



THE CLEARING CORPORATION OF INDIA LTD.

NOTIFICATION

CCIL/Legal/23/29

October 27th, 2023

To,

All Members

Dear Sir/ Madam,

Reconstitution of Settlement Guarantee Fund as Member Common Collateral

In 2020-2021, CCIL introduced the tiered participation, starting with Securities Segment in March 2020, Rupee Derivatives Segment and Rupee Derivatives (Guaranteed Settlement) Segment (hereinafter "Derivatives Segment") in November 2020 and Forex Forward Segment in February 2021. The Clearing Member structure facilitates extension of CCIL's CCP Clearing services to indirect participants who can access these services as Constituents (Clients) of the Clearing Members, who are the direct Members of CCIL.

Under this structure, Margin needs to be collected from the Clearing Members for their Proprietary as also for their Constituents' transactions. Collaterals are maintained by CCIL in a Constituent-wise segregated manner under its Clearing Member separately. This approach was implemented to ensure that the Collateral deposited for the Constituents is protected in the event of a Default by any Clearing Member.

At present, the Collateral for various Segments is managed and operated through the Securities Segment Settlement Guarantee Fund (hereinafter "SGF").

Keeping in view the optimum use of common collateral in multiple segments, it is now proposed to make collateral contribution Segment Agnostic wherein the collateral contributions shall be to a common pool. The Member of any of the segments may now contribute the collateral to such a common pool for itself and its constituents. The margin requirement for all Segments would be drawn from such a common pool similar to the extant SGF. The common pool shall be identified as "Member Common Collateral" (MCC).

The operational process flow will be notified shortly. The required cash component, interest payable on eligible cash component and basis for interest payment shall be as per the segment specific Regulations from time to time and the Notifications issued thereunder.

Kindly note that the Tripartite Repo and Forex USD/INR segments at present require specific Collateral contribution by Member as per respective segment requirement, which shall continue unchanged as specified by CCIL in terms of its Bye-laws, Rules and Regulations.

Thus, to reflect the above arrangement, Members are hereby advised that, the following have been amended:

1. Bye-Laws
2. Rules
3. Securities Segment Regulations
4. Rupee Derivatives Segment and Rupee Derivatives (Guaranteed Settlement) Segment Regulations
5. Forex Settlement Segment Regulations
6. Forex Forward Segment Regulations
7. CLS Segment Regulations

The updated Bye – Laws, Rules and Regulations are available on our website (www.ccilindia.com) under Membership section.

The changes to the Bye – Laws, Rules and Regulations shall be effective from **November 27th, 2023**.

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

Sd/-
Managing Director