



# THE CLEARING CORPORATION OF INDIA LTD

## NOTIFICATION

### Securities Segment (Tri party Repo) and Default Fund - Tri party Repo

**Date : 27th October 2023**

**Notification No.: CCIL/OPS/TPR/2023-24/ 46**

### Collateral Work-Flow Procedure for Designated Settlement Banks (DSB) and CSGL Account Holders (CAH) with effect from 27th November, 2023

The work flow procedure is applicable to :

- a. Banks, designated as Settlement Bank for Securities Segment – Tri party Repo
- b. CSGL Account Holder (CAH) at Reserve Bank of India maintaining gilt account of CCIL members
- c. Entities recognized as Clearing Member offering Clearing Member services to Constituents

We invite your attention to the work flow procedure for deposit and/ or withdrawal of securities and/ or funds, referred to in terms of CCIL's Bye laws, Rules and Regulations. This notification is issued in terms of the provisions contained in CCIL's updated Bye-laws, Rules and Regulations notified on 27<sup>th</sup> October 2023.

#### **I. General**

1. In terms of Bye laws, Rules and Regulations of The Clearing Corporation of India Limited (CCIL), Members including Associate Members (Members) are required to contribute securities and / or funds towards Triparty Repo (TPR) Collateral / Margin contributions to cover their operations in CCIL 's Securities Segment ;
2. The members shall also be required to contribute securities and/ or funds towards Default Fund – Tri party Repo as established in terms of the above referred Securities Segment Regulations and based on its applicability ;
3. This Notification sets out the workflow procedure for banks designated as Settlement Bank (DSB) by CCIL for its operations in Securities Segment – Tri party Repo. It outlines procedures relating to deposits, withdrawals of funds and/or securities, corporate actions in respect of Members/ Associate Members in CCIL's Securities Segment – Tri party Repo, required to be carried out by the Settlement Bank in discharge of its obligations and responsibilities ;
4. All funds deposit related notices by members for contribution to TPR Collateral / TPR Default Fund shall be routed through the respective DSB recorded with CCIL. For all funds withdrawal notices an intimation shall flow to the respective



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- DSB, post submission of notice of withdrawal by member ;
5. Intraday cash withdrawal may be permitted only for interest (coupon) retained, if any towards shortfall in Borrow Limit of member in Securities Segment – Tri party Repo;
  6. All funds / securities deposit / withdrawal notices relating to TPR - collateral and TPR - Default Fund by Associate Members shall be routed through the respective DSB / CSGL Account holder wherein such member maintains a Current / Gilt Account and recorded with CCIL for Securities Segment – Tri party Repo ;
  7. All funds / securities deposit / withdrawal notices relating to TPR - collateral and TPR - Default Fund for CAH shall be routed through the respective Clearing Members' Current Account/ CSGL Account as recorded with CCIL for Securities Segment – Tri party Repo ;
  8. All security contributions towards **Triparty Repo** Collateral shall be received and held in CCIL's Constituent Subsidiary General Ledger (CSGL) Account with Public Debt Office of RBI. Similarly all security withdrawals for Members shall be delivered by CCIL from its above CSGL Account to the CSGL Account of the DSB / CAH with PDO, RBI;
  9. All security contributions towards Default Fund – Tri party Repo shall be received and held in CCIL's Constituent Subsidiary General Ledger Account (CSGL) Account with Public Debt Office of RBI. Similarly all security withdrawals for Members shall be delivered by CCIL from its above CSGL Account to the CSGL Account of the DSB / CAH with PDO, RBI;
  10. All transfers of securities into and/or out of CCIL's Constituent SGL Account shall be done on **Value Free Basis** using the relative functionality available in 'eKuber System' of RBI;
  11. The cut-off timings specified for various activities relating to Collateral/Margin are notified separately and same shall be adhered to ;
  12. DSB and CAH will take into account provision of Notifications No. CCIL/OPS/TPR/2023-24/51 dated 27th October 2023 issued to members / associate members detailing the collateral work flow procedure for deposit/ withdrawal of funds / securities towards Tri party repo collateral / DF-Triparty Repo

## **II. Deposits Procedure - Responsibilities of Settlement Bank:**

### **A. Funds Deposit :**

1. Settlement Bank shall receive instructions for funds transfer to CCIL's Current Account and the intimation of creation and approval of Notice in eNotice System



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(via automatic email alerts upon approval by Member) or by copy of a physical notice (in case of non-availability/ non-functioning of eNotice System) from Member;

2. Upon receipt of such instruction, Settlement Bank shall transfer the relative funds to CCIL's Current Account and intimate CCIL by approving the notice in eNotice System. In case of non-availability/non-functioning of eNotice System, the physical notice received from Member shall be scanned and emailed at [cfm@ccilindia.co.in](mailto:cfm@ccilindia.co.in) or or faxed at Fax No.022-49780154 with all details (as required from the Settlement Bank) duly completed and authenticated by its duly authorised personnel ;
3. Settlement Bank shall quote CCIL Membership ID of the Member and member's reference (as quoted by Member) in their Account Statement to assist CCIL to identify the transaction;
4. Settlement Bank shall adhere to the cut-off timings prescribed by CCIL from time to time for its transfers towards funds contribution and approving Notices in eNotice System;
5. Upon receipt of such intimation from Settlement Bank about transfer of relative funds into CCIL's Current Account as per para II.A.2 and upon confirming the funds having actually been received in its (CCIL's) Current Account, concerned Member's holdings shall be suitably updated in our databases. In case of eNotice System, the status of the particular notice shall then be updated as 'Confirmed'.

