



**NOTIFICATION**

**SECURITIES SEGMENT**

**This has been Superseded by Notification No. CCIL/OPS/RMD/2020-21/26 dated 26-Aug-2021 on Collateral Workflow Procedure Securities SGF and TPR Collateral**

Date: 12<sup>th</sup> March, 2021

Notification No: CCIL/OPS/RMD/2020-21/12

**Collateral Work-Flow Procedure for Settlement Guarantee Fund (SGF) /**

**Triparty Repo Collateral**

**with effect from 15<sup>th</sup> April, 2021**

**(Members maintaining SGL account with RBI and Current Account with RBI or Designated Settlement Bank (DSB)).**

We invite your attention to the work flow process for contributions and withdrawal of securities and/ or funds, referred to in Chapter III "Settlement Guarantee Fund" and Chapter IV "Triparty Repo Collateral" of Securities Segment Regulations.

This notification is issued in terms of the provisions contained in CCIL's updated Bye-laws, Rules and Regulations notified on 12th March, 2021 replacing the earlier notification issued under ref CCIL/OPS/RMD/2019-20/07 dated 01st February 2020. This notification shall be effective from 15th April 2021.

The work flow process details are as under:

**I. General**

1. This notification details the work flow process for contribution and withdrawal of cash and securities, towards Settlement Guarantee Fund (SGF) and Triparty Repo Collateral. All references to Members in this notification shall mean a "Self-Clearing Member" or a "Clearing Member" as the case may be ;
2. "Self-Clearing Members" shall contribute cash and/ or securities as margins towards their Proprietary trades. Clearing Members (CM) shall contribute separately, cash and/ or securities as margins, towards their Proprietary trades and Constituent(s) trades ;
3. In respect of contribution to SGF for constituents, a Clearing Member (CM) can contribute cash / securities for individual constituent and group(s) of constituents. Initially, all the constituents may be identified by CCIL as a part of a single group of the Clearing Member. A Clearing Member may advise CCIL to consider its Constituent as an individual Constituent or as a part of the group of constituents. Member may advise CCIL to create different Groups of Constituents, such as Mutual Funds, Insurance Companies, Corporates etc ;
4. A Clearing Member who has contributed SGF for a group of Constituents shall report to CCIL, the value (in Rupees) of the margin allocated by it for each of the Constituents in that group. The value so reported shall be accounted for prospectively



and shall remain in effect till the same is updated by the Clearing Member subsequently. This information shall be transmitted to CCIL in a text file through a File Routing System (FRS) application provided by CCIL for this purpose. The FRS application also facilitates STP (straight through processing) from members' back-office systems. The cut-off timings specified for reporting the margin allocated for a constituent shall be the same as the cut off timings notified for various activities for Collateral / Margins ;

5. In respect of contribution to Triparty Repo Collateral for constituents, a CM shall maintain the cash / securities for each of its Constituents separately ;
6. Security contributions for Proprietary trades shall be from the Member Subsidiary General Ledger (SGL) account to the CCIL's Constituents Subsidiary General Ledger (CSGL) account specified for SGF or Triparty Repo Collateral respectively. Any withdrawal request for securities from the contribution towards Proprietary trades, which is processed successfully, shall be refunded to the Member's SGL account ;
7. Security contributions for Constituent trades shall be from the Member CSGL account to the CCIL CSGL account specified for SGF or Triparty Repo Collateral respectively. Any withdrawal request for securities from their contribution towards Constituent trades, which is processed successfully, shall be refunded to the Member's CSGL account ;
8. The relevant details of CCIL CSGL account, RBI RTGS / Current Accounts and Designated Settlement Bank (DSB) current accounts for SGF and Triparty Repo contributions are made available to members in download section of CCIL's eNotice system ;
9. The CSGL account of a Clearing Member already registered with CCIL shall be used for both settlement of its CSGL outright and repo trades and also for contribution and withdrawal of SGF and Collateral securities for Constituent trades. In case a Member advises a second CSGL account to CCIL, then all the contributions and withdrawal of SGF and Collateral securities for Constituent trades shall be routed through this second CSGL account for the Member. The first CSGL account shall be used only for settlement of CSGL outright and repo trades ;
10. Cash and securities contribution towards SGF and Tri party Repo collateral shall be held segregated by CCIL for Member's Proprietary Trades, individual Constituent trades or related Group of constituents' trades as received from the members ;
11. There is no change in the Collateral Work Flow process, earlier notified for Default Fund(s) related collateral operations vide Notification reference CCIL/CFM/18/91 dated 25<sup>th</sup> September, 2018 ;
12. For Members settling funds obligations at RBI-DAD, all cash contributions / withdrawals to / from SGF / Triparty Repo collateral for the proprietary trades and constituents' trades shall be undertaken through CCIL's and respective member's RTGS Settlement / Current Account with Deposit Accounts Department (DAD) of Reserve Bank of India (RBI) ;



