



Derivatives Department -Rupee Derivatives (Guaranteed Settlement)

Date: 17th Oct, 2018

Notification No.: CCIL/DRV/IRS/18/107

To

All Members
Rupee Derivatives (Guaranteed Settlement) Segment

Dear Sir/Madam,

We refer to our notification no: CCIL/DRV/IRS/14/11 dated 18th March, 2014 announcing the commencement of guaranteed settlement services in respect of Interest Rate Swaps (IRS) referenced to the MIBOR and MIOIS benchmarks. 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 MIFOR benchmark. Accordingly, all trades referenced to the MIFOR benchmark shall be settled on a guaranteed basis. The guaranteed settlement services in respect of trades referenced to the MIFOR benchmark shall come into force with effect from 19th November, 2018.

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 MIFOR benchmark proposed to be accepted for guaranteed settlement is as given below.

- 1) The 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 MIFOR benchmark.
- 2) The trades have a residual maturity of less than or equal to five years as on the date of acceptance for CCP clearing.
- 3) The effective date of the trades is two business days after the trade date.
- 4) The frequency of the floating cash flows arising out of such trades is less than or equal to the designated maturity of the benchmark specified.

5) In case of a trade with a stub period (both start stub and/or end stub), the designated maturity of the benchmark specified for the stub is any *one* out of the designated maturities of the benchmark (i.e. 2 Months, 3 Months, 6 Months or 12 Months).

Criterion with regard to Membership, Trade Reporting/Acceptance/Rejection, Reports and Time Schedule for settlement of cash flows remain the same as previously notified.

Yours faithfully,

For the Clearing Corporation of India Ltd

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Managing Director.