

# Bombay Stock Exchange Brokers' Forum (BBF)



**Week**  
24-May-2020 to 30-May-2020

## BBF Speaks

The Regulatory Compliance Weekly

*The Regulator/ Market Infrastructure Institutions issue various communications from time to time which are in public domain. A team of market participants at BBF have attempted to curate a list of “interesting” ones for the attention of the intermediaries. Remember, even if you are not a member of a particular Market Infrastructure Institution (MII), monitoring the circulars/ notices of all gives you insights that assist you in your operations.*

*Feedback on this compilation may be sent to [events@brokersforumofindia.com](mailto:events@brokersforumofindia.com)*

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## **I. DEVELOPMENTS IN COMPLIANCE**

### **Renewal of broker indemnity insurance policy**

[BSE Notice No. 20200526-1 dated 26-May-2020](#)

[MSE circular MSE/MEM/9045/2020 dated 27-May-2020](#)

*Members have to submit the proof of insurance cover to the Exchanges within 30 days of expiry/ maturity of the previous policy*

### **Clarification on the revised Margin framework**

[BSE Notice No. 20200526-37 dated 26-May-2020](#)

[NSE Circular Ref No.: 32/2020 dated 26-May-2020](#)

*Exchanges have clarified that for F&O and Currency Segments, collection of SPAN/ Initial margin AND Extreme loss margin on upfront basis in advance of trade is MANDATORY.*

*Further changes w.e.f. 01-Jun-2020*

- 1. The format of daily margin statement has been modified*
- 2. Updated guidelines have been provided for weekly monitoring of client funds data*

*Following clarification on what can be retained at the time of settlement of running account is provided:*

- 1. Entire pay-in obligation(funds & securities)*
- 2. 225% of the total Margin requirement (excluding consolidated crystallized obligation)*
- 3. An amount of up to Rs 10,000/- subject to client consent*

### **CDSL/OPS/DP/POLCY/2020/239 May 27, 2020**

[CDSL Communiqué CDSL/OPS/DP/POLCY/2020/239 dated 27-May-2020](#)

*CDSL has provided to its DPs list of bounced email BO IDs where the Consolidated Account Statement (CAS) could not be delivered with advice to DPs to contact their clients and get valid Email IDs.*

### **NSE consolidated circulars for various segments**

[NSE Circular Ref. No: 14/2020 dated 27-May-2020\(CUR\)](#)

[NSE Circular Ref. No: 18/2020 dated 27-May-2020\(COM\)](#)

[NSE Circular Ref. No: 50/2020 dated 27-May-2020\(FO\)](#)

[NSE Circular Ref. No: 39/2020 dated 27-May-2020\(CM\)](#)

*NSE has issued consolidated circulars for Commodity Derivatives, Currency Derivatives, Futures & Options and Capital Market segments. These consolidate the circulars issued over the period of time to provide one single document to refer various policy and operational matters.*

## **Introduction of Member Surveillance Dashboard - NSE**

[NSE Circular Ref No.: 300/2020 dated 27-May-2020](#)

*NSE has issued Member Surveillance Dashboard for information about alerts on orders/trades which are abnormal in nature. Members are required to submit their response on each of these alerts.*

## **Extension of discontinuation of NEAT Application by NSE**

[NSE Circular Ref. No: 30/2020 dated 28-May-2020](#)

*The discontinuation of NEAT for Capital Market and Equity Derivative segment has been revised to July 04, 2020 by NSE.*

## **Reporting of Client Level Cash & Cash Equivalent Balances and Bank Account Balances**

[MSE circular No: MSE/INSP/9052/2020 dated 28-May-2020](#)

[NCDEX circular NCDEX/COMPLIANCE-035/202 dated 28-May-2020](#)

[NSE Circular Ref. No: 33/2020 dated 27-May-2020](#)

[MCX Circular no.: MCX/INSP/376/2020 dated 28-May-2020](#)

*The reporting of Client Level Cash & Cash Equivalent Balances and Bank Account Balances shall start from 01-Jun-2020.*