13. For Members settling funds obligations at DSB all cash contributions / withdrawals to / from SGF / Triparty Repo collateral for the proprietary trades shall be undertaken through CCIL's and respective member's current account maintained with the DSB. All funds contribution and withdrawal notices shall be routed through / intimated to the respective DSBs by the member. The DSB shall accord its confirmation to the notice of funds contribution submitted by such Member/s ;
14. Intraday cash withdrawal may be permitted only for interest (coupon) retained towards shortfall in Borrow Limit ;
15. All transfers of Securities into and/or out of CCIL's CSGL accounts shall be through the relevant functionality of **Value Free Transfer (VFT)** in 'eKuber system' in terms of RBI guidelines issued for VFT ;
16. The cut-off timings specified for various activities relating to Collateral/Margin are being notified separately and same shall be strictly adhered to ;
17. Movement of funds/securities into and/or out of SGF and Triparty Repo Collateral contributions shall be captured, stored and maintained on a value date basis ;
18. All Notices of contribution / withdrawal of cash and securities for SGF and Triparty Repo collateral shall be sent by Members via eNotice, an electronic web-based interface (hereinafter referred to as 'eNotice System') and CCIL response to such notice shall also be received by Members through eNotice System ;
19. The Notices may be faxed by Members to Collateral Management on Fax No.022-61546499 / 61546465 (marked to the attention – Collateral Management) to be followed up with physical intimation as per prescribed format in Annexure I in case of non-availability/non-functioning of the eNotice System ;
20. All Collateral Notices shall be accepted on days when CCIL is open for business in terms of CCIL'S Bye Laws, Rules and Regulations ;
21. Members shall ensure that minimum cash collateral contribution of **Rs. 1,00,000/- (Rupees One lac Only)** is maintained for itself and each of its constituent as initial margin in Triparty Repo, at all times. The contribution/withdrawal of funds and Securities (face value) towards SGF / Triparty Repo collateral shall be in multiples of **Rs. 1,00,000/-** ;
22. Members shall maintain in Cash at least **10 %** of the total margin requirement for its Outright and Market Repo trades at all times. Such minimum cash collateral contribution shall be considered separately for Proprietary trades and for all constituents' trades together of a Member. However, the minimum cash contribution of **Rs. 1,00,000/- (Rupees One lac only)** towards SGF shall be maintained by the Member for itself.



## II. Procedure for Contribution :

### A. Funds Contribution

1. For effecting fund transfer(s) to CCIL's RTGS Settlement Account, the members settling funds at RBI, shall incorporate CCIL's IFSC Code viz. '**CCIL0PI0001**' in the payment instructions to be executed on NG-RTGS System. Members settling funds obligation at DSB shall credit the Fund contribution to CCIL's Current Account with respective DSB ;
2. The unique reference of the transaction on NG-RTGS System shall be incorporated in the Notice of Contribution sent to CCIL through eNotice system to assist CCIL in identification of Credit(s) received in the RTGS Settlement Account. Members settling funds obligation at DSB shall incorporate their CCIL membership ID in the relative reference so as to enable easy identification of Credit ;
3. Member shall on initiating an RTGS transfer, submit a notice of contribution through eNotice system, identifying therein the requisite details, including whether such contribution is for SGF/ Triparty Repo Collateral, Proprietary/ Constituent/s/ Group as the case may be. The notice created in eNotice system shall be approved by another User within the same Member ;
4. The contribution shall be accounted for only upon sighting of funds in CCIL's RTGS Settlement Account / Current Account at RBI / DSB as above. Any credit of funds to CCIL's RTGS Settlement account at Reserve Bank of India or in current account with settlement Bank(s), after the collateral business hours shall be accounted for on the next business day on a receipt of Notice of deposit. CCIL shall update holding of the concerned Member's or its Constituent (categorised into Individual / Group) with CCIL and the status of notice in the eNotice System will be updated as '**Confirmed**'. Relevant collateral transaction and holding statement shall be available for electronic download by the concerned Member on the relative date of contribution ;
5. In case of exceptional circumstances or non-availability of the NG-RTGS System, funds contribution may be accepted in any other mode as accepted by DAD, RBI.

