

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Department: FUTURES AND OPTIONS SEGMENT

Download Ref No: NCL/CMPT/55724

Date: February 22, 2023

Circular Ref. No: 031/2023

All Members,

Sub: Position limit violations

This is in partial modification to Item 16.8, Item 16 “Violations and Penalty” of NCL Consolidated Circular reference no. 001/2023 (Download Reference no. NCL/CMPT/55098) dated January 02, 2023.

Instances of Position Limit violations	Monetary Penalty to be levied	Additional Margin to be levied
1 st instance	NIL	NIL
2 nd to 5 th instance	Rs.5,000/- per instance from 2 nd to 5 th instance	<ul style="list-style-type: none"> Additional margin of 5% shall be levied on the (Value of underlying price x Position quantity in breach). Such levy of additional margin shall be applicable from the 2nd instance of violation in a calendar month. The additional margin applicable shall be blocked from the proprietary collateral of the Clearing member on T+1 day till the positions are below the applicable limits
6 th to 10 th instance	Rs.20,000/- (for 2 nd to 5 th instance) + Rs.10000/- per instance from 6 th to 10 th instance	
11 th instance onwards	Rs.70,000/- (for 2 nd to 10 th instance) + Rs.10,000/- per instance from 11 th instance onwards Additionally, the member will be referred to the Disciplinary Action Committee for suitable action.	

Instances’ as mentioned above shall refer to all instances of position limit violations in a calendar month.

The circular shall come into effect from **March 01, 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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