**B. Securities Deposit Procedure : (Applicable in respect of Associate members maintaining Gilt Account with Settlement Bank / CSDL Account Holder (CAH))**

1. Settlement Bank/ CAH shall receive instructions for Securities transfer to CCIL's CSDL Account and the intimation or approval of Notice in eNotice System (via automatic email alerts upon approval by Associate Member) or by copy of a physical notice (in case of non-availability/ non-functioning of eNotice System) from its Associate Member who is desirous of making securities contributions to CCIL towards collateral/margin contribution towards Tri party Repo collateral / default fund. ;
2. Upon receipt of such instruction, Settlement Bank / CAH should ensure that the security/ies mentioned by Associate Member forms part of member's holding in its Gilt account and included in the list of securities notified by CCIL as being eligible for Collateral Margin contribution. The Value Date of Security Deposit and / or Withdrawal shall not fall on a day when the relative Security is in 'Shut Period';
3. Settlement Bank/ CAH shall initiate the security deposit transaction by entering the details in the '**Margin Transfer Screen**' under the Security Services > Security Transfer Menu in their eKuber System. In Transfer Type > Reason for Transfer the Settlement Bank/ CAH shall select following details :



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- **"Contribution to Triparty Repo"** for deposit towards Tri party Repo and
- **"Contribution to MCC/ DF"** for deposit towards Default Fund – Tri party Repo

Then the DSB / CAH shall select the source CSGL Account Number and the Instrument details with the appropriate quantity (Face Value) and create the transaction. EKuber system is expected to generate a Service Reference Number in respect of the transaction. Settlement Bank / CAH shall incorporate the Service Reference Number in the eNotice System in the block provided for inputting the said reference or in their "Notice of Deposit" sent to CCIL as para **II.B.1** above ;

4. Maker/ Checker facility is available for the Transfer order entry. Once the Maker has created the transaction as per para II.B.3 above, the Checker shall verify and approve (option to reject is also available) the same. Once approved, the transaction is expected to electronically flow to CCIL for confirmation via eKuber System;
5. Upon approval of Deposit transaction in eKuber System, Settlement Bank/ CAH shall approve the said deposit transaction in eNotice System or physical Notice of Deposit incorporating necessary details of Service Reference Number duly authenticated by its (Settlement Bank's CAH) authorised personnel and intimate CCIL via eNotice System or mail a scanned copy of physical "Notice of Deposit" to [cfm@ccilindia.co.in](mailto:cfm@ccilindia.co.in) or fax received from Associate Member ;
6. Upon receipt of transaction via eKuber System CCIL would then verify with the eNotice submitted by the Associate Member or with the physical Notice of Deposit received from Associate Member through its Settlement Bank / CAH. Upon verification of the relevant records in the eKuber System (Transfer Type, Security Description, ISIN Code, Face Value of Security, Service Reference No.) and ensuring that the same tally completely with the Associate Member's eNotice /Notice of Deposit, the transaction shall be "Confirmed" at CCIL's end. On confirmation, the transactions would get 'Settled' over eKuber System subject to availability of requisite balance and other validations on eKuber System. In case the transaction particulars in the eKuber system do not tally with Associate Member's eNotice /Notice of Deposit, the concerned transaction shall be Rejected by CCIL;
7. CCIL's obligation towards the security deposit via eKuber System as above, is limited to acceptance, confirmation and electronic transmission to RBI for settlement ;
8. Upon transfer of security from Associate Members' Settlement Bank's / CAH's CSGL Account into CCIL's CSGL Account, CCIL shall update concerned Member's holdings in its Systems. The status of notice in the eNotice System



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will be updated as "Confirmed". Member "Transaction Statement" and "Collateral Holding Statement" for TPR Collateral and default fund - TPR shall be available for electronic download by the concerned Associate Member on the relative date of Deposit.

