NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

FAQ for Segregation and Monitoring of Collateral at Client Level - Reporting Format

1) **Whether the reporting is applicable to Members who clear proprietary trades and don't deal with clients?**

Members carrying out only proprietary trading are exempted from reporting.

2) **Are members required to report NIL holding or for Zero balance clients?**

Members are required to submit details only for those clients who have placed collaterals with the Members.

3) **Reporting is applicable for Monday to Saturday or Monday to Friday?**

Reporting is applicable for Monday to Saturday. Report for Friday and Saturday shall be uploaded on the next trading day before the cut-off time.

4) **Whether financial Ledger balance-A signify the total collateral in the books of TM/CM for clients?**

The Financial ledger balance to be reported shall include total funds(cash) including open bills of the client, un-cleared cheques deposited or issued and the margin obligations available in the books of TM for clients and in the books of CM for TM (Pro) and in the books of CM for CP. It shall also include the Credit entry on account of EPI and MTM values.

5) **Whether Financial Ledger balance (clear)-B signify the closing collateral in the books of TM/CM for clients?**

The financial Ledger balance (clear) signifies the funds (cash) in the books after adjusting for open bills of the client, un-cleared cheques deposited or issued and the margin obligations.

Open bills also contain 'value of credit entry posted in client ledger in lieu of successful EPI to CC.

6) Which value is required to be reported for Sr.no 12 i.e. Peak Financial Ledger Balance (Clear)-?

Peak Financial ledger balance (clear) to be reported is the balance after adjusting open bills of the client, un-cleared cheques deposited or issued and the margin obligations. Open bills also contain 'value of credit entry posted in client ledger in lieu of successful EPI to CC. The value to be reported for Peak Financial Ledger Balance (Clear) is the highest net credit balance for the segment during the day.

However, in case there is clear debit balance for the segment, then report lowest net debit balance.

7) Which amount is required to be reported if segregated balance for client and TM Pro is not maintained in financial ledger balance?

The members are required to segregate balances of client and Pro in their financial ledger and report both the balances separately.

8) Whether the balances to be reported for sr. no. 10 to 12 are the same balances i.e. collateral details currently being submitted by CMs on a weekly basis?

Broadly the logic of balances to be reported for sr. no. 10 to 12 are the same ledger balances currently being submitted by CMs on a weekly basis.

9) Are members required to report debit client's balances?

Yes, members are required to report debit balances of clients for sr. no. 10 to 12.

10) Whether collaterals received for OFS be clubbed with CM Segment?

OFS segment needs to be reported separately and cannot be clubbed with Cash Market segment.

11) Are stocks under Margin Trading Facility (MTF) required to be reported?

MTF funded stocks need not be reported. However, securities which are considered as collaterals for the purpose of availing MTF needs to be reported under CM segment.

12) As per the process, Funded and Collaterals stocks under MTF are pledged in favour of broker. Whether the broker needs to report only collateral stocks or funded and Collateral stocks both under Cash segment?

MTF funded stocks need not be reported. However, securities which are considered as collaterals for the purpose of availing MTF needs to be reported under CM Segment.

13) There is no indicator for MTF or NON-MTF balances, should these balances be a part of Financial Ledger Balance A and B?

Collaterals placed with Member for availing MTF needs to be reported under CM segment.

14) Whether CUSA stocks are required to be reported?

In case any part of the CUSA is placed as collateral then same shall be reported.

15) What values are required to be reported in column no 20 Credit entry in ledger in lieu of EPI for clients / TM Pro?

Value of EPI which is considered for margin purpose for the day shall be reported under this column.

16) **What values are required to be reported in column no 21 Pool Account for clients / TM Pro?**

Value of the securities, which are sold and available in the Pool account of the member and considered for margin purpose for the day shall be reported.

17) **In case of Self Clearing Member, whether the collaterals retained by the member are required to be reported under 'retained with TM' columns or 'retained with CM' columns?**

Self-Clearing Members needs to report the collaterals retained under Column No 22 to 29 'retained with TM' columns.

