



NOTIFICATION

This has been Superseded by Notification No. CCIL/CFM/18/91 and CCIL/CFM/18/90 dated 25-Sept-2018 on Collateral Work-flow Procedure for TPR -Default Fund - Internet Members

DEFAULT FUND
SECURITIES SEGMENT

Date : 26th July,2016

Notification No.: CCIL/CFM-SS/16/26.

Collateral Work-Flow Procedure for Default Fund – Securities Segment
with effect from 05th August 2016
{Members maintaining SGL Account with Reserve Bank of India (RBI) and Current Account with RBI or Designated Settlement Bank (DSB)}

We invite your attention to Chapter XIV – ‘Default Fund’ (DF) of Securities Segment Regulations 2009, amended in June 2016. In terms of the above chapter, the captioned process flow is given below.

I. General :

1. In terms of its Bye Laws, Rules and Regulations, The Clearing Corporation of India Limited (CCIL) has instituted a Default Fund for its Securities Segment, comprising of collateral contributions received from its Members;
2. The Rules and Regulations governing the Default Fund have been spelt out in CCIL’s Bye-Laws, Rules and Regulations and all Members shall be governed by the relative provisions;
3. This Notification, issued in terms of provisions contained in CCIL’s Bye Laws, Rules and Regulations, sets out the workflow process relating to deposits, withdrawals and substitution of funds and/or securities in respect of Default Fund for its Securities Segment;
4. Each member shall deposit towards Default fund such sum as notified by CCIL in the form of cash (INR) and/or eligible Securities;
5. Members of CCIL’s Securities Segment settle the funds obligations through their Accounts maintained with Deposit Accounts Department (DAD) of Reserve Bank of India (RBI) OR through their Accounts maintained with Designated Settlement Banks (DSB) appointed for the purpose;
6. For members settling the Funds Obligations at DAD, RBI, all funds related Default Fund Transactions shall be undertaken through CCIL’s and respective



member's RTGS Settlement / Current Accounts with DAD, RBI using the Next Generation - Real Time Gross Settlement (NG-RTGS) System of RBI;

7. For Members settling the Funds Obligations at DSBs, all funds related Default Fund Transactions shall be undertaken through CCIL's and respective member's Current Accounts maintained with the DSBs using the applicable Net Banking System(s) of DSBs and /or Next Generation - Real Time Gross Settlement (NG-RTGS) System of RBI. The details of CCIL's Current Accounts maintained with DSBs are provided in **Annexure I** attached herewith;
8. All funds related collateral notices for members settling funds obligations at DSBs shall be routed through the respective Settlement Bank. The DSB shall accord its confirmation to the Notice of Funds Deposit submitted by such member(s);
9. Members settling the funds obligations at RBI shall contribute funds towards Default Fund in CCIL's RTGS Settlement Account Number **8710977** having IFSC Code **CCIL0PI0001** maintained with DAD, RBI. Other members shall contribute funds towards Default Fund with respective DSB;
10. All security contributions shall be received and held in CCIL's Constituent Subsidiary General Ledger Account (CSGL) with Public Debt Office of RBI in Constituent SGL Account No. **52609200001** (SG020044);
11. All transfers of securities into and/or out of CCIL's Constituent SGL Account shall be done on **Value Free basis** using the relative functionality available in 'eKuber System' of RBI;
12. The cut off timings specified for various activities relating to Default Fund have been set out in the **Annexure II** attached herewith which shall be strictly adhered to;
13. CCIL shall account for and update individual Member contributions to Default Fund only after receipt of necessary confirmation from RBI / DSB about actual receipt of funds and/or securities as applicable;
14. Movement of funds/securities into and/or out of Default Fund shall be captured, stored and maintained on value date basis;
15. All corporate actions in respect of securities contributed to Default Fund by Members shall flow into CCIL's Current Account with RBI. CCIL shall arrange to remit relative proceeds to concerned Members' RTGS Settlement / Current



Account with DAD, RBI, Mumbai or member's account with respective DSB after receipt of funds by CCIL from RBI;

