

NOTIFICATION

RUPEE DERIVATIVES SEGMENT

Derivatives Department -Rupee Derivatives (Guaranteed Settlement)

Date: 14th February, 2023

Notification No.: CCIL/DRV/IRS/23/02

To

All Members

Rupee Derivatives (Guaranteed Settlement) Segment

We refer to our earlier notification no: CCIL/DRV/IRS/18/107 dated 17th Oct, 2018 announcing the commencement of guaranteed settlement services in respect of Interest Rate Swaps (IRS) referenced to MIFOR benchmark. We are pleased to advise that Reserve Bank of India (RBI) has accorded its approval for commencement of clearing and settlement of OTC trades in IRS referenced to the **Modified MIFOR (MMFOR)** benchmark on guaranteed basis. Accordingly, CCIL shall commence the Guaranteed Settlement to all the trades referenced to the Modified MIFOR benchmark for all the existing Members of MIFOR Guaranteed Settlement. The guaranteed settlement services in respect of trades referenced to the Modified MIFOR benchmark shall come into force with effect from **3rd April, 2023**.

Members shall be bound by the CCIL Bye-laws, Rules and Regulations in this regard.

A brief write-up on the features of the trades referenced to the Modified-MIFOR benchmark proposed to be accepted for guaranteed settlement is as given below.

- 1) All the outstanding trades referenced to Modified MIFOR benchmark reported by the existing Members of MIFOR Guaranteed Settlement Segment shall be eligible for CCP Clearing.

- 2) Non Members desirous of joining Guaranteed Settlement for Modified MIFOR Benchmark can contact our Membership Department (mcm@ccilindi.co.in or Tel: 61546553/54/56/57) for completing the documentation formalities at the earliest.
- 3) The Modified MIFOR trades are of type such that one member pays cash flows equal to interest at a fixed rate and the counterparty party pays cash flows equal to interest at a floating rate (including a spread, if any) referenced to the Modified MIFOR benchmark.
- 4) The trades have a residual maturity of less than or equal to five years as on the date of acceptance for CCP clearing.
- 5) The effective date of the trades is two business days after the trade date.
- 6) The date for a particular “Rate Record Date” published by the FBIL for Modified MIFOR benchmark shall be considered as Reset date for such trades reported to CCIL.
- 7) Reporting of Stub i.e. non-standard interest period (if any) # – Since the Modified MIFOR rate is published in arrears, Member to ensure that in case of stub, (start or end), the DM(Designated Maturity rate applicable for the stub period) should be either less than or equal to the Stub Period.

E.g. - for instance, for a 2 month stub period (interest period), the DM rate, associated with the Stub period should be 2M (FBIL Rate) or less, and not otherwise.
- 8) All the existing reports on CCIL Report Browser (csv and pdf) of IRS Derivatives Segment shall contain the information of Modified MIFOR trades reported by the Member.
- 9) Criteria with regard to Membership, Trade Reporting time schedule, and Acceptance / Rejection parameters of Trades, Reports, Billing, Stamp Duty and Time Schedule for settlement of cash flows remain the same as previously notified.

For The Clearing Corporation of India Ltd.

Sd/-

Managing Director