



**RISK MANAGEMENT DEPARTMENT**

**No. RMD/ SS/16/23**

**04<sup>th</sup> Jul'16**

**FOR INFORMATION OF ALL MEMBERS**

**Securities Segment – Default Fund**

**Limitation of liability towards replenishment of the Default Fund as per Chapter XIV, Clause J(5)**

In terms of Clauses E(1)(A)(b) and E(1)(B)(b) of Chapter II, “Membership” of the Regulations for the Securities Segment, a member shall have the right to submit resignation from the membership of the Securities Segment if it has taken a loss through replenishment of its contribution to the Default Fund for the segment and a loss threshold as notified have been reached.

2. In terms of Clause J(5) of Chapter XIV, “Default Fund”, of these Regulations, the maximum contribution of a member towards replenishment of its contribution to the Default Fund in the 30 days period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund for this segment or Rs.6,250 Crores whichever is lower.

This notification shall be effective from 05<sup>th</sup> Aug'16.

Yours faithfully,

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

**Sd/-**

**Managing Director**