

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

<b>DEPARTMENT : MEMBERSHIP</b>	
Download Ref.No.: NSE/MEM/23082	Date : March 28, 2013
Circular Ref.No.: 827/2013	

To All Members

**Sub : Requirement of Base Minimum Capital**

SEBI vide circular No. CIR/MRD/DRMNP/36/2012 dated December 19, 2012 has enhanced the requirement of BMC for trading members with a view to realign the BMC requirements with the risk profiles of the stock brokers / trading members in cash / derivative segment of the stock exchange. The revised BMC requirements as prescribed by SEBI vide their aforesaid circular are given below:-

<b>Sr. No.</b>	<b>Categories</b>	<b>Base Minimum Capital Deposit (in Rs. lakhs)</b>
1	Only Proprietary trading without Algorithmic trading (Algo)	10
2	Trading only on behalf of Client (without proprietary trading) and without Algo	15
3	Proprietary trading and trading on behalf of Client without Algo	25
4	All Trading Members/Brokers with Algo	50

Accordingly, Exchange sought feedback from all members with regards to type of membership as applicable to them respectively. Based on feedback received from members Exchange shall block Base Minimum Capital from NSEIL deposits w.e.f. April 01, 2013. In this regard we further wish to inform you that:-

a) In case a member needs to submit a request for change in type of membership, the same can be submitted through ENIT. The path for same is, Member Portal-----ENIT-----Exchange-----Base Minimum Capital.

b) The aforesaid request for change in type of membership if received till 4.00 PM. shall become

effective on next working day. Accordingly, all requests received after 4.00 PM, shall be processed in next cycle.

Example: - In case a request is received for change in type of membership on April 01, 2013 at 3.00 PM, the revised BMC requirement shall become effective on next working day i.e. April 02, 2013. However, in case the request is received on April 01, 2013 at 5.30 PM, the revised BMC requirement shall become effective on April 03, 2013.

c) The Base Minimum Capital primarily shall be blocked from NSEIL deposits of Capital Market segment. In case the NSEIL deposits of Capital Market segment are not enough to cover the BMC requirement, NSEIL deposits of Futures & Options segment and Currency Derivatives segment shall also be utilised towards the same.

d) The amount blocked towards BMC will not be allowed for taking exposure on trades.

e) In case of members who have not selected their type of membership on ENIT, by default Exchange will consider type of membership as:-

- Category 4 i.e. " All Trading Members/Brokers with Algo" (for members who have obtained approval for ALGO trading) or
- Category 3 i.e. "Proprietary trading and trading on behalf of Client without Algo" (for members who have not obtained approval for ALGO trading).

### Explanation

Trading Member	Option I (Only Proprietary trading without Algo)	Option II (only Client without proprietary trading and without Algo)	Option III (Proprietary trading and Client Trading without Algo)	Option IV (All trading members with Algo)
1	Y	-	-	-
2	-	Y	-	-
3	-	-	Y	-
4	-	-	-	Y

- In case a member selects Option I above, the member is entitled to do only Proprietary trading without Algo trading facility. Accordingly, members opting for Option I above shall not undertake any client trading or Algo trading.
- In case a member selects Option II above, the member is entitled to do only Client trading without Proprietary trading and without Algo trading facility. Accordingly, members opting for Option II above shall not undertake any Proprietary trading or Algo trading.
- In case a member selects Option III above, the member is entitled to do Proprietary trading as well as Client trading however, without Algo trading facility.
- Further, all members who have obtained Algo approval and are using Algo trading facility shall select option IV above irrespective of Proprietary trading or Client trading. In case an existing member is upgrading his type of membership to Option IV above, the same shall be processed as per point "b" above only when Algo trading approval has been obtained by the member from the Exchange.

All members are requested to ensure strict compliance to aforesaid provisions and in case any violation is observed Exchange may initiate appropriate disciplinary action.

**For and on behalf of  
National Stock Exchange of India Limited**

Hari K  
Vice President  
Membership

<b>Telephone No</b>	<b>Fax No</b>	<b>Email id</b>
+91-22-26598249	+91-22-26598382	minward@nse.co.in