



**THE CLEARING CORPORATION OF INDIA LTD.**

**Risk Management Department**

**No. RMD/SEC/23/31**

**30/Oct/2023**

**FOR INFORMATION OF ALL MEMBERS**

**Securities Segment**

**Member Common Collateral (MCC) - Utilization for Securities Settlement.**

We invite your attention to CCIL's Notification No. CCIL/Legal/23/29 dated 27/Oct/2023. As stated therein, the Regulations of the Securities Settlement segment have been amended with effect from 27/Nov/2023. As part of this amendment, a new Chapter titled 'Member Common Collateral' (MCC) has been introduced in these Regulations.

1. In terms of clause A of Chapter III of the Regulations of the Securities Settlement Segment, all members desirous of availing the facility of Guaranteed Settlement are required to contribute Govt. Securities and Cash to cover their margin obligations under Guaranteed Settlement. Further, in terms of the Regulations, available balance in member's MCC account shall be utilized towards margin obligation of a member arising out of Securities Segment trades.

2. The methodology for exposure check and margining for the Securities Settlement Segment has been laid out in the Regulations and relevant notifications. As per the process, whenever there is any additional margin requirement for any member, it is drawn from the available balance of its above-mentioned MCC account. Whenever margin requirement for trades of a member comes down, the difference amount is added back to the above-mentioned MCC account of the member.

An illustration of the process of margin blocking from MCC and its release is presented in the Annexure.

This notification shall be effective from **27<sup>th</sup> Nov'2023**

**Yours faithfully,**

**For The Clearing Corporation of India Ltd.,**

**Sd/-**

**Managing Director**

## ANNEXURE

### Margin Utilisation in Member Common Collateral for Securities Segment

	Particulars	Amt. in crs.	MCC Balance (Amt. in crores)
<b>Day 1</b>			
	<b>Total Margin contribution in Members MCC account</b> (at market value after applying hair-cut)		<b>100</b>
	Margin Requirement in Securities Segment	10	90
	Margin Requirement in Other Segments accessing MCC (Fx Stlmt/Forex Fwd/Rupee IRS/CLS)	25	65
	Balance used toward margin requirement/Shortfall in Constituent account	5	60
	Balance used toward Shortfall in Default Fund	2	58
	<b>Total Margins Used Up at this stage</b>	<b>42</b>	<b>58</b>
	Margin requirement towards new trades of Securities Segment	7	51
	Margin blocked for Securities trade settling today, released on completion of successful settlement	(9.00)	60
	<b>Total Margins Used Up at this stage</b>	<b>40</b>	<b>60</b>
	Additional margin blocked for Securities Segment trades as part of EOD margin processing	5	55
	<b>Total Margins Used Up at End of the Day</b>	<b>45</b>	<b>55</b>
<b>Day 2</b>			
	Additional margin requirement on acceptance of new trade from Securities Segment	70	(15)
	Additional margin deposited <b>Rs. 60 Cr</b>		45
	Volatility Margin imposed in Securities Segment	5	40
	Intra-day MTM Margin imposed on Forex Forward outstanding trades at 12:00 P.M.	5	35
	<b>Total Margins Used Up at this stage</b>	<b>125</b>	<b>35</b>
	Margin release from Forex Forward/IRS Segment on account of trade Settlement / Off-setting trade reporting	(20)	55
	Margin release for Securities trade settling today, released on completion of successful settlement	(5)	60
	<b>Total Margins Used Up at this stage</b>	<b>100</b>	<b>60</b>