## **SEBI (Payment of Fees) (Amendment) Regulations, 2020**

[BSE Notice No. 20200529-55 dated 29-May-2020](#)

[NSE Circular Ref No.: 7/2020 dated 29-May-2020](#)

*As per Securities & Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2020, every stock broker in cash segment, equity derivatives segment, currency derivatives segment, interest rate derivatives segment and commodity derivatives segment (other than agri commodity derivative) are liable to pay only 50% (fifty percent) of SEBI fees for the period 01-Jun-2020 to 31-Mar-2021*

## **Pledge- repledge system/ POA as margin extended till 01-Aug-2020**

[SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated 25-May-2020](#)

[SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated 29-May-2020](#)

*SEBI has extended the deadline of the pledge / re-pledge system + consideration of securities in POA marked demat account till 01-Aug-2020*

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## **II. OTHER DEVELOPMENTS**

### **MCX File Formats (Version 17.4.8)**

[MCX Circular no.: MCX/TECH/365/2020 dated 24-May- 2020](#)

*MCX has issued new document for file formats Version 17.4.8 including changes to accept Negative (-ve) price in the system.*

### **MCX Review of Margin Period of Risk (MPOR)**

[MCX Circular No. MCX/MCXCL/368/2020/ MCXCCL Circular No. MCXCCL/RISK/117/2020 dated 26-May-2020](#)

*MCX has provided the MPOR scale up of all commodities for the computation of Initial Margin*

## **Revision of penalty norms for Market Making on BSE SME Segment**

[BSE Notice No. 20200527-36 dated 27-May-2020](#)

*BSE has revised the penal provisions for non-compliance with market making obligations on Stock Brokers*

## **Change in expiry day of weekly expiry contracts in equity derivatives segment**

[BSE Notice No. 20200527-39 dated 27-May-2020](#)

*BSE has informed that the expiry day of weekly expiry contracts will be changed from Thursday to Monday w.e.f. 29-Jun-2020.*

## **Discontinuation of Liquidity Enhancement Scheme in Equity Derivatives at BSE**

[BSE Notice No. 20200527-40 dated 27-May-2020](#)

*BSE has discontinued the Liquidity Enhancement Scheme (LES) in equity Derivatives and Exchange issued vide notice numbers 20190925-31,20191108-25,20200214-54 regarding Amendment in LES in Equity Derivatives segment w.e.f. 11-Jun-2020.*

## **Transaction Charges in Options contracts in Commodity Derivatives Segment at BSE**

[BSE Notice No. 20200528-26 dated 28-May-2020](#)

*BSE has waived transaction charges in trades done in options contracts in commodity derivatives segment till 31-March-21.*

## **Physical shares permitted to be tendered through Tender-Offers for Takeovers/ Buy Back/ Delisting**

[BSE Notice No. 20200528-32 dated 28-May-2020](#)

*Securities in physical form are now also allowed to be tendered in open offer, buy-back through tender offer route and exit offer in case of voluntary or compulsory delisting.*

## **Update in NSE bhavcopy file structure**

[NSE Circular Ref No.: 40/2020 dated 28-May-2020](#)

*The file structure of bhavcopy files (.MS and .MD file) at NSE has been updated. The effective date for the above change shall be communicated separately.*

## **MSE Member Participation Enablement (Technology support + Membership scheme)**

[MSE circular No: MSE/CTCL/ 9060/2020 dated 29-May-2020](#)

*MSE has issued technology support measures like waiving MPLS/P2P connectivity cost, connectivity through Co-Location / Proximity hosting facility, reimbursement of NISM costs, credit amounting to INR 5.50 Lacs per quarter, etc. subject to average monthly trading volume of INR 4000 crores in quarter/ year, as may be applicable*

*'Ghar Wapsi' scheme announced for members who have surrendered their membership up to May 31, 2020 who can now reapply and shall not be charged any 'Membership Admission Fees' or Membership Surrender Fees' anytime in the future.*

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Previous version of BBF Speaks (weekly)

[Week ended 16-May-2020](#)

[Week ended 23-May-2020](#)



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