



NOTICES

Notice No.	20230106-56	Notice Date	06 Jan 2023
Category	Settlement/RMS	Segment	General
Subject	Penalty structure for position limit violation in Equity Derivative and Currency Derivative segment		

Content

NOTICE

Trading Members/ Clearing Members are hereby informed that with effect from February 01, 2023, penalty will be levied on position limit violation in Equity Derivative and Currency Derivative segment as per the below mentioned norms.

Participants are required to adhere to the position limits as specified by SEBI from time to time. In case of any violation in open position limits beyond the specified limits in a security/ Currency pair/ Interest Rate Derivative at any level (member level, financial institution level, client level, etc), then penalty shall be levied on a monthly basis based on slabs as mentioned below or such other amount as specified by the Clearing Corporation from time to time.

Penalty structure for FPI /Mutual Fund/ Trading member level position limit violation in Currency and Equity Derivatives:

Instances of Violations in a calendar Month	Penalty to be levied
1st instance	No penalty
2nd to 5th instance of violation	Rs.5,000/- per instance from 2nd to 5th instance
6th to 10th instance of violation	Rs.20,000/- (for 2nd to 5th instance) + Rs.10000/- per instance from 6th to 10th instance
11th instance onwards	Rs.70,000/- (for 2nd to 10th instance) + Rs.10,000/- per instance from 11th instance onwards. Additionally, the member will be referred to the Disciplinary Action Committee for suitable action.

Penalty structure for Client/NRI/ scheme of MF level position limit violation in Equity Derivatives:

When the open position of any client in any security, exceeds the specified limit at the end of the day the same shall be treated as a violation.

In the event of violation, the following penalty would be charged to the clearing members for every day of violation:

- 1% of the value of the quantity in violation (i.e., excess quantity over the allowed quantity, valued at the closing price of the security in the normal market of the Capital Market segment of the Exchange) per client or
- Rs.1,00,000 per client, whichever is lower, subject to a minimum penalty of Rs.5,000/- per violation / per client.

When the client level/NRI/scheme of mutual fund violation is on account of open position exceeding 5% of the open interest, a penalty of Rs.5000/- per instance shall be levied to the clearing member.

Penalty structure for Client level position limit violation in Currency derivatives:

When the open position of any client in Currency pair/ Interest Rate Derivative, exceeds the specified limit at the end of the day the same shall be treated as a violation.

In the event of violation, a penalty of Rs. 5,000/- per violation / per client shall be levied to the Clearing members for every day of violation.

The above penalties shall be collected from the clearing member of the respective trading member and client. The concerned Clearing / Trading member may in turn recover such amount of penalty from the concerned clients who committed the violation and became liable therefore.

For any clarification, please connect with ICCL official on the following contact details:

Team	Contact No	Email ID
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For & on behalf of ICCL

Trupti Tirodkar

Senior Manager

January 06, 2023