

Client Collateral Segregation reporting (T+1)

- SEBI circular no SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated 20 July 2021 and NCL circular no NCL/CMPL/61186 dated March 18, 2024
- Cut off time to report (T+1 till 23:59:59 Hrs)
- Reporting to be done as per circular no NCL/CMPL/69872 dated August 26, 2025:
<https://ims.connect2nsccl.com/NCLMemberPortal/>

Client Collateral Segregation Penalty

NCL/CMPL/50662 dated December 17, 2021:

- Non-submission case, penalty of 0.5% on the amount of EOD margin reported or peak margin reported, whichever is higher shall be levied.
- Incorrect data reporting (checked during inspection)

Common observations for Segregation reporting

- Error/Own code reflected in margin files, not reported in T+1 reporting
- Necessary to recheck all records are successfully uploaded with no record having status as failed. In case of a single record failure, members shall have to upload complete file again after rectifying the record. It is advisable to keep records of successfully uploaded T+1 file for any future reference
- If member wishes to rectify the data which is successfully uploaded, then the member needs to delete the file first and upload the file again with the same batch number. Modification can be done only till T+1 cut off time 23:59:59 Hrs.
- In case of any technical issues with regard to portal connectivity then member should immediately report to email id: membermonitoring@nsccl.co.in along with the screenshot of error and T+1 file. After resolution of issues in portal, it is mandatory to upload file in the portal before cut off time

Common observations for Segregation reporting

- In case of failure status, members have to correct the data as per the remarks provided in the file and re-upload the file with same batch number with correct data
- In case of NRI, if funds are available on T day then report available collateral else report “0” for such UCC
- No delayed submission allowed in the portal
- Reporting shall be done if no EOD margin requirement but peak margin requirement for any client code
- Member should give one time declaration in case of “undertaking proprietary trading only” or “No client collateral held at EOD”.

Common mistakes while T+1 reporting identified during inspection

- The segment wise ledger balances reported in T+1 report does not match with the actual ledger balances provided at the time of inspection
- CMs do not report Proprietary collateral and security deposit in T+1 reporting
- The collaterals 'Placed with CM' as reported in T+1 does not match with the sum of collaterals 'Retained by CM' and collaterals 'Placed with NCL'
- The collaterals reported as "Placed with NCL" do not match with the various reports downloaded by NCL to members on daily basis
- Collaterals placed with other CCs are reported to NCL

Common mistakes while T+1 reporting and Allocation identified during inspection

- The Clearing members are allocating collateral (except securities repledged to CC) in excess of collaterals received and reported to NCL in the T+1 report
- The Clearing members are allocating less collateral to client (except securities repledged to CC) as against collateral reported as placed with NCL
- Debit settlement bill considered for EOD allocation
- Members do not deallocate funds payout given to the client by EOD, hence allocation is in excess to the extent of funds
- Member does not consider option value in segregation reporting resulting into mismatch in allocation and T+1
- Mismatch in ledger and allocation- Adjust their allocation at End of day (EOD) with balances available in their books of accounts which shall be reported in T+1 reporting

Common mistakes while reporting identified during inspection

- The collateral details for CP codes are not reported in the columns tagged as “Placed with CM” and “Retained by CM”
- Securities received from CP clients are repledged to NCL at UCC level thereby resulting in incorrect allocation to CP clients
- Amount lying in USCNBA/DSCNBA at the end of the day but the same is not reported in T+1 under retention column or mismatch in amount reported in justification code. payout.
- Incorrect reporting of amount retained in T+1 if client has debit balance and funds are received after cut off time

Short Allocation of Collaterals

Reason Code	Particulars
01	Excess collateral available in another CC
02*	Value of securities sold for which EPI has been done by end of day to CC
03	Trades executed in wrong client code codes (Applicable only for intra-day shortfall where snapshot field is other than E)
04	Trades done on behalf of NRI clients
05	Allocation request submitted to CC however allocation request accepted later (Applicable only for intra-day shortfall where snapshot field is other than E)
06	Securities are repledged by CM to CC in the depository but not yet processed by CC. (Applicable only for intra-day shortfall where snapshot field is other than E)
07	EPI of funds done by custodian by end of day to CC in respect of marginable CP Code (Applicable only for intra-day shortfall where snapshot field is other than E)

