



THE CLEARING CORPORATION OF INDIA LTD.

**NOTIFICATION**

**CLS Segment**

Date: September 7, 2021

Notification No.: CCIL/FXS-CLS/21/31

To,

**Member Banks**

Dear Sir/Madam,

**Changes to the CLS Segment Regulations**

Members are hereby advised that the CLS Segment Regulations have been updated to include changes to give effect to the following:-

- a) **Chapter IV – Collateral** - The regulations have been modified to provide for negative interest rate scenarios and/or in the event the net earnings being negative (applied on collateral contributed in USD cash), such amounts would be collected from the members on a half yearly basis.
- b) **Chapter IX-Charges**- Certain minor changes have been made in the regulations to align with other segment regulations.

The changes effected to the Regulations of the CLS Segment are enclosed as **Annexure**.

The updated Regulations are available on our website ([www.ccilindia.com](http://www.ccilindia.com)) under Membership section and shall be effective from **October 8, 2021**.

Yours faithfully,  
**for The Clearing Corporation of India Ltd.,**

**Sd/-**  
**Managing Director**

**Annexure to Notification No. CCIL/FXS-CLS/21/31**

**THE CLEARING CORPORATION OF INDIA LIMITED**

**CHANGES TO REGULATIONS  
(CLS SEGMENT)**

## Changes to CLS Segment Regulations

### CHAPTER IV: COLLATERAL

#### **C. INTEREST ON CONTRIBUTIONS TO COLLATERAL**

1. Members shall be entitled to receive interest on eligible Government Securities contributed as Collateral as per coupon rate payable on the respective securities, net of costs and taxes if any, and any other charges levied by RBI / custodian.
- ~~2. Members shall not normally be entitled to any interest on cash amounts contributed to Collateral except as provided in para (3) below;~~
- ~~3. In the event of Clearing Corporation requiring its members to make their entire contributions to Collateral in the form of cash in INR or any CLS eligible currencies, Clearing Corporation shall invest, either directly and/or through its Custodian in such manner as may be decided by Clearing Corporation from time to time and distribute earnings arising out of such investments as per its policy (excluding revaluation gains/loss, net of costs / taxes if any), on the basis of average daily cash balances to the Members at half-yearly rests;~~
2. Clearing Corporation shall invest cash contribution received in CLS eligible currencies from members in accordance with the Investment policy and distribute net earnings (in case it is positive), arising out of such investments (excluding revaluation gains/loss) and net of costs / taxes, if any, on the basis of average daily cash balances to the Members at half-yearly rests;
3. In the event, the net earnings are in negative, then such negative amount will be collected from the Members at half-yearly rests.
4. For this purpose, the Net earnings shall mean the returns from investments (excluding revaluation gains/loss) less costs/taxes etc.

### CHAPTER IX: CHARGES

#### **C) RECOVERY OF FEES AND CHARGES**

1. Member shall effect payment of the fees and charges payable by them to Clearing Corporation in terms of their monthly bills (as per sub -Regulation (B) above by depositing the same to the Bank Account of Clearing Corporation or as may be notified from time to time, before the cut-off date notified for the purpose quoting their Member ID and key words as specified in the statement; failing which Member shall be liable to pay penalty on delayed payment of charges as notified by Clearing Corporation; from time to time;
2. Fines, penalties and/or other levies shall be payable by the Member separately as and when such demand is made on a Member by Clearing Corporation;
3. ~~All payments by the Member shall be made without deduction of tax, set off or counterclaim. If any tax or amounts in respect of tax must be deducted, or any other deductions must be made, from any amounts payable or paid by the Member to the Clearing Corporation, the Member shall pay such additional amounts as may be necessary to ensure that the Clearing Corporation receives a net amount equal to the full amount which it would have received had payment not been subject to tax or any other deduction.~~