

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

Department : FUTURES AND OPTIONS

Download Ref No: NCL/CMPT/38768

Date : September 01, 2018

Circular Ref. No: 105/2018

All Members,

Sub: Additional Surveillance Margin in Equity Derivatives Segment

As an ongoing measure of risk containment and surveillance the following has been decided in the joint meeting between SEBI, Exchanges and Clearing Corporations:

1. In addition to Initial margin and Exposure margin currently applicable, an Additional Surveillance Margin (ASM) shall be levied on all gross open positions on futures contracts and on short positions in options contracts which shall be effective from the dates mentioned below:

Effective date of Implementation	Index Options*	Index Futures	Stock Options and Futures
September 14, 2018	1.00%	0.50%	1.25%
September 28, 2018	2.00%	1.00%	2.50%
October 26, 2018	3.00%	1.50%	3.75%
November 30, 2018	4.00%	2.00%	5.00%

*In case of Out-of-the-money index option contracts, the ASM shall be restricted to 2% only. For this purpose, Out-of-the-money index options contracts shall be defined as options contracts with strike prices which are out-of-the-money by not less than 5% away from the previous day closing price of the underlying Index.

2. The above mentioned ASM shall be added to the applicable exposure margin of the respective index/stock futures and options contracts.
3. In view of above ASM, the additional surveillance margin as levied based on our circular ref no 71/2018 (Download Ref No NSCCL/CMPT/38123) dated June 22, 2018 based on the scenarios of market rise (17.74%) and market fall (20%) shall be discontinued with effect from September 28, 2018.
4. Members may note that Clearing Corporation shall continue to monitor all client-level positions based on the above mentioned scenarios and, if required, impose additional surveillance margins and/or take other actions as deemed necessary.

5. Members may further note that Clearing Corporation shall monitor the open interest in derivatives based on sectoral indices (particularly where top 3 stocks collectively constitute more than 50% of the weightage in the index), and, if required, may impose higher margins as may be deemed necessary

Members are requested to take note of above

**For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)**

Huzefa Mahuvawala
Vice President

Telephone No	Fax No	Email id
1800 266 0057	022-26598242	risk_ops@nsccl.co.in