

“NEW REGIME OF MARGIN FRAMEWORK”

SECURITIES AS MARGIN:

Until now, when you pledged stocks to receive margins for trading, you had to move it from your Demat account to the broker and in turn to the clearing corporation. However, now onwards pursuant to **New Margin Framework as introduced by SEBI which is effective from 1st September, 2020**, the stock will continue to remain in your Demat account and can be directly pledged to the clearing corporation based *on the link received in your E-mail and OTP on your mobile number*. Thus, for smooth functioning of the pledging process we request you to **update your mobile number and e-mail id** on which you wish to receive OTP/ link for pledging of securities.

We have already unpledged all the securities which were pledged with us and transferred back to the respective Client Demat Account. Many have already re-pledged it using the new mechanism. You are requested to check your securities/MF/Bonds in the Consolidated Account Statement issued by Depositories for getting the details of securities pledge/re-pledge.

UPFRONT MARGIN IN CASH SEGMENT:

Till November 2019, only investors in the F&O segment were required to pay margin upfront. But SEBI has now decided to tighten the margin rules for everyone. Thus, from September 01, 2020, pursuant to SEBI Circular dated 19th November, 2019, brokers have to collect Var Margin and Extreme Loss Margin (upfront margin) from investors upfront for both buying and selling of securities. However, SEBI vide circular dated 31st July, 2020 has relaxed the norms to charge 20% upfront margin in lieu of Var and ELM in cash segment. Thus, clients are required to pay **Minimum 20% upfront margin of transaction value** in Cash segment. Kindly note that this relaxation is only available in Cash Segment and no other segment.

For further clarifications, you may refer to the Exchange's Frequently Asked Questions (FAQs) issued vide circular reference NSE/INSP/45191 dated July 31, 2020 and NSE/INSP/45534 dated August 31, 2020 and other guidelines issued time to time or contact us at 079-68222200 or E-mail at backoffice@aryafingroup.com.