SEBI circular on pledge / re-pledge in Depository system and collection and reporting of margins by TM/CM.

Attention of the members of Metropolitan Clearing Corporation of India Limited (MCCIL) is drawn to SEBI circular nos. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020, SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 2020 and SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 regarding Margin obligations to be given by way of pledge / re-pledge in the Depository system which has been implemented with effect from August 01, 2020 and discontinuation of title transfer of securities collateral with effect from August 31, 2020.

Attention of MCCIL members is also drawn to SEBI circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019 read with SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/146 dated July 31, 2020 on Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment.

Members are requested to refer to FAQs published by Exchanges and Depositories in this regard and create awareness amongst clients / investors with regard to procedure of pledge/ re-pledge of securities and placing them as collateral with their Trading Member (TM)/Clearing Member (CM) only by way of "margin pledge" created in the Depository system and collection of upfront margin in cash market segment in accordance with the guidelines prescribed by the aforementioned circulars.

All members having websites are hereby advised to display appropriate investor awareness information in this regard on the homepage of their respective websites at a prominent place.

For clarifications, members may contact Member Compliance team on 022 –61129000 (Ext. No. 9072 / 9073 / 9077 / 9121) or send an email to membercompliance@mclear.in

For and on behalf of
Metropolitan Clearing Corporation of India Limited

Ganesh Kanaujiya
Senior Manager

Metropolitan Clearing Corporation of India Limited

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