



**CIRCULAR**

CIR/MRD/DRMNP/37/2013

December 19, 2013

To

All recognized Stock Exchanges and Clearing Corporations

Dear Sir / Madam,

**Sub: Deposit Requirements for members of the Debt Segment**

1. SEBI vide circular no CIR/MRD/DP/03/2013 dated January 24, 2013 prescribed guidelines for providing dedicated debt segment on stock exchanges. Subsequently, SEBI (Stock Brokers and Sub-Brokers) Regulations was amended to enable registration of Stock Broker, Proprietary Trading Member, Clearing Member and Self Clearing Member of debt segment of the stock exchange.
2. Further, SEBI vide circular no CIR/MRD/DP/27/2013 dated September 12, 2013 prescribed the "Risk Management Framework for Dedicated Debt Segment on Stock Exchanges".
3. In continuation to the above, the deposit requirements for the members of the debt segment shall be as under –
  - a. **Stock Broker / Proprietary Trading Member:** SEBI circular dated December 19, 2012 on Base Minimum Capital shall also be applicable to Stock Broker / Proprietary Trading Member of the debt segment.
  - b. **Clearing Member (CM) / Self Clearing Member (SCM):** The deposit shall be ₹ 10 lacs. No exposure shall be granted against such deposit requirement of the Clearing Member/ Self Clearing Member.

**Provided** no deposit shall be payable by entity desirous of being CM / SCM in debt segment, in case, it is already a CM or SCM or stock broker of any other segment of the stock exchange / clearing corporation.

**Provided further that** no deposit shall be payable in case a CM / SCM clears and settles trades only on gross basis for both securities and funds, and where no settlement guarantee is provided by the clearing corporation.
4. The Stock Exchanges and Clearing corporations are directed to:
  - a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations, within one month from the issuance of the circular;



- b. bring the provisions of this circular to the notice of the members and also disseminate the same on its website;
  - c. communicate to SEBI the status of implementation of the provisions of this circular.
5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Shashi Kumar**  
**General Manager**  
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