



**NOTIFICATION**

**SECURITIES SEGMENT**

**This has been Superseded by Notification No. CCIL/OPS/2020-21/14 dated 12-Mar-2021 on Collateral Workflow Procedure DSB and CAH**

Date: 25-09-2018

Notification No: CCIL/CFM-SS/18/92

**Collateral Work-Flow Procedure for Designated Settlement Banks and CSGL Account Holders with effect from 29<sup>th</sup> October, 2018**

**The work flow procedure is applicable to Banks, designated as Settlement Bank for Securities Segment and CSGL Account Holder (CAH) at Reserve Bank of India maintaining gilt account of CCIL members**

We invite your attention to the work flow process for deposit and/ or withdrawal of securities and/ or funds, referred to in below mentioned Chapter(s) in Securities Segment regulations effective from 29<sup>th</sup> October, \_2018

- Chapter III “Settlement Guarantee Fund”,
- Chapter IV “Triparty Repo Collateral”
- Chapter XV ‘Settlement Bank’
- Chapter XVI ‘Default Fund’

**I. General**

1. In terms of Bye Laws, Rules and Regulations of The Clearing Corporation of India Limited (CCIL), Members including Associate Members (Members) are required to contribute securities and / or funds towards Settlement Guarantee Fund (SGF) and Triparty Repo (TPR) Collateral / Margin contributions to cover their operations in CCIL’s Securities Segment;
2. The members shall also be required to contribute securities and / or funds towards Default Fund(s) established in Securities Segment based on its applicability;
3. This Notification sets out the workflow process for banks designated as Settlement Bank (DSB) by CCIL for its operations in Securities Segment. It outlines procedures relating to deposits, withdrawals of funds and/or securities, corporate actions in respect of Members/ Associate Members in CCIL’s Securities Segment, required to be carried out by the Settlement Bank in discharge of its obligations and responsibilities;
4. All funds deposit related notices by members for contribution to SGF / TPR Collateral / Default Funds shall be routed through the respective DSB. For all funds withdrawal notices an intimation shall flow to the respective DSB, post submission of notice of withdrawal by member;



5. All securities deposit / withdrawal notices relating to TPR collateral / Default Fund by Associate Members shall be routed through the DSB / CSGL Account holder wherein such member maintains a Gilt Account;
6. All security contributions towards **Tri party Repo** Collateral shall be received and held in CCIL's Constituent Subsidiary General Ledger (CSGL) Account No. **52609200004(SG090001)** with Public Debt Office of RBI. Similarly all security withdrawals for Members shall be delivered by CCIL from its above CSGL Account to the CSGL Account of the DSB / CAH with PDO, RBI;
7. All security contributions towards default fund shall be received and held in CCIL's Constituent Subsidiary General Ledger Account (CSGL) Account No. **52609200001** (SG020044) with Public Debt Office of RBI. Similarly all security withdrawals for Members shall be delivered by CCIL from its above CSGL Account to the CSGL Account of the DSB / CAH with PDO, RBI;
8. 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;
9. The cut off timings specified for various activities relating to deposit / withdrawal of collateral/margin have been set out in the **Annexure I** attached herewith which shall be strictly adhered to;
10. DSB and CAH will take into account provision of following Notifications issued to members / associate members detailing the collateral work flow procedure for deposit / withdrawal of funds / securities towards SGF / Tri party repo collateral / default fund(s)

Sr. No.	Notification	Notification Number
1	Work-Flow Procedure for Securities SGF and TPR Collateral	CCIL/CFM-SS/18/88
2	Collateral Work-Flow Procedure for Default Fund(s) – INFINET Members	CCIL/CFM/18/91
3	Collateral Work-Flow Procedure for TPR Margin / Collateral - Internet Members	CCIL/CFM/18/89
4	Collateral Work-Flow Procedure for TPR Default Fund -Internet Members	CCIL/CFM/18/90

## II. Deposits Procedure – Responsibilities of Settlement Bank:

### A. Funds Deposit :

1. Settlement Bank shall receive instructions for funds transfer to CCIL's Current Account and the intimation of creation and approval of Notice in eNotice System (via automatic email alerts upon approval by Member) or by copy of a physical notice (in case of non-availability/ non-functioning of eNotice System) from Member;