### B. Securities Contribution

1. Members desirous of making securities contributions towards its proprietary trades / constituent trades shall intimate CCIL accordingly via eNotice System on the day of contribution along with the actual contribution. CCIL shall not confirm any securities contribution entry without proper receipt of requisite "Notice of Contribution" from the concerned Member ;
2. All securities contributions shall be made by Members, from amongst the list of eligible securities prescribed by CCIL for SGF and Tri Party Repo collateral respectively ;
3. Securities contribution by Members into SGF / Tri party Repo collateral shall be carried out electronically using relative functionality in RBI's eKuber system. Member shall contribute securities from its SGL account for its proprietary trades and from its CSGL account for its' constituents trades ;



4. Member shall initiate the security contribution transaction by entering the details in the '**Margin Transfer Screen**' under the Security Services>Security Transfer Menu in eKuber System ;

Member shall select :

- a) "**Contribution to Triparty Repo**" towards Tri party Repo collateral

and

- b) "**Contribution to SGF**" towards SGF

in Transfer Type > Reason for Transfer. Member shall select the source SGL A/c no (for Proprietary trades) and CSGL A/c Number (for Constituent(s) trades) along with the ISIN details with the appropriate quantity (Face Value) and create the transaction. eKuber system is expected to generate a Service Reference Number in respect of the transaction. Members shall incorporate the Service Reference Number in the eNotice System in the block provided for inputting the said reference or in their "Notice of Contribution " sent to CCIL as para II.B.1 above ;

5. Maker/Checker facility for the Member is available on eKuber for the Securities contribution order entry. Once the Maker has created the transaction as per para II.B.4 above, the Checker shall verify and approve (option to reject is also available) the same. Once approved the transaction is expected to electronically flow to CCIL for confirmation via eKuber System ;
6. Member shall on initiating a VFT in eKuber system, submit a notice of Contribution through eNotice system, identifying therein the requisite details, including whether such contribution is for SGF/ Triparty Repo Collateral, Proprietary/ Constituent/s/ Group as the case may be. The notice created in eNotice system shall be approved by another User within the same Member ;
7. Upon receipt of transaction via eKuber System at CCIL, the collateral contribution transaction approved by the member in the eKuber System as above, would then be verified with the eNotice submitted by the member. Upon verification of the relevant records in the eKuber System and ensuring that the same tally completely with the eNotice submitted for the purpose, the transaction shall be "Confirmed" at CCIL's end in eKuber. On confirmation, the transactions would electronically flow to RBI and are expected to get 'Settled' over eKuber System. In case the transaction particulars in the eKuber system do not tally with eNotice /Notice of Contribution, the concerned transaction shall be Rejected by CCIL ;
8. Upon transfer of security from Member's SGL/ CSGL Account into CCIL's SGF / Triparty Repo collateral CSGL Account, CCIL shall update collateral holding for Proprietary/ Constituent/s / Group as the case may be and the status of notice in the eNotice System will be updated as "**Confirmed**". Relevant collateral transaction and holding statement shall be available for electronic download by the concerned Member on the relative date of contribution.