16. CCIL has an Electronic web-based interface 'eNotice system' to facilitate electronic delivery of Default Fund related Notices by Member, DSB and CCIL response thereto;
17. All Notices of Deposits/Withdrawals shall be sent by members via eNotice System or shall be telefaxed by Members to CCIL's Collateral & Funds Management Segment on 022- 61546499/61546465 (Marked to the attention - Collateral & Funds Management Segment) to be followed up with physical intimation as per prescribed format (enclosed at Annexures III, IV, V & VI for ready reference) in case of non-availability /non-functioning of the eNotice System;
18. Default Fund contribution(s) shall be held distinctly towards the Default Fund formed for specific business segment and the same are not fungible with other segment's Default Fund / Settlement Guarantee Fund;
19. All Collateral Notices shall be accepted on days when CCIL is open for business in terms of CCIL's Bye Laws, Rules and Regulations;
20. The Default Fund contribution in funds and / or securities shall be in multiples of **Rs. 1,00,000/-**.

II. Deposits Procedure:

A. Funds Deposit

1. Members desirous of making fund contributions to Default Fund shall intimate CCIL via eNotice System or by means of their "Notice of Deposit" to CCIL in the prescribed format on the day of deposit prior to/along with the actual deposit. CCIL shall not afford credit in respect of funds deposits without proper receipt of requisite "Notice of Deposit" from the concerned Member(s);
2. All fund contributions shall be received by CCIL in its RTGS Settlement Account Number **8710977** at DAD, RBI or in its Current Account with respective DSB wherein funds obligation for the concerned member is settled;
3. For effecting fund transfer(s) to CCIL's RTGS Settlement Account, members shall incorporate CCIL's IFSC Code viz. '**CCILOPI0001**' in the payment instructions to be executed on NG-RTGS System. Members settling funds obligation at DSB



need to credit the Fund contribution to CCIL's Current Account with respective DSB;

4. The unique reference of transaction on NG-RTGS System shall be incorporated in the Notice of Deposit sent to CCIL either via Fax or through eNotice system to assist CCIL in identification of Credit(s) received in the RTGS Settlement Account. Other members shall incorporate their CCIL Membership ID in the relative reference so as to enable easy identification of Credit;
5. The Deposit shall be confirmed by CCIL only upon sighting of funds in CCIL's RTGS Settlement Account / Current Account as above and relative reports shall be available for download at member end upon confirmation by CCIL. Default Fund "Transaction Statement" and "Holding Statement" shall be available for electronic download by the concerned Member on the relative date of deposit;
6. CCIL shall not be responsible for non-receipt / delay in receipt of credit in its RTGS Settlement Account / Current Account through NG-RTGS or any other system of the DSB on account of any reason;
7. In case of exceptional circumstances or non availability of the NG-RTGS System, funds deposit may be accepted by means of RBI Cheque drawn in favour of CCIL subject to acceptance of same by DAD, RBI.

B. Securities Deposit

1. Members desirous of making securities contributions to Default Fund shall intimate CCIL via eNotice System or by means of their "Notice of Deposit" to CCIL in the prescribed format on the day of deposit along with the actual deposit. CCIL shall not confirm any deposit entry in respect of securities deposits without proper receipt of requisite "Notice of Deposit" from the concerned Member(s);
2. All securities contributions to Default Fund shall be made by Members, from amongst the list of eligible securities prescribed by CCIL and current at the time of such deposit;
3. Deposit of Securities by Members into Default Fund shall be carried out electronically using the relative functionality in RBI's eKuber System. Members shall ensure adherence to the cut-off timings prescribed from time to time for deposit of securities contributions to Default Fund;



