



THE CLEARING CORPORATION OF INDIA LTD

NOTIFICATION

CCIL/OPS/SS/16/19

Date: 4th July 2016

All Members

Madam/ Dear Sir,

Securities Settlement Segment

Process flow for settlement of Demat trades accounts:

We invite your kind attention to the Chapter XV-“Settlement of Demat Trades” of Securities Segment Regulations to be effective from 5th August 2016. In terms of para 6 of the Chapter, the process flow for trades to be settled in Demat accounts with the Depository is as given below:

Process Flow for Trades to be settled in Demat accounts:

1. Each Constituents shall be identified for settlement of demat trades by Clearing Corporation based on the request received from the Member. The Members shall send such request well before sending trades for settlement to CCIL;
2. The Constituents' trades for settlement in demat accounts shall be received by CCIL from its Member who is also a Depository Participant (DP);
3. The trades received for settlement in demat accounts shall be netted for respective settlement date, at each constituent level first, then at CCIL Member and then at Depository level;
4. CCIL Member shall open a Demat Pool account with respective depository for the purpose of settlement of Demat Trades;
5. Depository shall also open a Demat Pool account for the purpose of settlement of Demat Trades by CCIL for its DPs who are also Members of Clearing Corporation;
6. The Member shall ensure delivery of net securities obligations at Constituent level in the Demat Pool account (referred in para 4);
7. The total securities deliverable obligation (sum of net deliverable obligations of all its Constituents) shall be transferred by the Member from their Demat Pool account

(referred in para 4) to Demat Pool account (referred in para 5) of the Depository before 11.00 hrs. on Settlement date;

8. CCIL shall send an electronic file of securities deliverable obligations by all DPs, to the Depository. The Depository shall confirm receipt of the securities deliverable obligations from all Members in the Demat Pool account (referred in para 5);
9. Security shortage, if any, by a Constituent shall be processed by CCIL as a Shortage by CCIL Member in terms of the Chapter VI "Shortage and Default" of Securities Segment Regulations ;
10. The net securities deliverable/ receivable position in each ISIN for all Members with a Depository shall be debited/ credited to the CSGL Account of the Depository at RBI-PDO;
11. The funds settlement in respect of trades of all Constituents shall be settled along with the Member's SGL and CSGL trades;
12. CCIL shall send securities receivable (by Constituents) file to the Depository after RBI settlement is complete. The Depository shall credit the Demat Pool Account of respective Member (referred in para 4) and send confirmation to the clearing Corporation;
13. The securities credit in respect of net demat purchases by Constituents shall be received by the Member in their respective Demat Pool Account, as above. The Member shall credit the securities to the respective Constituent's Demat account immediately on the settlement date.
14. Clearing Corporation shall provide to Members, a report giving details of trades received from the respective members for settlement in demat, the net securities deliverable/ receivable obligations for each Constituent and net deliverable / receivable obligations for all constituents together with a Member.
15. On a business day previous to the settlement date, Clearing Corporation shall provide a report to the Depository giving details of net securities deliverables and receivables in each ISIN from each Member. The report shall also give details of the net securities obligations to be debited/ credited in Depository CSGL Account at RBI-PDO.

Yours faithfully,

For The Clearing Corporation of India Ltd.,

Sd/-

Managing Director