2. Upon receipt of such instruction, Settlement Bank shall transfer the relative funds to CCIL's Current Account and intimate CCIL by approving the notice in eNotice System. In case of non-availability/non-functioning of eNotice System, the physical notice received from Member shall be faxed to CCIL with all details (as required from the Settlement Bank) duly completed and authenticated by its duly authorised personnel;
3. Settlement Bank shall quote CCIL Membership ID of the Member and member's reference (as quoted by Member) in their Account Statement to assist CCIL to identify the transaction;
4. Settlement Bank shall adhere to the cut-off timings prescribed by CCIL from time to time for its transfers towards funds contribution and approving Notices in eNotice System . The cut off timings are as per enclosed **Annexure I**;
5. Upon receipt of such intimation from Settlement Bank about transfer of relative funds into CCIL's Current Account as per para II.A.2 and upon confirming the funds having actually been received in its (CCIL's) Current Account, concerned Member's holdings shall be suitably updated in our databases. In case of eNotice System, the status of the particular notice shall then be updated as 'Confirmed'.

**B. Securities Deposit Procedure : (Applicable in respect of Associate members maintaining Gilt Account with Settlement Bank / CSGL Account Holder (CAH))**

1. Settlement Bank / CAH shall receive instructions for Securities transfer to CCIL's CSGL Account and the intimation or approval of Notice in eNotice System (via automatic email alerts upon approval by Associate Member) or by copy of a physical notice (in case of non-availability/ non-functioning of eNotice System) from its Associate Member who is desirous of making securities contributions to CCIL towards collateral/margin contribution towards Tri party Repo collateral / default fund ;
2. Upon receipt of such instruction, Settlement Bank / CAH should ensure that the security/ies mentioned by Associate Member forms part of member's holding in its Gilt account and included in the list of securities notified by CCIL as being eligible for Collateral Margin contribution. The Value Date of Security Deposit and / or Withdrawal shall not fall on a day when the relative Security is in 'Shut Period';
3. Settlement Bank / CAH 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. In Transfer Type > Reason for Transfer the Settlement Bank / CAH shall select following details :
  - "**Contribution to Triparty Repo**" (CSGL Account SG090001-(**52609200004**)for deposit towards Tri party Repo and
  - "**Contribution to SGF**" (CSGL Account SG020044 – (**52609200001**) for deposit towards Default Funds



Then the DSB / CAH shall select the source CSGL A/c Number and the Instrument 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. Settlement Bank / CAH shall incorporate the Service Reference Number in the eNotice System in the block provided for inputting the said reference or in their "Notice of Deposit" sent to CCIL as para II.B.1 above;

4. Maker / Checker facility is available for the Transfer order entry. Once the Maker has created the transaction as per para II.B.3 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;
5. Upon approval of Deposit transaction in eKuber System, Settlement Bank / CAH shall approve the said deposit transaction in eNotice System or physical Notice of Deposit incorporating necessary details of Service Reference Number duly authenticated by its (Settlement Bank's/ CAH) authorised personnel and intimate CCIL via eNotice System or fax a copy of physical "Notice of Deposit" received from Associate Member;
6. Upon receipt of transaction via eKuber System CCIL would then verify with the eNotice submitted by the Associate Member or with the physical Notice of Deposit received from Associate Member through its Settlement Bank / CAH . 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 Associate Member's eNotice /Notice of Deposit, the transaction shall be "Confirmed" at CCIL's end. On confirmation, the transactions would 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 Associate Member's eNotice /Notice of Deposit, the concerned transaction shall be Rejected by CCIL;
7. CCIL's obligation towards the security deposit via eKuber System as above, is limited to acceptance, confirmation and electronic transmission to RBI for settlement;
8. Upon transfer of security from Associate Members' Settlement Bank's / CAH's CSGL Account into CCIL's CSGL Account, CCIL shall update concerned Member's holdings in its Systems. The status of notice in the eNotice System will be updated as "Confirmed". Member "Transaction Statement" and "Collateral Holding Statement" for TPR Collateral and default fund shall be available for electronic download by the concerned Associate Member on the relative date of Deposit.



### III. Withdrawals Procedure:

#### A. Funds Withdrawal Procedure:

1. Member desirous of seeking fund withdrawals from their collaterals/margins shall submit a Notice of Withdrawal to CCIL via eNotice System which will be intimated to the Settlement Bank through an email alert. In case of non-availability/non-functioning of eNotice System, the same shall be faxed in prescribed format (Notice of Withdrawal format enclosed in Member Notification) within the stipulated time limits with a copy marked to the Settlement Bank (duly completed and authenticated by its authorised personnel);
2. The above Notice of Withdrawal is to be submitted at least **ONE** business day prior to the actual value date of proposed withdrawal;
3. For all approved fund withdrawals, the status of the particular notice in the eNotice System will then be updated as 'Confirmed'. CCIL shall instruct Settlement Bank on value date through Net Banking System to credit designated Current Account of the concerned Member maintained with Settlement Bank by debiting CCIL's Current Account with Settlement Bank. Such transfer of funds shall happen on value date of withdrawal;
4. Withdrawals shall be reflected in concerned Member's Collateral Transaction and Holding Statement as of the relative value date of payment;
5. Issuance of instructions to transfer funds from CCIL's Current Account with the designated Settlement Bank to the concerned Member Current Account with the said Settlement Bank shall be construed as due and proper delivery of funds to the concerned Member by CCIL.

