भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

HO/(320)2026-MRD-POD2/I/24141/2026 **October 22, 2026**

To,

All Recognised Stock Exchanges

All Recognised Clearing Corporations (CCs)

All Depositories

All Stock Brokers

Sir/Madam,

Subject: Margin Waiver on Subsequent Buy/Sell Transactions Post Early Pay-In (EPI) in Cash Segment

1. Exchanges/Clearing Corporations (CCs) in consultation with SEBI, have issued various circulars/ guidelines on Margin collection and Reporting for the cases where the client has completed Early Pay-in of securities.

2. The said circulars/ guidelines *inter-alia* stipulate that in respect of sale of shares by a client for which EPI request via Block mechanism has been accepted, the same may be considered as margin collected towards peak margin for the said sale transaction. Further, in respect of sale of shares by a client for which EPI request via Block mechanism has been accepted and credit entry is posted of the sale value of the shares in the ledger account of the client, EPI value may be considered as margin collected towards subsequent margin requirement of the client. The sale value up to 100% of such securities (EPI value) shall be available as Margin for other positions across all the segments.

3. In this context, taking into account the proposals received from the Broker ISF, recommendations of Risk Management Review Committee (RMRC) of SEBI and internal deliberations, it is decided that where a client has a net sell obligation in a settlement; and the EPI request for the sold securities has been successfully accepted by the CC, the CC shall, on a real-time basis, not collect margin from the Trading Member (TM)/ Clearing Member (CM) on the subsequent buy/sell positions of the client, up to the amount of such accepted EPI.

4. The aforesaid facility shall be implemented in the following manner:

    4.1. Upon EPI accepted, CC on trade date shall compute the available value of EPI which shall be lower of the value of EPI done or value of securities sold.

4.2. Upon the client taking position basis the EPI on same trade date in cash segment, CC shall check the availability of client margin after reducing the available value of EPI.

4.3. If client squares off the sale position in securities for which client has availed EPI benefit, the value of EPI shall be removed and any shortfall in margins at client level due to such removal of EPI value, shall be blocked from the proprietary collateral of TM/CM by the CC. This condition will not be applicable to Trade for trade (TFT) securities as such transactions are settled on gross basis.

5. Additionally, TMs shall be directed to ensure that their risk management allows the client to square off the position for which client has given EPI or take any new position, only if the requisite margins of the client are available with the TM.

6. Further, CCs are directed to:

6.1. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above framework, as may be applicable/necessary;

6.2. Carry out system changes, if any, to implement the above framework;

6.3. Disseminate the provisions of this circular on their website;

7. The provisions of this circular shall come into force with effect from four months from the date of issuance of this circular.

8. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interest of investors in securities and to promote development of, and to regulate securities market.

9. This circular is available on SEBI website at www.sebi.gov.in at “Legal Framework - Circulars.”

10. The circular has been issued with the approval of the competent authority.

Yours faithfully,

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