

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Department: FUTURES AND OPTIONS SEGMENT

Download Ref No: NCL/CMPT/58329

Date: September 08, 2023

Circular Ref. No: 131/2023

All Members,

Sub: Position limit violations

This is in partial modification to Item 16.7, Item 16 “Violations and Penalty” of NCL Consolidated Circular reference no. 097/2023 (Download Reference no. NCL/CMPT/57320) dated June 28, 2023.

When the open position of any trading member, exceeds the position limit specified, following penalty/additional margins shall be levied for trading member wise position limit violation.

Instances of Position Limit violations	Monetary Penalty to be levied	Additional Margin to be levied										
1 st instance	Rs.5,000/-	<ul style="list-style-type: none"> Additional margin shall be based on slab-wise percentage breach of applicable position limits. <table border="1"> <thead> <tr> <th>Breach as a % of Limit</th> <th>% of Additional Margins</th> </tr> </thead> <tbody> <tr> <td>100% to less than 110%</td> <td>5%</td> </tr> <tr> <td>110% to less than 125%</td> <td>10%</td> </tr> <tr> <td>125% to less than 150%</td> <td>15%</td> </tr> <tr> <td>150% and above</td> <td>20%</td> </tr> </tbody> </table>	Breach as a % of Limit	% of Additional Margins	100% to less than 110%	5%	110% to less than 125%	10%	125% to less than 150%	15%	150% and above	20%
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2 nd to 5 th instance	Rs.20,000/- per instance from 2 nd to 5 th instance											
6 th to 10 th instance	Rs.50,000/- per instance from 6 th to 10 th instance											
11 th instance onwards	Rs.1,00,000/- per instance from 11 th instance onwards Additionally, the member will be referred to the Disciplinary Action Committee for suitable action.	<ul style="list-style-type: none"> The additional margin percentage shall be levied on (Value of underlying price x Position quantity in breach). Levy of additional margin shall be applicable from the first instance of violation in a calendar quarter. The additional margin applicable shall be computed only at end of day and blocked from the proprietary collateral of the Clearing member on T+1 day (before start of market 										

Instances of Position Limit violations	Monetary Penalty to be levied	Additional Margin to be levied
		hours). The additional margins levied shall be released only at end of day if the positions are below the applicable limits.

Instances' as mentioned above shall refer to all instances of position limit violations in a calendar quarter. For the purpose of levy of penalties and additional margin, the number of instances of position limit violations for a Trading member across all underlyings in a calendar quarter shall be considered.

The circular shall come into effect from **October 03, 2023**.

Members are requested to take note of the above.

For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)

Huzefa Mahuvawala
Senior Vice President

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