### III. Withdrawals Procedure:

#### A. Funds Withdrawal

1. Members desirous of seeking fund withdrawals for itself or its constituents from SGF / Triparty Repo Collateral contribution shall intimate CCIL via eNotice System at least **ONE** business day prior to the actual value date of proposed withdrawal ;
2. Members desirous of seeking fund withdrawals for itself or its constituents from the interest retained account - Triparty Repo shall intimate CCIL via eNotice System on the **same day (Intraday)**, post replenishment of Borrow Limit shortfall ;
3. Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose, identifying therein the requisite details, including whether such withdrawal is for SGF/ Triparty Repo Collateral/ Triparty Repo Interest Retained, Proprietary/ Constituent/s/ Group as the case may be. The notice created in eNotice system shall be approved by another User within the same Member ;
4. Notice(s) of Withdrawal received via fax or physical submission after the prescribed cut off time shall be rejected by CCIL ;
5. Member shall ensure that such Notice of Withdrawal is submitted after taking into account their proprietary / constituents' margin requirement for outstanding obligations to CCIL and that the same is permissible in terms of CCIL's Bye Laws, Rules and Regulations ;
6. Member shall ensure that such Notice of Withdrawal for Interest Retained in Triparty Repo Collateral is submitted after Borrow Limit is replenished, either partially or fully ;
7. In case the Notice of withdrawal is honoured, the status of the same is updated as '**Confirmed**' on eNotice System. Withdrawals shall also be reflected in relevant collateral transaction and collateral holding statement on relative value date of payment ;
8. Payment instructions shall be created by CCIL on the NG-RTGS System indicating credit to respective member's RTGS Settlement / Current Account maintained with DAD, RBI. For members settling funds obligation at DSB the relative amount shall be credited to their account details as recorded with CCIL, using the DSB's Net Banking System ;
9. The Transaction Reference Number in NG-RTGS System for the funds transfer will be conveyed to concerned member through eNotice System / e-Mail / telephone for the purpose of identification of credit ;
10. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS System on account of any reason ;
11. In case of exceptional circumstances or non-functioning of the NG-RTGS System, payment shall be effected by any other mode accepted by DAD, RBI.



**B. Securities Withdrawals**

1. Members shall be entitled to withdraw security/ies from their Proprietary / Constituents' SGL / Triparty Repo Collateral Contribution in excess of the margin requirement to cover the proprietary / constituents' outstanding obligations, by intimating CCIL via eNotice System ;
2. Such withdrawal requests shall be accepted as provided in the Bye-Laws, Rules and Securities Segment Regulations, for refund on **same day (Intraday) or overnight (next business day)** subject to applicable validations ;
3. Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose, identifying therein the requisite details, including whether such withdrawal is for SGL/ Triparty Repo Collateral, Proprietary/ Constituent/s/ Group as the case may be. The notice created in eNotice system shall be approved by another User within the same Member ;
4. Member shall ensure that such Notice of Withdrawal is submitted after taking into account its own and its Constituent's individual / group's margin / collateral requirements for outstanding obligations to CCIL and that the same is permissible in terms of CCIL's Bye Laws, Rules and Regulations ;
5. In case the Notice of withdrawal is honoured, the status of the same is updated as '**Confirmed**' in eNotice System ;
6. For permissible securities withdrawals, honoured by CCIL after completion of necessary internal checks, CCIL shall initiate the security withdrawal transaction by entering the details in the Margin Transfer Screen under Security Services > Security Transfer Menu in eKuber System on the Value Date based on the notice of withdrawal submitted by the member. The refund shall be effected in respective Members' SGL/ CSGL, as applicable. The transfer order will then be approved by CCIL and electronically transmitted to the concerned Member via eKuber System for confirmation ;
7. Upon initiation and authorization of the transaction by CCIL the relative "Service Reference Number " will be communicated by CCIL to the concerned Member through eNotice System with an email alert or via telefax /telephone to assist the Member in the confirmation process ;
8. Upon intimation through eNotice System /e-mail alert/fax/telephone, Member shall confirm the Collateral withdrawal transaction by accepting the details entered by CCIL in the eKuber System using the Transfer Order Query provided under the Security Services > Security Transfer Menu of the eKuber System ;
9. Member shall ensure due, proper and timely confirmation of Withdrawal transaction on eKuber System within the cut-off timings prescribed by RBI and ensure transfer of security to their SGL / CSGL Account. No liability shall rest on CCIL for the Member's failure to do so ;