Reason code reported in SA Reporting

Reason codes	Common Mistakes
All reason codes	<ul style="list-style-type: none"> • Excess collateral is reported by member over shortfall amount • Incorrect reason code reported by member instead of correct reason code • Funds available but not allocated by member • Technical issue
01	<ul style="list-style-type: none"> • Incorrect reason code reported by member instead of RC01 • Incorrect CC reported reason code
02	<ul style="list-style-type: none"> • Incorrect value reported • EPI rejected due to Intraday transaction • EOD allocation has to be done in FO
03	<ul style="list-style-type: none"> • OWN/ERROR reported in RC03-T+1 and allocation should be done for OWN/ERROR code • Client code modified only at member Backoffice but not modified at exchange/NCL level
04	<ul style="list-style-type: none"> • Mismatch in UCC portal of Exchange and Backoffice portal • Client category changed but not updated in Backoffice /UCC portal of Exchange
05	<ul style="list-style-type: none"> • Fund is allocated after executing client trade • Fund not allocated due to technical issue • Allocation request made but rejected
06	<ul style="list-style-type: none"> • Securities retained by member but not allocated

All these reason codes if not reported correctly shall be treated as false reporting and false margin reporting penalty structure shall be applicable for such instances.

Digital representation of penalty review requests

Penalty review request for the discrepancies observed for the following penalties-

1. Client collateral segregation reporting
 2. Short allocation of collateral
 3. Short / non reporting of Client Margin
- As per circular no. NCL/CMPL/58063, members are advised to reach out to NCL within 7 working days from the date of penalty being made available.
 - Members are required to submit valid justifications, if they are approaching NCL beyond the stipulated timelines.
 - After raising the penalty review request, members shall check the status of their request from “View Penalty Review Request” section. Penalty review request which are in “Failure” status shall not be considered by NCL
 - Members shall also be guided by the FAQs issued vide circular no NCL/CMPL/66692 dated February 14, 2025, for raising penalty review request on portal.
 - Review request shall be returned in case of non-submission of supporting documents within the stipulated time frame.

Digital representation of penalty review requests

- Members shall note that penalty review request received through email shall not be considered
- Members while raising penalty review request are expected to give a detailed reason for seeking penalty review request
- Members shall also submit files like MG12/MG13 reported, PNL files, CEP files etc
- CA certificate provided should contain UDIN and preferably from Exchanges empaneled CA firms
- At the time of SA/CMR reporting, members should add only reporting values or reason codes, all other fields given by NCL should not be altered

Continued Membership Compliances

- **Half-Yearly Net worth certificate Submission** - Half yearly basis -Within 2 months from half year ended March and September i.e., 30th November every year and 31st May every year through the new portal of NCL (<https://ims.connect2nsccl.com/NCLMemberPortal/>)
- **Annual Return Submission** - Annual basis - By October 31st of every year through the new portal of NCL (<https://ims.connect2nsccl.com/NCLMemberPortal/>)