### **III. Withdrawals Procedure:**

#### **1. Funds Withdrawal Procedure:**

- I. Member desirous of seeking fund withdrawals from their collaterals/margins shall submit a Notice of Withdrawal to CCIL via eNotice System which will be intimated to the Settlement Bank through an email alert. In case of non-availability/non-functioning of eNotice System, the scanned image shall be emailed at [cfm@ccilindia.co.in](mailto:cfm@ccilindia.co.in) or faxed at Fax No.022-49780154 in prescribed format (Notice of Withdrawal format enclosed in Member Notification) within the stipulated time limits with a copy marked to the Settlement Bank (duly completed and authenticated by its authorised personnel);
2. The above Notice of Withdrawal is to be submitted at least **ONE** business day prior to the actual value date of proposed withdrawal ;
3. Members desirous of seeking fund withdrawals from the interest retained account - Triparty Repo shall intimate CCIL via eNotice System on the **same** day (**Intraday**), post replenishment of Borrow Limit shortfall ;
4. Member shall ensure that such Notice of Withdrawal for Interest Retained in Triparty Repo Collateral is submitted after Borrow Limit is replenished, either partially or fully ;
5. For all approved fund withdrawals, the status of the particular notice in the eNotice System will then be updated as 'Confirmed'. CCIL shall instruct Settlement Bank on value date through Net Banking System to credit designated Current Account of the concerned Member maintained with Settlement Bank by debiting CCIL's Current Account with Settlement Bank. Such transfer of funds shall happen on value date of withdrawal ;
6. Withdrawals shall be reflected in concerned Member's Collateral Transaction and Holding Statement as of the relative value date of payment ;
7. Issuance of instructions to transfer funds from CCIL's Current Account with the designated Settlement Bank to the concerned Member Current Account with the said Settlement Bank shall be construed as due and proper delivery of funds to the concerned Member by CCIL.



**B. Securities Withdrawal Procedure: (Applicable in respect of Associate members maintaining Gilt Account with Settlement Bank / CSGL Account Holder (CAH))**

1. Associate Members desirous of withdrawing securities from their collateral/ margin contribution towards TPR Collateral / default fund - TPR shall send a notice of withdrawal via eNotice System which will be intimated to the Settlement Bank / CAH through an email alert. In case of non-availability/non-functioning of eNotice System, the scanned copy of the notice shall be email at cfm@ccilindia.co.in or or faxed at Fax No.022-49780154 in prescribed format (Notice of Withdrawal format enclosed in Associated Members Notification) within the stipulated time limits with a copy marked to the Settlement Bank / CAH (duly completed and authenticated by its duly authorised personnel) ;
2. Such withdrawal requests shall be accepted for refund on **same day (Intraday)** or **Overnight (next business day)** subject to applicable validations ;
3. Associate Members desirous of making an intraday security withdrawal, where value date falls on the same day as notice date shall select the option of intraday while for overnight security withdrawal in which value date falls on the business day next to the notice date shall select option of 'overnight' in eNotice system or incorporate the desired value date in the physical 'Notice of Withdrawal' sent to CCIL (in prescribed format) with a copy to designated Settlement Bank/ CAH ;
4. Associate Members shall ensure that such Notice of Withdrawal is properly received by CCIL within the cut-off timings prescribed for the purpose ;
5. In case the Notice of withdrawal is honoured, the status of the same is updated as '**Confirmed**' in eNotice System;
6. For permissible securities withdrawals, honoured by CCIL after completion of necessary internal checks, CCIL shall initiate the Collateral withdrawal transaction by entering the details in the Margin Transfer Screen under Security Services>Security Transfer Menu in eKuber System on the Value Date of withdrawal based on the notice of withdrawal sent by the Associate Member. The same will then be approved by CCIL and . electronically transmitted to the concerned CSGL Account of the designated Settlement Bank / CAH via eKuber System for confirmation ;
7. Upon initiation and authorization of the transaction by CCIL, the relative "Service Reference Number" will be communicated to the concerned Settlement Bank / CAH through auto e-mail alert by eNotice System or by fax/ telephone to assist the Settlement Bank / CAH in confirmation process and same will be communicated to Associate member for information ;
8. Upon intimation through eNotice System /e-mail alert/fax/telephone, Settlement Bank / CAH shall confirm the Collateral withdrawal transaction by accepting the details entered by CCIL in the eKuber System using the Transfer Order Query



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provided under the Security Services > Security Transfer Menu of the eKuber System. Associate Member's Settlement Bank/ CAH shall ensure that the same is transmitted to RBI for settlement and the transaction status is changed to 'Settled' in eKuber System ;

9. CCIL's obligation towards the security withdrawal is limited to initiation, confirmation and electronic transmission to the Associate Member's Settlement Bank/ CAH via eKuber System ;
10. Issuance of instructions to transfer securities from CCIL's CSGL Account with RBI to the CSGL Account of the designated Settlement Bank / CAH with RBI shall be construed as due and proper delivery of securities to the concerned Associate Member(s) by CCIL;
11. Withdrawals shall be reflected in concerned Associate Member's Transaction and Collateral Holding Statement distinctly made available for TPR collateral and default fund (TPR) collateral, on relative value date of payment.

### **IV. Corporate Actions**

1. All corporate actions payable to Members/Associate Members on their Cash / Security(ies) collateral/ margin contribution in terms of CCIL's Bye Laws, Rules and Regulations, shall be effected through CCIL's Current Account with Settlement Bank ;
2. CCIL shall instruct the Settlement Bank to credit the individual Member/Associate Member's Current Account with them by debit to CCIL's Current Account with them ;
3. Issuance of instructions to transfer funds from CCIL's Current Account with the designated Settlement Bank to the concerned Member/Associate Member's Current Account with the said Settlement Bank shall be construed as due and proper delivery of funds to the concerned Member/Associate Member by CCIL.

Sd/-  
Authorised Signatory  
**The Clearing Corporation of India Ltd.**