



PR No.59/2020

**Review of regulatory measures introduced vide SEBI Press Release dated  
March 20, 2020**

1. SEBI vide Press Release dated March 20, 2020 had introduced certain regulatory measures as per Annexure A of the said Press Release, in view of the then ongoing market volatility and keeping in view the objective of ensuring orderly trading and settlement, effective risk management, price discovery and maintenance of market integrity. The same is in force till November 26, 2020.
2. Based on market feedback and changed market environment, the above regulatory measures have been reviewed and the same shall stand revised as under:

**2.1. Stocks in derivatives segment (F&O stocks)**

The regulatory measures mentioned at S. No. 1.(i) and 1.(ii) of Annexure A to SEBI Press Release dated March 20, 2020 shall stand withdrawn w.e.f. close of business on November 26, 2020, subject to the continuation of the following till further directions:

*With regard to S. No. 1.(i), in the event MWPL utilization in a security crosses 95%, derivative contracts enter into a ban period, wherein, all clients / trading members are required to trade in the derivative contracts of said scrips only to decrease their positions through offsetting positions. Any increase in open positions would attract appropriate penal and/or disciplinary action of the stock exchanges / clearing corporations.*

*Accordingly, stock exchanges / clearing corporations shall put in place effective mechanism to monitor whether the market wide open interest for scrips meeting the aforesaid criteria exceeds 95% of the reduced market wide position limit as arrived at above. Further, the stock exchanges / clearing corporations shall check on an intra-day basis (monitoring of Peak intraday OI or Periodic intraday monitoring of OI) whether any member or client has exceeded his existing positions or has created a new position in the scrips in the new ban period.*

**2.2. Increase in margin for Non-F&O Stocks in Cash Market**

This shall stand withdrawn w.e.f. close of business on November 26, 2020.

### **2.3. Index Derivatives**

The regulatory measures mentioned at S. No. 3 of Annexure A to SEBI Press Release dated March 20, 2020 shall continue to remain in force till further directions, subject to revised S. No. 3.(iii) which shall now read as under:

*If any of the aforesaid entities exceed the respective limits prescribed at 3(i) and 3(ii) above, an additional deposit shall be payable by the entity equivalent to the amount of margin chargeable on excess position beyond the limits prescribed at 3(i) and 3(ii) above and the same shall be retained by stock exchanges / clearing corporations for a period of one month.*

### **2.4. Flexing of dynamic price bands for F&O stocks**

The regulatory measures mentioned at S. No. 4 of Annexure A to SEBI Press Release dated March 20, 2020 shall continue to remain in force till further directions.

3. Stock exchanges and clearing corporations will be issuing necessary instructions to the market participants in this regard.

**Mumbai**

**November 25, 2020**