10. Withdrawals shall be reflected in relevant collateral transaction and collateral holding statement on relative value date of payment ;
11. CCIL's obligation towards the security withdrawal is limited to initiation, confirmation and electronic transmission of relative security/ies transfer order to the member via eKuber System ;
12. Securities debited for Triparty Repo trades-securities pay-in obligations as part of settlement process, to respective gilt account maintained by CCIL for the member and its constituent, at the closure of T+0 Dealing Session, will not be available for intraday withdrawal on the relevant business date. Similarly securities credited to the gilt account of the member and its constituent towards Triparty Repo lending will not be available for withdrawal by such Member ;
13. Acceptance of Security withdrawal Notices out of SGF will be subject to the condition that if the security intended to be withdrawn is under utilization towards meeting shortage obligation of some member(s) or utilized by CCIL to avail liquidity for handling funds shortage of any member, rendering the refund of security is impossible then such withdrawal requests may be cancelled by CCIL. The member shall be informed of such cancellation with appropriate reason.

#### **IV. Securities Substitution**

Members can substitute cash for security OR vice versa OR even replace a security with another eligible security. Member shall follow the procedure for contribution and Withdrawals, as prescribed above for the purpose. Members shall initially execute the contribution transaction to ensure that the withdrawal transaction could be processed successfully by CCIL.

#### **V. Corporate Actions on Cash and Securities**

1. Interest (coupon) benefits due on Securities contributed towards SGF / Triparty Repo collateral for proprietary trades and constituents' trades shall be paid to the Members contributing the security(ies) in terms of CCIL's Securities Segment Regulations ;
2. SGF – Interest on Cash collateral: - Interest shall be payable at Quarterly rests on eligible cash collateral contributed to SGF. Interest shall be payable on 90 % of the cash balance provided the entire SGF contribution towards proprietary trades, individual constituents or Group of constituents' as the case may be, is in the form of cash ;
3. Triparty Repo – Interest on Cash collateral - Interest shall be payable at Quarterly rests on Triparty Repo cash collateral, utilised towards initial margin obligation for proprietary Triparty Repo trades and each constituent's Triparty Repo trades. While computing the interest eligible balance, the minimum prescribed cash balance of Rs. 1,00,000/- shall be excluded from the utilised cash collateral towards Initial Margin;





4. Interest on eligible cash balance as mentioned in V.2 and V.3 above shall be paid at the rate not exceeding 100 basis points lower than the weighted average of 91 days Treasury Bills' cut-off yields at the last three primary auctions held before the relevant interest payment date. Such interest shall be paid at the beginning of next quarter for the previous quarter ;
  
5. All interest benefits due to the members on securities / eligible funds contributions towards SGF and Triparty Repo collateral shall be credited to concerned members' RTGS settlement or Current account maintained with RBI-DAD / DSB on relative date of payment. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS System / Net Banking System of DSB on account of any reason.

Sd/-  
Authorised Signatory  
**The Clearing Corporation of India Ltd.**



**Annexure-I**

*{Securities Segment – SGF and Triparty Repo - Collateral/Margin- Notice of Contribution to be submitted by Member}*

*(Forms Integral Part of Collateral Work Flow Procedure No. CCIL/OPS/RMD/2020-21/12 dated 12th March 2021 relating to Securities Segment – SGF and Triparty Repo- Collateral/Margin)*

**(To be Issued by Clearing Member on its letter head in case of physical submission of Notice)**

**Securities Segment : Settlement Guarantee Fund/ Triparty Repo Collateral**

**Notice of Contribution**

As on \_\_\_\_\_ (Date)

Reference (if any) \_\_\_\_\_

*Tick whichever is applicable*

Member ID :

<input type="checkbox"/>	Settlement Guarantee Fund
<input type="checkbox"/>	Triparty Repo - Collateral/Margin

Member Name :

**I. Funds Contribution**

Sr. No.	Constituent / Group ID*	Constituent / Group Name*	Transaction Reference No.	Amount (Rupees in Figures)	Amount (Rupees in Words)

**II. Security Contribution – Source SGL / CSGL Account No.**

Destination CSGL Account No. SGF/ Triparty Repo Collateral

Sr. No.	Constituent / Group ID*	Constituent / Group Name*	ISIN	Security Description	Face Value (Rs in figures)	Face Value (Rs in words)	eKuber Service Reference No.

