

National Stock Exchange Of India Limited**Department : Inspection**

Download Ref No: NSE/INSP/47227

Date : February 03, 2021

Circular Ref. No: 05/2021

To All Trading Members,

Sub: Guidelines for ‘Statement of Accounts’ for Funds, Securities and Commodities

Members’ attention is drawn to the SEBI circular MIRSD/ SE /Cir-19/2009 dated December 3, 2009, Trading Regulation 6.1.5 (d) of Part A of the Capital Market segment and Trading Regulation 6.1.6.1 (c) of Future & Option and Commodity segments of the Exchange and circular NSE/INSP/11184 dated August 26, 2008 on ‘Statement of Accounts’.

With an objective to increase the transparency and safeguard the clients assets lying with the members, the periodicity of ‘Statement of Accounts’ which is currently sent by members to clients on quarterly or monthly (in case of commodities) basis (within a month of the expiry of the calendar quarter) is revised to weekly basis. Further all members will continue to send monthly/quarterly ‘statement of accounts’ containing an extract from the client ledger for funds, an extract from the register of securities/commodities displaying all receipts and deliveries of securities/commodities and a statement explaining the retention of funds/commodities within 5 days from the date of settlement.

Accordingly, every member shall send a complete ‘Statement of Accounts’ for funds, securities and commodities in respect of each of its clients on weekly basis. Members have to send the ‘Statement of Accounts’ on or before the next four trading days of subsequent week.

Clarifications on Statement of Accounts

- Member shall send a complete ‘Statement of Accounts’ for funds and securities/commodities in respect of each of its clients on weekly basis from Monday to Saturday for each week.
- The client shall bring any dispute arising from the statement of account to the notice of the member preferably within 7 working days from the date of receipt of statement.
- The members, shall not be required to send the ‘Statement of Accounts’ to clients with zero funds, zero securities and zero commodities balances and also has been flagged as ‘Inactive’ (i.e. if no trades are carried out by the client in the last 12 months across all Exchanges) in the UCC database of the Exchange.

- In respect of custodian participants clients, the requirement of the aforementioned Circulars/Regulations are applicable if the members receive funds / securities / commodities from their custodian participants clients and / or pay funds / deliver securities/ commodities to such custodian participants clients directly and not through the custodians/clearing members.
- The Members, while sending periodical statement of accounts to the clients, shall mention therein that their running account authorization would continue until it is revoked by the clients.
- In view of the recent changes in the guidelines on margin collection from clients by way of pledge-repledge mechanism of client securities and revised POA guidelines, the format of register of securities (ROS) prescribed in the exchange circular NSE/INSP/38743 dated August 30, 2018 has been revised and enclosed as Annexure-A. Accordingly, ROS format prescribed in the exchange circular NSE/INSP/38743 dated August 30, 2018 shall be superseded by Annexure-A. Further, Members shall send the statement of accounts for funds/securities /commodities reflecting the balances of funds/securities/commodities after adjusting/reversal for open bills of the client, un-cleared cheques deposited or issued by/to clients and the margin obligations posted in the client ledger, if any as on the last date of the statement i.e. Saturday of every week. The format of the statement of accounts for funds and securities/commodities is enclosed as **Annexure A & B**.
- Further, member shall also disclose the details of pending settlement pay in/pay out obligations of all segments and uncleared cheques in respect to the funds/securities/commodities of the client as on last date of the statement i.e. Saturday of every week to the client in the weekly statement of accounts separately.
- The weekly statement of accounts sent to the clients, shall necessarily contain a clause intimating the client that the client needs to refer to the daily margin statement for any pending/outstanding margin obligation of the trades executed by the client in case the margin obligations are posted in the client ledger.
- Member shall ensure that the statement of account of fund/securities/commodities reflecting the balance as on the last date of the statement matches with the financial ledger balance (Clear) in Cash & Cash Equivalent submissions and securities/commodities holding in Holding Statement uploaded to the Exchange of the same date.

Notwithstanding anything contained above, Member shall issue the statement of accounts for funds, securities and commodities for such period as may be requested by the client from time to time.

Members are requested to note that, the aforementioned requirement shall be applicable from the week ending on **March 06, 2021** due date of which will be March 12, 2021 and for each week thereafter.

All Members are advised to take note of the above and comply.

For and on behalf of

National Stock Exchange of India Limited

Subhankar Chowdhury

Senior Manager-Inspection

Enclosed: Annexure A and B

In case of any clarifications, Members may contact our below offices:

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