4. Member shall initiate the security deposit transaction by entering the details in the '**Margin Transfer Screen**' under the Security Services>Security Transfer Menu in their eKuber System. Member shall select the Reason for Transfer Type "**Contribution to SGF**" and CCIL's CSGL account number as 52609200001 (SG020044). Member shall input the source SGL A/c Number and the Instrument details with the appropriate quantity (In Face Value) and create the transaction. E-Kuber system is expected to generate a 'Service Reference Number' in respect of the transaction. Members shall incorporate the Service Reference Number in the eNotice in the block provided for inputting CBS Service Reference Number or in their "Notice of Deposit" sent to CCIL as para II.B.1 above;
5. Maker/Checker facility is available for the Margin Transfer 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. Upon receipt of transaction via eKuber System at CCIL, the Security deposit transaction approved by the member in the eKuber System as above, would then be verified with the eNotice submitted by the member or with the physical Notice of Deposit received directly from the Member. Upon verification of the relevant records in the eKuber System (Transfer Type, Security Description, ISIN Code, Face Value of Security, Service Reference No.) and ensuring that the same tally completely with the Member's eNotice /Notice of Deposit, the transaction shall be "Confirmed" at CCIL's end. On confirmation, the transactions would electronically flow to RBI and are expected to get 'Settled' over eKuber System subject to availability of requisite balance and other validations on eKuber System. In case the transaction particulars in the eKuber system do not tally with Member's eNotice /Notice of Deposit, the concerned transaction shall be Rejected by CCIL;
7. Upon transfer of security from Member's SGL Account into CCIL's CSGL Account, CCIL shall update concerned Member's holdings and the status of notice in the eNotice System will be updated as "**Confirmed**". Default Fund "Transaction Statement" and "Holding Statement" shall be available for electronic download by the concerned Member on the relative date of Deposit;
8. CCIL's obligation towards the security deposit via eKuber System as above, is limited to acceptance, confirmation and electronic transmission to RBI for settlement.



III. Withdrawals Procedure:

A. Funds Withdrawal

1. Members desirous of seeking fund withdrawals from their Default Fund contribution shall intimate CCIL via eNotice System or send physical "Notice of Withdrawal" to CCIL (in prescribed format) at least **ONE** business day prior to the actual value date of proposed withdrawal;
2. Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose;
3. Notice(s) of Withdrawal received via fax or physical submission after the prescribed cut off time shall be rejected by CCIL;
4. Before submission of Notice of Withdrawal, member shall ensure that the requisite balance as notified by CCIL is maintained towards Default Fund post withdrawal also;
5. In respect of withdrawal(s) honoured by CCIL, payment(s) shall be effected using the NG-RTGS System and/or Designated Settlement Bank's Net Banking System;
6. 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 concerned Member's Default Fund Transaction and Holding Statements on relative value date of payment;
7. 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 other members relative amount shall be credited to their Account details recorded with CCIL using Designated Settlement Bank's Net Banking System;
8. CCIL shall use the relative IFSC Code allotted by RBI to concerned member's RTGS Settlement / Current Account for effecting funds transfer(s);
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 at member end;



10. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS System/DSB's Net banking 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 means of Cheque drawn in favour of concerned member subject to acceptance of same by DAD, RBI.

B. Securities Withdrawals

1. Members desirous of seeking securities withdrawal from their Default Fund contribution shall send a " Notice of Withdrawal" to CCIL via eNotice System or fax a physical notice (in prescribed format);
2. Such withdrawal requests shall be accepted 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;
4. Notice(s) of Withdrawal received via fax or physical submission after the prescribed cut off time shall be rejected by CCIL;
5. Before submission of Notice of Withdrawal, member shall ensure that the requisite balance as notified by CCIL is maintained towards Default Fund post withdrawal also;
6. In case the Notice of withdrawal is honoured, the status of the same is updated as '**Confirmed**' in eNotice System;
7. For permissible securities withdrawals, honoured by CCIL after completion of necessary internal checks, CCIL shall initiate the securities withdrawal transaction by entering the details in the Margin Transfer Screen under Security Services>Security Transfer Menu in CCIL's eKuber System on the Value Date of withdrawal based on the notice of withdrawal submitted by the member. The same will then be approved by CCIL and electronically transmitted to the concerned Member via eKuber System for confirmation;
8. 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 auto email alert or via telefax /email/telephone to assist the Member in the confirmation process;



9. Upon intimation through eNotice System /e-mail alert/fax/telephone, Member shall confirm the Securities 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. Members shall ensure that the same is transmitted to RBI for settlement;
10. Members 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 Account. No liability shall rest on CCIL for the Member's failure to do so;
11. Withdrawals shall be reflected in concerned Member's Default Fund Transaction and Holding Statement on relative value date of payment;
12. CCIL's obligation towards the security withdrawal is limited to initiation, confirmation and electronic transmission of relative security/ies transfer order to the Members via eKuber System.