\* Not applicable for Proprietary collateral contribution

This Notice of Contribution is sent as required as per CCIL’s Bye Laws, Rules and Regulations. We hereby undertake to contribute relative funds/securities as per extant procedure within the cut-off timings stipulated by RBI / CCIL for the purpose.

<For (Member Name)>

\_\_\_\_\_  
 Authorised Signatory/ies  
 (as applicable)



{ Securities Segment – SGF and Triparty Repo - Collateral/Margin- Notice of Withdrawal to be submitted by Member }

(Forms Integral Part of Collateral Work Flow Procedure No. CCIL/OPS/RMD/2020-21/12 dated 12<sup>th</sup> March 2021 relating to Securities Segment – SGF and Triparty Repo- Collateral/Margin)

**(To be Issued by Member on its letter head in case of physical submission of Notice)**

**Securities Segment : Settlement Guarantee Fund/ Triparty Repo Collateral**

**Notice of Withdrawal**

As on \_\_\_\_\_ (Date)

Reference (if any) \_\_\_\_\_

*Tick whichever is applicable*

Member ID :

<input type="checkbox"/>	Settlement Guarantee Fund
<input type="checkbox"/>	Triparty Repo - Collateral/Margin

Member Name :

**I. Funds Withdrawal**

Sr. No.	Constituent / Group ID*	Constituent / Group Name*	Value Date	Amount (Rupees in Figures)	Amount (Rupees in Words)

**II. Security Withdrawal**

Sr. No	Constituent / Group ID*	Constituent / Group Name*	Value Date	ISIN	Security Description	Face Value (Rs. in figures)	Face Value (Rs in words)	CSGL A/c No. to be credited

\* Not applicable for Proprietary collateral Withdrawal

We confirm that this Notice is submitted based on –

1. Outstanding obligations and extent of withdrawals permissible in terms of CCIL Bye Laws, Rules and Regulations;
2. Actual balances held / reported by us with CCIL;

We are aware that this Notice of Withdrawal should reach your counters within the cut-off timings stipulated for the purpose.

We undertake to confirm the transaction in the eKuber System on value date of withdrawal within the cut-off timings stipulated by RBI for the purpose.

<For (Member Name)>

\_\_\_\_\_  
 Authorised Signatory/ies  
 (as applicable)



Annexure-III

{Securities Segment –Triparty Repo Collateral/Margin- Notice of Withdrawal to be submitted by Member}

(Forms Integral Part of Collateral Work Flow Procedure No. CCIL/OPS/RMD/2020-21/12 dated 12<sup>th</sup> March 2021 relating to Securities Segment – Triparty Repo Interest Retained on Securities Collateral)

(To be Issued by Member on its letter head in case of physical submission of Notice)

**Securities Segment: Triparty Repo Collateral**  
**Interest Retained on Securities Collateral towards Borrow Limit**

Notice of Withdrawal

As on \_\_\_\_\_ (Date)

Reference (if any) \_\_\_\_\_

Member ID:

Member Name:

**I. Funds Withdrawal**

Sr. No.	Constituent / Group ID*	Constituent / Group Name*	Value Date	Amount (Rupees in Figures)	Amount (Rupees in Words)

\* Not applicable for Proprietary Cash Withdrawal

We confirm that this Notice is submitted based on –

1. Partial/Full Replenishment of Borrow Limit shortfall and the extent of cash withdrawals permissible in terms of CCIL Bye Laws, Rules and Regulations.
2. Actual interest retained either partially/fully with CCIL;

We are aware that this Notice of Withdrawal should reach your counters within the cut-off timings stipulated for the purpose.

<For (Member Name)>

\_\_\_\_\_  
Authorised Signatory/ies  
(as applicable)