Revised CUSPA Policy Content

To streamline the process of handling client securities and prevent misuse, SEBI has mandated brokers to open a Client Unpaid Securities Pledgee Account (CUSPA).

At the time of securities pay-out settlement, if the Client fails to meet his fund obligation and securities are unpaid or sufficient collateral is not available, the securities will be transferred to the client's demat account along with the creation of an auto-pledge in the Client Unpaid Securities Pledgee Account (CUSPA).

Securities with Stoxkart predefined haircut will be held pledged in the CUSPA Account towards the outstanding obligation amount, including the net margin obligation if any, and the remaining securities will be released to the client's demat account. Pledge/Un-pledge charges shall be applicable.

Where the client's obligation remains unresolved, the CUSPA pledge shall continue on a day-to-day basis until liquidation for T+4 day or till the obligation is cleared, whichever is earlier.

In the event of non-receipt of funds/collateral from the client against unpaid securities, Stoxkart will liquidate the securities in the market for for T+4 Day, as per RMS Policy. Prior intimation shall be sent one day prior regarding CUSPA liquidation and the extent of ledger debit/funds requirement. In case the position cannot be liquidated due to any reason, the client will be put in square-off mode and no further exposure will be allowed.

On receipt of funds/collateral from the client prior to invocation, the pledge shall be released and securities credited back to the client's demat account. Stoxkart may, at its discretion, release the pledged securities to the client even if any debit remains outstanding; however, until the outstanding debit is fully cleared, the client shall remain in square-off mode and no fresh trading/exposure shall be permitted.

Where multiple CUSPA pledges exist in respect of a client, release and invocation shall be carried out on a First In First Out (FIFO) basis, i.e., the pledge created earliest shall be released or invoked first, based on the date of creation of the respective pledge.