old clearing member, new clearing member, effective date from when the change was done.

10. What should the member provide for seeking review of penalty due to any issue/delay at the bank or depository's end?

In such cases at the time of raising review request in portal, the member should provide confirmation from the bank or the depository regarding the specific issue/client which is impacted and for which penalty review is sought by the member.

11. What should the member provide for seeking review of penalty due to technology failure?

In the event that a penalty arises due to a technological issue attributable to the member, the member should furnish a Root Cause Analysis (RCA) report to NCL. The RCA must be presented on the member's official letterhead and bear the signature of the Chief Technology Officer, provided the software or back-office system is owned by the member.

Conversely, if the software is supplied by a vendor, the RCA must be issued on the vendor's letterhead. The RCA must state the remediation measures undertaken by the member or vendor, including the effective dates from which such issues have been addressed. The indicative format of the RCA is given below:-

Date of incident:	
Problem Area:	
Problem Duration:	
Date of RCA submission:	

Statement of incident:
Business impact:
Root cause Summary (RCA):
Action Taken summary (details of Fix including date of fix):

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