

NOTIFICATION

28th February, 2023

Notification No.: CCIL/FX/USD-INR/23/09

**All Member Banks
Forex Settlement Segment**

Dear Sir/Madam,

Re: Changes to Forex Settlement Regulations.

In terms of the extant process, Member banks provide USD cash as collateral to CCIL in Forex Settlement Segment in order to cover margin obligations towards Exposure Limit, Mark to Market Margin and/or any other margin that may be prescribed in Chapter VII relating to “Risk Management” in the Forex Settlement Regulations. In terms of Chapter III “Settlement Guarantee Fund” of these regulations, CCIL is authorized to invest the USD cash contribution received from Members in U S Treasury Bills, bank deposits or such other instruments in accordance with its Investment Policy and distribute net earnings arising out of such investments on the basis of average daily cash balances to the Members at half-yearly rests.

In order to follow a uniform process in line with the distribution of interest on cash in the INR denominated interest pay-outs, it is now decided to change the procedure for distribution of USD interest earnings to members. Going forward, interest earnings will be distributed to the Members, on the basis of average daily cash balances at half-yearly rests, at 25 basis points below the weighted average rate earned by CCIL during that period.

In view of the above, Clause C of Chapter III of the Forex Settlement Regulations has been suitably amended. The changes to the Regulations of the Forex Settlement Segment have been appended herewith as Annexure. The updated Regulations are also available on our website (www.ccilindia.com) under Membership section.

We advise that the changes to the Forex Settlement Segment Regulations shall come into effect as on **1st April, 2023**.

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

sd/-
Managing Director

Annexure to Notification No. CCIL/FX/USD-INR/23/09

THE CLEARING CORPORATION OF INDIA LIMITED

**CHANGES TO REGULATIONS
(FOREX SETTLEMENT SEGMENT- ANNEXURE)**

i) C. INTEREST ON CONTRIBUTIONS TO SGF

i. Clearing Corporation shall invest cash contribution received from members in USD Deposits/US Treasury Bills and distribute interest as notified by Clearing Corporation from time to time. ~~net earnings (in case it is positive), arising out of such investments on the basis of average daily cash balances to the Members at half yearly rests;~~

~~ii. In the event, the net earnings are in negative, then such negative amount will be collected, on the basis of average daily cash balances from the Members at half yearly rests.~~

~~For this purpose, the Net earnings shall mean the returns from investments (excluding revaluation gains/loss) less costs/taxes etc.~~