Annexure 1

Clarifications regarding Margin Reporting on Custodial Transactions

1. **How is the margin reporting to be done in respect of institutional Custodian trades?**

   Margins for institutional trades are applicable on T+1 day post confirmation by Custodian. The Custodians will be required to collect and report margin collection on T+1 day as per the formats stipulated by ICCL.

   Reference links:

   Circular:
   https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20191213-40

   BSE Website:
   https://www.bseindia.com/static/markets/equity/EQReports/downloads.aspx

   ICCL Website
   https://www.icclindia.com/Static/Clearing/downloads_eqcash.aspx

2. **How is the margin reporting to be done in respect of non-institutional Custodian trades?**

   The Custodians may continue with the existing mechanism of non-institutional trade's confirmation on T+1 day.
   Clearing Corporation will send the client margin report to the Custodian in the specified format on T+1 day and the custodian will report collection of the said margin as per file formats stipulated by ICCL. This will be applicable till March 31, 2020. However, Custodians are required to put systems and processes in place to ensure upfront collection of margins and confirmation of non-institutional trades on T day itself effective April 1, 2020. Accordingly, from April 01, 2020 in respect of non-institutional Custodian trades the margin collection and reporting will be applicable from T day itself.

3. **Will margins collection and reporting on T day be applicable for non-institutional custodian trades?**

   Reporting will not be applicable on the executing Member or on the Custodian on T day for non-institutional custodial trades till March 31, 2020. However, Custodians may put mechanism in place to ensure upfront collection. Effective from April 1, 2020 this will be applicable on Custodians/Executing member on T day itself.

For further details on Margin collection and reporting members may refer the aforesaid circulars.