18) **Please clarify the PAN required to be reported for PAN Exempt clients from Sikkim / Nagaland.**

For such clients, members are required to enter 'PAN EXEMPT' in the Client PAN column (Column 6) along with UCC Code in Column 9.

19) **NRI clients have more than 1 code for trading. While reporting NRI clients details, whether we need to combine balance across client code and need to report collaterals under single PAN?**

UCC code wise reporting shall be made for such clients.

20) **Can the fields left blank, or any specific value is to be mentioned such as NA or 0 related to the fields wherever applicable?**

In case there are fields where no value is available, such fields must be populated with 0 (zero).

21) What is the appropriate percentage of hair cut to be applied for calculating value of securities?

Haircut rates shall be as per the rates prescribed by CCs.

22) What is meant by Approved securities Cash / Non-Cash component in the reporting format?

Clearing Corporation publishes the list of approved securities along with classification of cash/ non-cash component on a monthly basis. Members may be guided by that circular.

23) Whether segregation of collateral is applicable for those clients who have placed securities through pledge – repledge module in favour of Custodian and Custodian has repledged same securities with the Clearing Corporation?

Yes, the circular is applicable for all types of Clearing Members / Custodians

24) What is meant by approved and non-approved securities?

Clearing Corporation publishes the list of approved securities along with classification of cash/ non-cash component on a monthly basis. Members may be guided by that circular. Securities other than approved securities shall be classified as non -approved securities.

25) Do error codes need to be reported?
Yes. Error code reporting needs to be done.

26) What should be indicated in account type column while reporting error codes?
The error codes need to be reported with account type as "C".

27)   Are UCC codes case sensitive?

Yes. UCC codes need to be reported in upper case only.

28)   Can CP codes be reported with the UCC codes linked to them?

No. CP code reporting needs to be done mandatorily by indicating the same in CP Code column with the CP PAN.

29)   I have reported shortfall in client margin reporting for a particular client? Do I need to report the same client in client collateral segregation?

For every client for which client margin reporting is done, client collateral segregation is mandatory.

30)   How do I verify whether my file has been successfully uploaded?

Post file upload, members are required to check the "View Submissions" window for success/ failure status. Members may note that a success status only indicates that the file uploaded was successful, it does not imply that each and every client was covered in the submission. Members are advised to ensure that all clients have been covered in reporting before file upload.

31)   Are members required to do client collateral segregation reporting on trading holidays?

If the segment in which Member is operative has a trading holiday, the reporting need not be done for that particular trade date. Members can refer to the list of segment wise trading holidays on the website here: Market Timings & Holidays - NSE India

32)   Where can members view the record wise penalty details?

Member can view record wise penalty details on member portal under: Statement upload> Collateral segregation submission> View Penalty

33)   How do members report BUYBACK trade orders placed on behalf of the client?

Buyback trade orders need to be reported under UCC Code: BUYBACK, and not using UCC code of the client on whose behalf the Buyback order was placed.

34) The file uploaded has failed and the status column indicates the following message: "The amount of collateral received by the TM/CM from the client is not equal to Collateral Retained/placed"; How do we rectify the same?

Please note that the while reporting ,you need to ensure that either of the following two condition suffices for successful file upload:

- Financial Ledger balance-A + collaterals (BG, FD,securities..) received by TM = collaterals retained by TM+ collaterals retained by CM+ collaterals passed on to NCL

OR

- Financial Ledger balance-B + collaterals (BG, FD,securities..) received by TM = collaterals retained by TM+ collaterals retained by CM+ collaterals passed on to NCL

35) What are the timelines for submission of the client collateral segregation data?

The Submission of client collateral data is T+1 5:00PM and for any delayed submission or modification is T+3 for more details please refer circular number NCL/CMPL/50662 dated December 17,2021.

36) If the member has different member IDs in different segments, whether the member can use one member ID login to report for all segments.

It is advisable that the member submit data using the login created specifically for that segment.