



THE CLEARING CORPORATION OF INDIA LIMITED

**Notification**

**This has been superseded by Notification No. CCIL/OPS/SS/14/26 dated 07-Jul-2014 on Changes to the Securities Settlement Regulations**

**Securities Segment**

**Date: 31<sup>st</sup> January, 2007**

**Notification No. CCIL/SS/07/01**

To,

All Members

CCIL-Securities Segment

**Securities Segment Regulations – Chapter – VIII “Sudden Event Handling”**

**Existing Procedure:**

As per Chapter VIII of the existing Securities Segment Regulations, in the event of Unscheduled Holiday (USH) the procedure adopted by CCIL for the settlement of trades is enumerated in Para 2. In terms of Para 3 of the said Chapter, exchange of coupon / Repo interest differentials between members arising out of USH is being exchanged on bilateral basis i.e. outside the CCIL system. Such exchange was possible as members knew their counter parties for the trades reported on NDS.

**Revised Procedure:**

With the operationalisation of NDS-OM, on which trades are executed on anonymous basis with CCIL as the Central counter party, it is not possible for members to exchange the coupon / Repo interest differentials on bilateral basis in the event of an USH. Therefore, CCIL system would compute the



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coupon amount for outright trades and repo interest amount for repo trades which would be adjusted with the original funds obligations at the time of roll over of trades, on account of USH, of the concerned members. Such adjustment would be done both for NDS and NDS-OM trades at trade level before the final netted obligations are computed. Details of such modified obligations of both funds & securities would be provided to members in the form of reports. Accordingly, Members are requested to note that henceforth in the event of USH, the annexed procedure shall be adopted:

Yours faithfully,

For: **The Clearing Corporation of India Limited**

Sd/-

**Managing Director**



Sr No	Transaction Type	Event description	Treatment
1	Outright	Settlement of trade modified on settlement date(MSD)	<ul style="list-style-type: none"><li>• All outright trades due for settlement on USH shall be rolled over to the MSD at the traded price of the security / yield of the Treasury Bill.</li><li>• In case of trades in dated Securities, the coupon amount for USH and subsequent holiday(s), if any, shall be added by Clearing Corporation to the respective trade considerations.</li><li>• In case of trades in Treasury Bills, the price of the relative Treasury Bills shall be recomputed by Clearing Corporation on the MSD at the traded yield.</li></ul>
2	Outright	MSD coincides with shut period for coupon payment date	<ul style="list-style-type: none"><li>• In case of outright trade(s) involving a security which has entered a shut period for coupon payment on the MSD, such trade(s) shall be settled on the first business day after expiry of the relative shut period at the Traded Price only.</li><li>• If there is a gap of more than 1 day between the first business day after the shut period and the shut period, due to intervening holiday(s), the coupon accruals for such day(s) shall be added by Clearing Corporation to the respective trade considerations.</li></ul>
3	Outright	MSD coincides with shut period for redemption	<ul style="list-style-type: none"><li>• Trades entering into shut period for redemption shall be withdrawn from the settlement by Clearing Corporation.</li></ul>



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4	Repo-1 <sup>st</sup> leg	The Settlement date is a USH, it shifted to MSD	<ul style="list-style-type: none"><li>• All overnight repo/reverse repo trades due for settlement on USH shall be withdrawn from settlement by Clearing Corporation.</li><li>• In respect of term repo/reverse repo trade(s), the repo period shall remain unchanged by shifting the settlement dates to next respective business days.</li><li>• However, if the second leg gets rolled over further due to holiday(s) / shut period for coupon payment, repo interest for such extended period calculated at the relative repo rate net of the coupon amount to be received by the lender of the money, if any, shall be adjusted in the second leg consideration of the relative trade and the second leg price shall be recomputed by Clearing Corporation.</li></ul>
5	Repo-1 <sup>st</sup> Leg	The Settlement date is a USH, it shifted to MSD which happens to be the shut period for payment of coupon / redemption	<ul style="list-style-type: none"><li>• In the process of shifting first &amp; second leg settlement dates to next respective business days as (4) above, if the second leg settlement date coincides with / falls after the shut period for redemption of the relative security, such trade(s) shall be withdrawn from settlement by Clearing Corporation.</li></ul>
6	Repo-2 <sup>nd</sup> Leg	The 2 <sup>nd</sup> leg Settlement date is a USH, it shifted to MSD	<ul style="list-style-type: none"><li>• In respect of 2<sup>nd</sup> leg settlement date due for settlement on USH, the same shall be rolled over to the next business day. The additional repo interest amount for USH, computed at the repo rate of the relative trade, shall be added by Clearing Corporation to the respective trade considerations and the second leg price shall be recomputed by Clearing Corporation.</li></ul>



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7	Repo - 2 <sup>nd</sup> Leg	The 2 <sup>nd</sup> leg Settlement date is a USH, it shifted to MSD which happens to be the shut period for payment of coupon	<ul style="list-style-type: none"><li>• If the second leg settlement date gets rolled over further due to holiday(s) / shut period for coupon payment, repo interest for such extended period calculated at the relative repo rate net of the coupon amount received by the lender of money, if any, shall be adjusted to the respective trade consideration of the member and the second leg price shall be recomputed by Clearing Corporation.</li></ul>
8	Repo-2 <sup>nd</sup> Leg	The Settlement date is a USH, it shifted to MSD which happens to be the shut period for redemption of the relative security	<ul style="list-style-type: none"><li>• In the process of shifting second leg settlement dates to next business day as (7) above, if such revised settlement date coincides with / falls after the shut period for redemption of the relative security, such trade(s) shall be allocated at par to the respective counterparty.</li><li>• Additional repo interest for such extended days calculated at the repo rate of the relative trade and redemption proceeds including coupon amount received by the lender of money shall be adjusted to the respective trade consideration of the member.</li></ul>
9	Reports		<ul style="list-style-type: none"><li>• Difference in considerations adjusted by Clearing Corporation due to shifting of settlement dates as mentioned in 1 to 8 above shall be the part of the respective members' net obligations to be settled at RBI-DAD.</li><li>• A new report captioned 'Modified Settlement Date Report' providing trade to trade coupon / repo interest payable / receivable and the revised Final Funds Obligations on account of USH would be made available to the member.</li></ul>