

NOTIFICATION

Date: March 3, 2015

Notification no.: CCIL/FX/USD-INR/15/14

All Members

Forex– USD/INR Segment

Temporary Enhancement of Exposure Limit - USD

In supersession of the earlier notification dated March 25,2011 and pursuant to the amendment to the Regulation, members are hereby notified that the revised provisions relating to USD pre-funding are as under:

As per Ch. VII (C) (6) of the Regulations of the Forex Settlement Segment, banks which have Exposure Limit inadequate to cover their settlement obligation in USD on any given day may seek a temporary enhancement of such limit.

Member desirous of availing such temporary enhancement have the following options:

- 1. Same Day Prefunding:** Member shall advise the USD amount for which temporary enhancement is sought and ensure that the funds are credited in Clearing Corporation's account with its Settlement Bank before the cut off time of 13:00 hours IST on the settlement day for which additional limit is required. Exposure limit for a bank shall be enhanced only after the credit is received by Clearing Corporation in its account with the Settlement Bank.

However, Clearing Corporation may also, in terms of Chapter VII (C) (6.3), subject to an overall limit as decided from time to time, enhance the Exposure Limit in USD for the Member for a settlement date against an undertaking furnished by the Member and upon ensuring that the Member has issued the relevant payment instructions for deposit of USD amount for which enhancement is sought.

2. S-1 day prefunding: Member shall ensure that the USD funds are credited in Clearing Corporation's account with its Settlement Bank one business day before the settlement date for which additional limit is required. Exposure limit for a bank shall be enhanced only after the credit is received by Clearing Corporation in its account with the Settlement Bank. Funds received up to 20:00 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 to be levied towards handling cost on Prefunding are as under:

Particulars	Handling Charges in USD
Interest earned upto USD 50	5
Interest earned more than 50 and upto 100	10
Interest earned more than 100 and upto 1000	15
Interest earned more than 1000	20

All other terms and conditions governing temporary enhancement as laid out in Chapter VII(C) (6) shall be applicable.

This notification shall be effective from **April 6, 2015 onwards**.

Yours faithfully,
for The Clearing Corporation of India Ltd.

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Managing Director