IV. Substitutions Procedure:

Members can substitute Cash for Security OR vice versa OR even replace an eligible security with another eligible security. Members shall follow the procedure for Deposits and Withdrawals, as prescribed above for the purpose. Member may initially execute the Deposit part of the transaction to ensure that the withdrawal is honoured by CCIL.

V. Corporate Actions:

1. Interest shall be payable to Members at quarterly rest on their average daily cash balances maintained during the relative quarter;
2. Such interest shall be payable at a rate based on CCIL's earning arising out of Investment of funds contributed towards Default Fund by all members of Securities Segment. The relative rate shall be arrived at after deducting the cost incurred for such investments;
3. The interest amount shall be credited to the concerned Member's RTGS Settlement / Current Account maintained with DAD, RBI. For other members, relative amount shall be credited to their Account details recorded with CCIL using Designated Settlement Bank's Net Banking System. Relative reports shall be available for download at member end on value date of payment;



4. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS system / Net Banking system of Designated Settlement Bank on account of any reason;

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



(Forms Integral Part of Notification No.- **CCIL/CFM-SS/16/26** dated 26/7/2016 relating to Default Fund – Securities Segment - Collateral Work Flow Process.)

I) Details of CCIL's RTGS Settlement Account

Account Number : **8710977**
IFSC Code : **CCIL0PI0001**

II) Details of CCIL's Current Account(s) with Settlement Banks :

Sr. No.	Name of DSB	CCIL's Current A/c. No. with Settlement Bank	IFSC Code
1)	HDFC Bank Limited	00600350011471	HDFC0000060
2)	Axis Bank Limited	004010200559843	UTIB0000001
3)	Citibank N.A.	9878009	CITI0100000
4)	State Bank of India	30496521208	SBIN0011777
5)	IDBI Bank Limited	004103000032054	IBKL0000004
6)	Standard Chartered Bank Limited	22205449243	SCBL0036046
7)	ICICI Bank Limited	039305004968	ICIC0000393



(Forms Integral Part of Notification No.- CCIL/CFM-SS/16/26 dated 26/7/2016 relating to Default Fund – Securities Segment - Collateral Work Flow Process)

Cut-off Timings for receipt of Notices by CCIL

Particulars of Notice	Timings	
	Funds	Securities
Notice of Deposit	Monday To Saturday: Upto 17.00 hrs	Monday To Saturday: Upto 17.00 hrs
Notice of Withdrawal	Monday To Saturday: Upto 15.00 hrs	Monday To Saturday: Upto 17.00 hrs



(Forms Integral Part of Notification No.- CCIL/CFM-SS/16/26 dated 26/7/2016 relating to Default Fund – Securities Segment -Collateral Work Flow Process.)

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

Default Fund
Business Segment - Securities

Notice of Deposit
As on XXXXXXXXX (Date)

Reference (if any) _____

CCIL Member ID : XXXXXXXX
Member Name :XXXXXXXXXXXXXXXX

I. Funds Deposit

Value Date of Deposit	Transaction Reference No.	Amount (Rupees in Figures)	Amount (Rupees in Words)

II. Security Deposit – Source SGL Account No. (Member’s Proprietary SGL Account)
Destination SGL Account No. (CCIL’s CSDL A/c)

Sl. No.	Value Date of Deposit	ISIN Code	Security Description	Face Value (Rs in figures).	Face Value (Rs in words)	eKuber Service Reference No.

This Notice of Deposit is sent as required as per CCIL’s Bye Laws, Rules and Regulations. We hereby undertake to deposit relative funds/securities (by initiation of deposit entry via e-Kuber System) as per extant procedure within the cut-off timings stipulated by RBI / CCIL for the purpose.

<For (Member Name)>

Authorised Signatory/ies
(as applicable)



((Forms Integral Part of Notification No.- CCIL/CFM-SS/16/26 dated 26/7/2016 relating to Default Fund - Securities Segment- Collateral Work Flow Process.))