Continued Membership Compliances

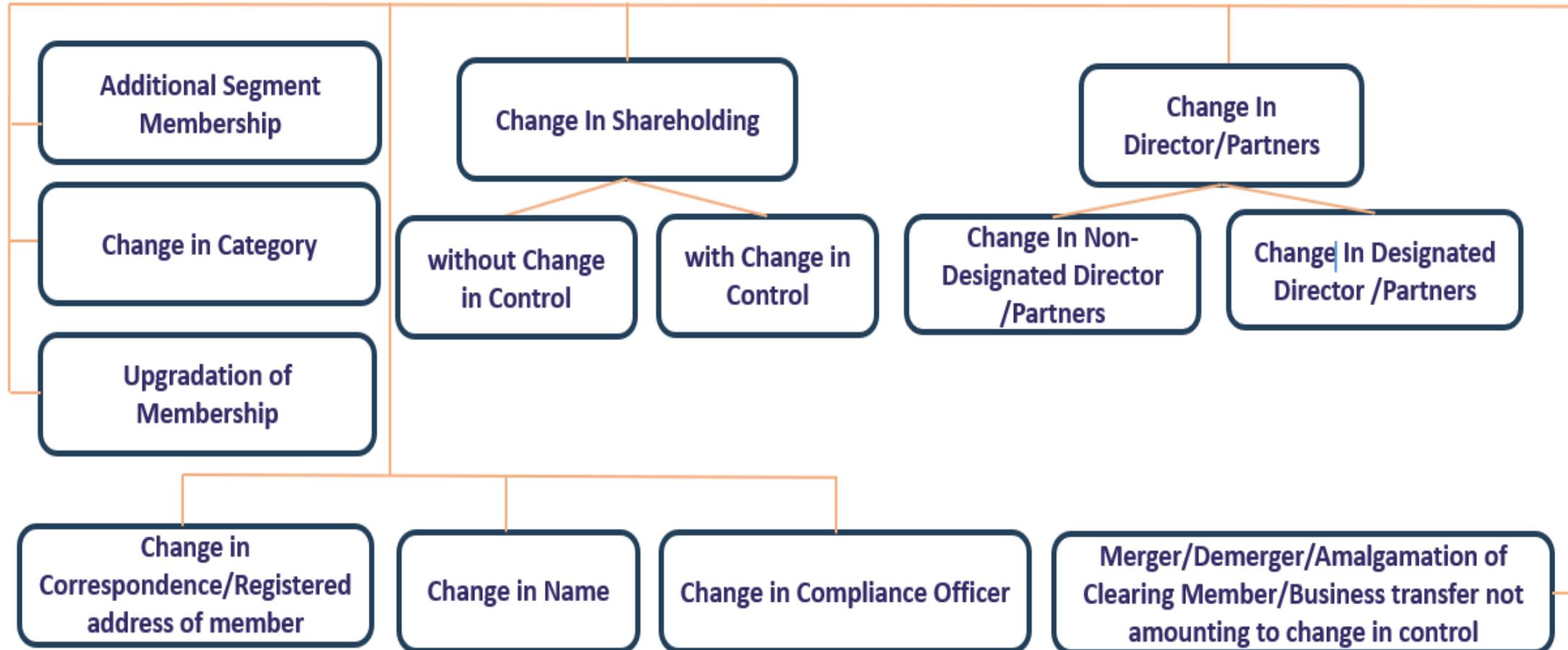
- **Submission of Associates Details** - All Members of NCL are required to submit details of group or associate entities as provided in the circular ref no. NCL/CMPL/62689 dated June 28, 2024.

In case of NIL associates, the same is also required to be intimated to NCL.

Any change in Clearing Members group or Associate Entities pursuant to the initial submission, shall be informed to NCL within 7 working days of the occurrence of the change.

- **SEBI Annual Clearing Membership fees** – As per Securities And Exchange Board Of India (Stock Brokers) Regulations, 2026, Chapter IX, a clearing member/ self-clearing member shall pay a fee of Rs.50,000 every year till its registration is in force, before 1st June of that financial year.

EVENT BASED - MEMBERSHIP COMPLIANCE



Base Networth Requirement



- Members are requested to adhere and comply with the applicable Net worth (i.e. higher of the Base Net worth or Variable Net worth) as stated in the SEBI Gazette Notification No. SEBI/LADNRO/GN/2022/73 dated February 23 2022.
- Non-submission of net worth/shortfall in net worth for the half year ended September 30 2025 shall result in action as prescribed in NCL Master Circular ref no. NCL/CMPL/67806 dated April 30 2025 and NCL Circular ref no. NCL/CMPL/67927 dated May 08 2025 and NCL Circular ref no. NCL/CMPL/70806 dated October 14, 2025

Information

Home > Membership > Information

Membership

Admission Process

Ongoing Membership
Compliances & Other
Documents

Clearing Member
Compliance

Surrender of Membership

Updated On: 12/12/2023

QUICK LINKS <

Connect2NSCCL ^

Connect2NSE ^

Core SGF & Default Waterfall ^

Investor Grievance Redressal ^

https://www.nseclearing.in/clearing-member-compliance

Web-portal for clients ^

FPI Web-portal ^

Thank You