



Date: 14<sup>th</sup> January, 2021

**NOTIFICATION**  
**FOREX FORWARD SEGMENT**

Notification No: CCIL/OPS-FF/21/01

**Collateral Work-Flow Procedure with effect from 01<sup>st</sup> February, 2021**  
*(For entities admitted as Members/ Clearing Members of Forex Forward Segment)*

We invite your attention to the **Chapter III** Settlement Guarantee Fund (SGF) of Securities Segment Regulations and Forex Forward Segment Regulations (effective from 1<sup>st</sup> February) 2021 respectively.

In terms of the applicable Regulations, CCIL has notified the work-flow process for deposit(s), withdrawals (s) and substitution(s) of Securities / Funds (INR) towards Securities Segment – Settlement Guarantee Fund (SGF) vide its Notification No. **CCIL/OPS/RMD/2019-20/07** dated 01<sup>st</sup> February 2020. Further, the timing for submission of collateral notices has been notified vide Notification reference **CCIL/OPS/2020-21/69** dated 08<sup>th</sup> December, 2020. The collateral work flow process and timings notified as above for Securities Segment, shall continue as it is till further notice in this regard.

In terms of the Chapter III of Forex Forward Segment, margin requirement for forex forward trades is drawn out of Securities Segment SGF contributions made by Members/ Clearing Members for Proprietary trades and Constituent(s) trades. Members/ Clearing Members are hereby advised to adhere to the provisions of the above referred Notification(s) for submission of notices towards contribution / withdrawal of collateral on their Proprietary trades and Constituent(s)' trades.

2. There is no change in the work flow process notified for deposit/ withdrawal of cash and securities for Default Fund/s or eligible balances or interest rate on cash contributions made to Default Fund/s of Forex Forward Segment Regulations.

3. In terms of provisions in Forex Forward Segment Regulations, Settlement Guarantee Fund Chapter, Members / Clearing Members are requested to note that:

- a) The minimum cash contribution (cash composition) required to be maintained is **5%** of the utilisation for Forex Forward Proprietary and Constituent trades, put together;
- b) Interest shall be payable at quarterly rest (on first business day of every calendar quarter) on cash contributions eligible for previous calendar quarter. Cash contributions eligible for interest are the actual cash contributions utilised for Forex Forward Segment less the minimum interest free cash collateral prescribed for the purpose separately for Proprietary trades and also for Constituent(s) trades.;



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- c) While arriving at interest eligible balance in respect of collateral contributions to the group (LSOC), Cash utilised out of the number reported as the upper limit for the purpose of collateral contribution for each Constituent by the Clearing Member shall be considered eligible for interest payment;
- d) Minimum interest free cash collateral for the purpose of (b) above, in Forex Forward Segment is Rs. 1 crore (Rupees one crore) for Proprietary trades and also separately for each Constituent;
- e) Interest on eligible cash balance as in (b) shall be paid at the rate not exceeding 100 basis points lower than the weighted average of 91 days Treasury Bills' cut-off yields at the last three primary auctions held before the relevant interest payment date;
- f) All interest benefits due to the members on securities / eligible funds contributions towards SGF shall be credited to concerned members' RTGS settlement or Current account maintained with RBI- DAD / Designated Settlement Bank on relative date of payment. CCIL shall not be responsible for non-execution of payment instruction(s) on NG-RTGS System / Net Banking System of DSB on account of any reason.

**For The Clearing Corporation of India Ltd.**

**Sd/-**

**Authorised Signatory**