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

Default Fund
Business Segment - Securities
Notice of Withdrawal

As on XXXXX(Date)

Reference (if any) _____

CCIL Membership ID: XXXXXXXX
Member Name : xxxxxxxxxxxxxxxx

I. Funds Withdrawal

Notice Date	Value Date	Amount (Rupees in Figures)	Amount (Rupees in Words)

II. Security Withdrawal

Sl. No	Notice Date	Value Date	ISIN Code	Security Description	Face Value (Rs. in figures)	Face Value (Rs in words)	SGL A/c No. to be credited

We confirm that this Notice is submitted based on -

1. Actual balances held by us towards our Default Fund contributions;
2. Minimum required balance is maintained towards Default Fund in terms of CCIL's Bye-Laws Rules and Regulations.

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)



((Forms Integral Part of Notification No.- CCIL/CFM-SS/16/26 dated 26/7/2016 relating to Default Fund - Securities Segment- Collateral Work Flow Process.)

(To be Issued by Member on its letter head)

DEFAULT FUND
Business Segment - Securities
Notice of Deposit

As on _____ (Date)

Reference (if any) _____

CCIL Membership ID : XXXXXXXX

Member Name : XXXXXXXXX

I. Funds Deposit- Source Account No. [] (Member's Current Account with DSB)

Destination Account No. [] (CCIL's Current Account with DSB)

Table with 3 columns: Value Date of Deposit, Amount (Rupees in Figures), Amount (Rupees in Words)

We have instructed our designated Settlement Bank to transfer funds as above. The funds will be transferred by them as per extant approved procedure within the prescribed cut-off timings with all requisite particulars required by you duly incorporated. Upon receipt of the funds by you, kindly update our Default Fund contribution suitably.

II. Security Deposit - Source SGL Account No. [] (Member's Proprietary SGL Account)

Destination SGL Account No. [52609200001] (CCIL's CSGL A/c)

Table with 7 columns: Sl. No., Value Date of Deposit, ISIN Code, Security Description, Face Value (Rs in figures), Face Value (Rs in words), eKuber Service Reference No.

This Notice of Deposit is sent as required as per CCIL's Bye Laws, Rules and Regulations. We hereby undertake to deposit relative security/ies (by initiation of deposit entry via eKuber System) as per extant procedure within the cut-off timings stipulated by RBI / CCIL for the purpose.

<For (Member name)>

Authorised Signatory/ies

(To be filled by Settlement Bank in case of Funds Deposit only)

We confirm receipt of necessary instruction from <Member Name> and hereby confirm having transferred the requisite amount as mentioned above to CCIL's current account No [] on [] before [] as per extant procedure within the cut-off timings stipulated by CCIL in terms of our customer's instruction, we hereby confirm having transferred this amount to CCIL Current Account with us for value _____ quoting reference _____.

<For (Settlement Bank)>

Authorised Signatory / ies
(As applicable)



(Forms Integral Part of Notification No.- CCIL/CFM-SS/16/26 dated 26/7/2016 relating to Default Fund - Securities Segment- Collateral Work Flow Process.)

(To be Issued by Member on its letter head)

DEFAULT FUND
Business Segment – Securities

Notice of Withdrawal

As on _____ (Date)

Reference (if any) _____

CCIL Membership ID : XXXXXXXX

Member Name : XXXXXXXX

I. Funds Withdrawal

Notice Date	Value Date	Amount (Rupees in Figures)	Amount (Rupees in Words)	Current Account No with Designated Settlement Bank

II. Security Withdrawal

Sl. No	Notice Date	Value Date	ISIN Code	Security Description	Face Value (Rs. in figures)	Face Value (Rs in words)	SGL A/c No. to be credited

We confirm that this Notice is submitted based on –

1. Actual balances held by us towards our Default Fund contributions;
2. Minimum required balance is maintained towards Default Fund in terms of CCIL’s Bye-Laws Rules and Regulations.

We are aware that this Notice of Withdrawal should reach your counters within the cut-off timings stipulated for the purpose. In the event of this Notice reaching you after the cut-off time as above, we are aware that the same will be treated as having been received by you as of the subsequent business day.

We are aware that payment of this amount (after confirming eligibility) shall be credited to our Current Account with our designated Settlement Bank.

We undertake to confirm the security transaction in 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)
CC: Settlement Bank in case of Funds Withdrawal Only