



**NOTIFICATION**

**RUPEE DERIVATIVES (GUARANTEED SETTLEMENT) SEGMENT**

**This has been Superseded by Notification No. CCIL/CFM-DRV/18/112 dated 29-Oct-2018 on Collateral Workflow procedure for Rupee Derivatives (GS) Segment**

Notification No: CCIL/CFM-DRV/15/39

Date: 28.07.2015

**Collateral Work-Flow Procedure with effect from 03<sup>rd</sup> August, 2015**

We invite your attention to Chapter III “Settlement Guarantee Fund” (SGF) of Rupee Derivatives (Guaranteed Settlement) Segment Regulations 2010, subsequent amendments and as updated in June 2015. In terms of the above Chapter, the captioned process flow is given below. This notification replaces the earlier notifications issued in this regard.

**I. General**

- a) In terms of CCIL’s Bye-Laws, Rules and Regulations all members admitted to Rupee Derivatives (Guaranteed Settlement) Segment are required to contribute collaterals to cover their margin obligations for their trades submitted in the said business segment;
- b) The Rules and Regulations governing member’s margin obligations have been spelt out in CCIL’s Bye-Laws, Rules and Regulations and all members shall be governed by the relative provisions as applicable;
- c) This Notification, issued in terms of provisions contained in CCIL’s Bye-Laws, Rules and Regulations, sets out the workflow process relating to deposit(s), withdrawal(s), substitution of funds and / or securities to be maintained with CCIL for Rupee Derivatives (Guaranteed Settlement) Segment;
- d) The types of collateral eligible for margin contributions towards Rupee Derivatives (Guaranteed Settlement) Segment include Funds in form of INR and Eligible Securities;
- e) The Unutilised portion of Member’s Settlement Guarantee Fund (SGF) contribution towards CCIL’s Securities Segment shall be eligible towards collateral/margins for Rupee Derivatives (Guaranteed Settlement) Segment;
- f) All contributions/withdrawals of collaterals/margins shall be captured, stored and maintained by CCIL on Value Date basis.



**II. RUPEE DERIVATIVES (GUARANTEED SETTLEMENT )  
COLLATERAL/MARGIN CONTRIBUTIONS FROM UNUTILISED PORTION  
OF SECURITIES SEGMENT SGF**

- a) Unutilised SGF contribution towards Securities Segment shall be applied towards collateral/margin obligation of a member to cover the margin obligation for its Rupee Derivatives Trades, subject to provisions of CCIL's Bye-laws, Rules and Regulations;
- b) Members may kindly note that CCIL's Bye-laws, Rules & Regulations, Notifications, procedures, terms, conditions, provisions, etc. governing Securities Segment SGF shall be applicable to their collateral/margin contribution for Rupee Derivatives (Guaranteed Settlement) Segment unless otherwise specified;
- c) In terms of Securities Segment Regulations, members are required to maintain at least **10%** of their margin requirements (towards Securities Segment) in the form of INR fund contributions to Securities Segment SGF;
- d) In addition to the above, members of Rupee Derivatives (Guaranteed Settlement) Segment are required to maintain at least **5%** of their margin requirement for Rupee Derivatives (Guaranteed Settlement) Segment in the form of INR fund contributions to Securities Segment SGF;
- e) The work-flow process for deposit(s), withdrawals (s), and substitution(s) of Funds (INR) and Securities as spelt out in our Notification No. **CCIL/CFM-SS/14/31** dated 11<sup>th</sup> August, 2014 for Securities Segment SGF shall be applicable for Rupee Derivatives (Guaranteed Settlement) Segment. Any revision in Collateral Work Flow process for Securities Segment SGF shall be applicable to Rupee Derivatives (Guaranteed Settlement) Segment also.

**III. QUARTERLY INTEREST PAYMENT ON CASH COLLATERAL/MARGIN  
CONTRIBUTIONS / UTILISATION  
– RUPEE DERIVATIVES (GUARANTEED SETTLEMENT) SEGMENT**

In terms of Regulations of Rupee Derivatives (Guaranteed Settlement) Segment, Members are entitled to receive interest at Quarterly rest (at the end of every calendar quarter) on cash collateral based on utilisation during that period.

- a) Interest shall be payable at quarterly rest (at the end of every calendar quarter) on daily End of Day utilisation of the cash collaterals towards margin requirement for Rupee Derivatives (Guaranteed Settlement) Segment;
- b) Minimum interest free cash collateral of **Rs. 1 Crore** required to be maintained for Rupee Derivatives (Guaranteed Settlement) Segment shall be excluded from computation of such amount of utilisation, eligible for interest payment;



- c) The cash margin/collateral requirement of 5% of the total margin requirement shall be reckoned as eligible for interest and thereafter securities collateral(s) shall be considered towards the margin obligation. Any cash collateral/margin contribution remaining unutilised thereafter shall not be reckoned as eligible for interest payment;
- d) In the event of securities collateral contribution being insufficient to cover the margin obligation, Cash collateral utilised in excess of mandatory requirement of 5% to meet the margin obligation for Rupee Derivatives (Guaranteed Settlement) Segment shall also be reckoned as eligible for interest;
- e) In case a member contributes 100% Settlement Guarantee Fund (SGF) contribution in cash, interest shall be paid as per above rules on the amount utilised towards Rupee Derivatives (Guaranteed Settlement) Segment margin requirement. On the remaining balance Interest shall be payable as per Rules, applicable for interest payment on Securities Segment SGF;
- f) Interest on such utilisation is payable at a rate not exceeding 100 basis points lower than the weighted average of 91 day Treasury Bill cut-off yields at the last three auctions held before the relevant interest payment date.

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

**Sd/-  
Managing Director**