



NOTIFICATION

Date: 24th December, 2012

Notification No.: CCIL/FX/USD-INR/12/28

**Member Banks
Forex Settlement Segment**

Dear Sir/Madam,

Re: Changes to the Unscheduled Holiday Handling in Forex Settlement Segment.

We hereby notify the changes to the Unscheduled Holiday (USH) Handling process as set out in Chapter IX of the Forex Settlement Regulations.

A holiday declared (*in India or in the United States of America*) due to the occurrence of unforeseen events or circumstances within 2 business days (*i.e. within Spot window*) is termed as an Unscheduled Holiday (USH).

Effective 21st January, 2013, in the event of an Unscheduled holiday, either in Mumbai or in New York, settlement in both currencies shall be shifted to the next business day. Settlement of all trades (*Netted, Accepted and Pending acceptance on account of Exposure violation*) including netted trades received from forex forward segment and their underlying trades due for settlement on the day of the USH shall be postponed to the next business day.

Risk Management process:

1. No further trades shall be accepted for the value date of USH after declaration of holiday.
2. The revised net position for the next business date shall be computed by aggregating the netted position arising on account of accepted trades for the USH and the next business date.
3. In the event the revised net position is in breach of the member's limits (Exposure limit and / or Buy Limit)
 - i) the member shall arrange to credit U S Dollar / INR funds to the account of Clearing Corporation an amount equal to 100% of the



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position in excess of the limit within the stipulated cut-off time for pre-funding as notified by Clearing Corporation or report off-setting trades to bring down the position within the notified limits;

ii) failing which, Clearing Corporation shall be entitled to with-hold counter-value funds due to the concerned member to the extent of the breach in terms of extant Regulations of the Forex Settlement segment.

4. Acceptance of fresh trades reported / matched for the next business date shall however be subject to their passing the exposure check, after factoring in the revised net position, in terms of Ch VII of the Regulations of the Forex Settlement segment

The revised Regulations will follow.

Yours faithfully,
for Clearing Corporation of India Ltd,

sd/-
Indirani Rao
Chief Forex Officer