

SEBI sets Timeline for Brokers to Collect Margins

The Securities and Exchange Board of India (SEBI) vide its **Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/57 dated April 28, 2025**, has set a timeline regarding collection of margins by Trading Members (TMs) and Clearing Members (CMs) in the cash segment, aligning the timelines with the settlement cycle.

Starting from April 28, 2025, TMs and CMs are required to collect all margins [except VaR (Value at risk) and ELM (Extreme loss margin)] by the settlement day itself, in accordance with the reduced T+1 settlement cycle for cash market transactions.

The circular modifies the Master Circular dated August 09, 2024, specifying that margins must be collected by the settlement day, and failure to do so will result in penalties.

The circular also mandates that TMs/CMs continue to collect upfront VaR margins and ELM before the trade. It highlights that clients must ensure timely margin payments, and Stock Exchanges and Clearing Corporations are instructed to update their bylaws and regulations to implement these changes.

This decision aims to strengthen risk management and streamline the margin collection process.

Link - https://www.sebi.gov.in/legal/circulars/apr-2025/timelines-for-collection-of-margins-other-than-upfront-margins-alignment-to-settlement-cycle_93685.html