#### B. Securities Withdrawal Procedure: (Applicable in respect of Associate members maintaining Gilt Account with Settlement Bank / CSGL Account Holder (CAH))

1. Associate Members desirous of withdrawing securities from their collateral/margin contribution towards TPR Collateral / default fund shall send a notice of withdrawal via eNotice System which will be intimated to the Settlement Bank / CAH through an email alert. In case of non-availability/non-functioning of eNotice System, the same shall be faxed in prescribed format (Notice of Withdrawal format enclosed in Associated Members Notification) within the stipulated time limits with a copy marked to the Settlement Bank / CAH (duly completed and authenticated by its duly authorised personnel) ;
2. Such withdrawal requests shall be accepted for refund on **same day (Intraday)** or **Overnight (next business day)** subject to applicable validations;
3. Associate Members desirous of making an intraday security withdrawal, where value date falls on the same day as notice date shall select the option of intraday while for overnight security withdrawal in which value date falls on the business day next to the notice date shall select option of 'overnight' in eNotice system or



incorporate the desired value date in the physical 'Notice of Withdrawal' sent to CCIL (in prescribed format) with a copy to designated Settlement Bank / CAH ;

4. Associate Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose;
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 Collateral withdrawal transaction by entering the details in the Margin Transfer Screen under Security Services>Security Transfer Menu in eKuber System on the Value Date of withdrawal based on the notice of withdrawal sent by the Associate Member. The same will then be approved by CCIL and electronically transmitted to the concerned Associate Member's Settlement Bank / CAH via eKuber System for confirmation;
7. Upon initiation and authorization of the transaction by CCIL, the relative "Service Reference Number" will be communicated to the concerned Settlement Bank / CAH through auto e-mail alert by eNotice System or by fax/ telephone to assist the Settlement Bank / CAH in confirmation process and same will be communicated to Associate member for information;
8. Upon intimation through eNotice System /e-mail alert/fax/telephone, Settlement Bank / CAH 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. Associate Member's Settlement Bank / CAH shall ensure that the same is transmitted to RBI for settlement and the transaction status is changed to 'Settled' in eKuber System;
9. CCIL's obligation towards the security withdrawal is limited to initiation, confirmation and electronic transmission to the Associate Member's Settlement Bank / CAH via eKuber System;
10. Issuance of instructions to transfer securities from CCIL's CSGL Account with RBI to the CSGL Account of the designated Settlement Bank / CAH with RBI shall be construed as due and proper delivery of securities to the concerned Associate Member(s) by CCIL;
11. Withdrawals shall be reflected in concerned Associate Member's Transaction and Collateral Holding Statement distinctly made available for TPR collateral and default fund collateral, on relative value date of payment;

#### **IV. Corporate Actions**

1. All corporate actions payable to Members/Associate Members on their Cash / Security(ies) collateral / margin contribution in terms of CCIL's Bye Laws, Rules and Regulations, shall be effected through CCIL's Current Account with Settlement Bank;



2. CCIL shall instruct the Settlement Bank to credit the individual Member/Associate Member's Current Account with them by debit to CCIL's Current Account with them;
3. Issuance of instructions to transfer funds from CCIL's Current Account with the designated Settlement Bank to the concerned Member/Associate Member's Current Account with the said Settlement Bank shall be construed as due and proper delivery of funds to the concerned Member/Associate Member by CCIL;

**Sd/-**

Authorised Signatory

**The Clearing Corporation of India Ltd.**



Annexure I

(Forms Integral Part of Notification No. CCIL/CFM-SS/18/92 dated 25-09-2018 relating to Collateral Work-Flow Procedure – TPR Collateral and Default Funds – DSB and CSGL Account Holders)

**A. Cut-off Timings for receipt of Notices by CCIL**

Sr No	Particulars of Notice		Timings
1.	Deposit	Funds	8.30 to 17.00 hrs
		Securities	8.30 to 17.00 hrs
2.	Overnight Withdrawal	Funds	8.30 to 15.00 hrs
3.	Intraday/Overnight Withdrawal	Securities	8.30 to 17.00 hrs