



THE CLEARING CORPORATION OF INDIA LTD.

NOTIFICATION

CLS SEGMENT

Date: 02.12.2015

Notification No: CCIL/FXS-CLS/15/72

**To,
All Members**

Dear Sir,

Prefunding Arrangement in the CLS Segment

In supersession of the earlier notifications dated June 25, 2008 and June 15, 2009 and pursuant to the amendment to the CLS Regulations, members are hereby **notified that the provision to prefund in CLS eligible currencies EUR, CAD and GBP is withdrawn with immediate effect.**

In terms of Chapter IV (J) (1) of the CLS Regulations, the eligible currency for prefunding shall be USD. In terms of Chapter IV (J) (2) of the CLS Regulations, the process for prefunding is outlined below.

The funds towards Prefunding may be received either one day before the settlement date or before the specified cut-off time on the settlement date. Funds received one day before settlement date is eligible for compensation net of costs, charges and taxes. A detailed work flow along with the handling charges, the cut-off times stipulated are enclosed herewith as Annexure I.

Thanking you,

Yours faithfully,

For The Clearing Corporation of India Ltd,

-Sd/-

Managing Director

Encl:a/a



Annexure I

(Forms Integral Part of Notification No CCIL/FXS-CLS/15/72) dated December 02, 2015

Prefunding workflow:

Prefunding on one day before the settlement date (S-1).

- a) Members desirous of making fund contributions in USD shall intimate CCIL via email or fax the amount to be prefunded.
- b) Members shall remit the funds directly to CCIL's account with its Settlement Bank in the respective currency.
- c) Payment instructions for credit of the prefunded amounts to be adjusted against the member's obligations on the settlement date should contain the relevant CLS reference number in field 21.
- d) CCIL shall, on receipt of credit in its account with the Settlement Bank at least one hour before the cut-off time indicated, undertake to place these funds in deposit.
- e) The amount (the principal amount and/ or interest) shall be returned to the member on the settlement date, on receipt of the counter value funds under advice to the member.
- f) If the counter value funds from the member are not received by CCIL on the Settlement date (until the stipulated time as advised), CCIL shall not be liable to return the prefunded amount on the settlement date to the member. In all such cases, the prefunded amount shall be returned only on the next day, after receiving the obligation.

Prefunding on the settlement date.

- a) Members desirous of making fund contributions in USD shall intimate CCIL via email or fax the amount to be prefunded.
- b) Members shall remit the funds directly to CCIL's account with its Settlement Bank in the respective currency.
- c) Payment instructions for credit of the pre funded amounts to be adjusted against the member's obligations on the settlement date should contain the relevant CLS reference number in field 21.
- d) The amount shall be returned to the member on the settlement date on receipt of the counter value funds under advice to the member.
- e) If the counter value funds are not received by CCIL on the Settlement date (until the stipulated time as advised), CCIL shall not be liable to return the prefunded amount on the settlement date to the member. In all such cases, the prefunded amount shall be returned only on the next day, after receiving the obligation.



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The charges to be levied towards handling cost on Prefunding on S-1 day are as under:

Particulars	USD
a. Interest earned upto USD 50	USD 5
b. Interest earned more than USD 50 and upto USD 100	USD 10
c. Interest earned more than USD 100 and upto USD 1000	USD 15
d. Interest earned more than USD 1000	USD 20

The interest will be paid net of handling cost and service tax as applicable.

The cut-off times stipulated for Prefunding on S-1 day are as under:

Currency	Cut off time for prefunding	Remarks
USD	18:00 IST	For advices received at the last minute the funds will be placed on a best effort basis