



NOTIFICATION

**This has been superseded by Notification No. CCIL/FX/USD-
INR/15/14 dated 03-Mar-2015 on Temporary Enhancement of
Exposure Limit - USD**

Date: March 25, 2011

Notification No.: CCIL/FX/USD-INR/11/03

**Member Banks
Forex Segment**

Dear Sir/Madam,

Re: Temporary Enhancement of Net Debit Cap/ Exposure Limit.

In terms of Ch. VII (B) (4) of the Regulations of the Forex Settlement Segment, banks which have Net Debit Caps (Exposure Limits) inadequate to cover their settlement obligations in USD on any given day may seek a temporary enhancement of such limit by arranging to credit the account of Clearing Corporation with its Settlement Bank an amount equal to 100% of the additional limit sought in USD.

Banks currently have the option to prefund on S-1 day or S day for temporary enhancement of limit. This notification is issued to elaborate, update and consolidate the notifications and letters previously issued in this regard.

- 1) **S-1 day prefunding**: We refer to our notification **CCI/FXS/07/11 dated 07th May, 2007** on the procedure for the Temporary Enhancement to Net Debit Cap/Exposure Limit. A Member desirous of opting for temporary enhancement of exposure limit on S-1 day shall give in writing an advance notice of at least one day before the settlement date for which additional limit is required.

The process for application of funds received towards temporary enhancement exposure limit on S-1 day is as follows:

- a. The Exposure limit for a bank will be enhanced only after the credit is received by Clearing Corporation in its nostro account with its Settlement Bank.
- b. Funds received up to 22:00 hrs IST may be invested subject to investment avenues being available and if invested interest shall be passed on to the member, net of cost, charges and taxes.

The charges levied towards handling cost on Prefunding are as advised in our notification no. **CCIL/FX/USD-INR/09/08 dated June 15, 2009**

Particulars	Handling Charges
Interest earned upto USD 50	5
Interest earned between 51 and 100	10
Interest earned between 101 and 1000	15
Interest earned more than 1001	20



- 2) **Same-day prefunding (S-Day pre-funding)**: Banks also have an option to undertake Same-day Prefunding i.e. to seek an enhancement in exposure limit by prefunding on the settlement date. Member banks have to ensure that the funds are credited in CCIL's account with its Settlement Bank before the cut-off time of 13:00 hrs IST on the settlement date. Exposure limit for the bank, on request, be enhanced against an undertaking to be furnished by the bank giving CCIL the right to with-hold the counter-value INR funds in case the US Dollar funds (equivalent to temporary enhancement) is not received by CCIL within the specified cut-off time of 13:00 hrs. IST on the settlement date.

All other terms and conditions governing temporary enhancement as laid out in Chapter VII (B) (4) remain unchanged.

Thanking you,

Yours faithfully,
for Clearing Corporation of India Ltd,

sd/-
Managing Director