



**NOTIFICATION**

**SECURITIES SEGMENT**

**CCIL/OPS/SS/14 - 15/30**

**7<sup>th</sup> August 2014**

**All Designated Settlement Banks (DSB) and Members Settling Funds Obligations at DSB:**

**Process Flow of Funds settlement for members having their fund settlement at Designated Settlement Banks (DSB)**

We invite your attention to Chapter XIII "Settlement Bank" of CCIL Securities Segment Regulations amended in June 2014. In terms of the para 5 of the above Chapter the captioned process flow is given below;

- i. After closure of T+0 market hours and post completion of clearing process, Final Securities and Funds Obligation Reports are made available to respective members on CCIL Report Server;
- ii. Members settling at DSB are required to ensure that adequate balances are available in their Subsidiary General Ledger (SGL) account with RBI and Current account specified for settlement with DSB before the time stipulated in the paragraph (xi) of this notification for transmission of settlement file;
- iii. CCIL transmits funds Pay-in file of DSB members to respective DSBs immediately after providing reports referred to in paragraph (i) above;
- iv. DSBs are required to process the file immediately on receipt and send the confirmations to CCIL after debiting the member account and crediting CCIL settlement account with them;
- v. In the event of inadequate balance in the member account, DSBs are required to utilize the Lines of Credit provided to CCIL and send the confirmation file with details of shortage;
- vi. CCIL to transmit securities pay-in file to RBI PDO;
- vii. Security shortage, if any, by the member shall be handled as per Chapter VI "Settlement Shortage and Defaults" of the Regulations;
- viii. If the security shortage of a DSB member, that is allocated shall result in increase in its funds pay-in obligations or reduction in pay out obligation, CCIL shall transmit Incremental Pay-in instructions if any and DSBs are required to process them



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- immediately and send confirmation to CCIL. In case of reduction in pay out obligation, the adjusted pay out obligation shall be sent to DSB after RBI settlement;
- ix. If security shortage allocation to a non-defaulting allocatee DSB member results in the reduction of its funds pay-in, CCIL shall send the amount of funds pay in reduced as funds pay out to that member. This funds pay out file shall be sent after completion of RBI settlement to respective DSB;
- x. On completion of securities and funds settlement at RBI, CCIL shall send Funds Pay-out instructions for crediting the members settling at respective DSB. The DSB is required to process the file immediately and transmit confirmation to CCIL having credited the members accounts as per instructions;
- xi. Based on the extant market closure timing, the time at which DSBs receive the file from CCIL is as under:
- Week Days
    - ✓ 15.00 hrs for Funds Pay-in file;
    - ✓ 17.45 hrs for Funds Pay-out file
  - Saturdays
    - ✓ 13.10 hrs for Funds Pay-in file;
    - ✓ 15.00 hrs for Funds Pay-out file.
- xii. The files are transmitted electronically and DSBs are required to access the files through File Routing System (FRS) utility provided for the purpose. DSBs are required to transmit confirmation also through the same FRS utility.

Yours faithfully

Sr. Vice President

Operations – Fixed Income & Money Market