



No. RMD/SS/19/05

01/Jan/2019

FOR INFORMATION OF ALL MEMBERS

### Securities Segment

#### Imposition of Intra-day MTM Margin on outright/market repo trades

Further to our notification no. RMD/SS/15/53 dated October 1, 2015. The process followed for assessment and imposition of intra-day MTM margin on the outstanding outright / market repo trades of the members in Securities Segment has been revised. The detailed process **with changes underlines** is as under:

- a) The intra-day MTM prices for securities will be computed using intra-day Zero Coupon Yield Curve generated based on trades concluded/reported on NDS-OM till the time of intraday valuation. If there are no trades in a security, model price will be used in place of traded price [i.e. previous traded prices will not be repeated in case of intra-day MTM prices].
- b) Outstanding trades as at the time of computation (including trades outstanding at previous EoD and new trades concluded/reported on the current day) will be valued using these intra-day MTM prices.
- c) Notional MTM margin based on intra-day valuation as reduced by MTM Margin already collected will be taken as value depletion on trades.
- d) Collaterals under charge will also be re-valued based on intraday MTM prices. For this computation, based on margin utilisations at the time of computation of intra-day MTM margin, notional intraday charge will be created on securities deposited. The process of creating charge on collaterals will be same as mentioned in our notification no RMD/SS/13/95 dated 10th Dec'13. The value of such securities as at intraday prices and as at previous EoD prices will be arrived at and loss, if any will be taken into consideration.



- e) Net MTM loss in the portfolio of a member will be sum of net MTM value depletion on outstanding trades and reduction in value of collaterals under charge, if any.
- f) Volatility Margin (VM) collected, if any, will also be notionally added to Initial Margin for arriving at the applicability of Intraday MTM margin.
- g) If the net MTM Loss arrived at as above exceeds **30%** of the sum of the haircut levied on the collaterals under charge, Initial Margin and Volatility Margin (if applicable) collected at the time of computation of intraday MTM, such net MTM loss will be the Intra-day MTM margin payable by the member.
- h) The processes of assessing applicability of intraday MTM margin as explained above will be carried out at 12.00 Noon and at 03:00 PM.
- i) Moreover, Clearing Corporation, on volatile days, may collect intraday MTM margin at such other time of the day as required.
- j) If applicable, the Intra-day MTM margin/Gain reduction is collected immediately. Upon imposition, if there is margin inadequacy/shortfall in securities SGF of concerned member, it shall be the responsibility of such member/s to replenish the shortfall within one hour from the time of imposition; else penal charges will be levied as applicable.
- k) In case the intra-day MTM margin payable by a member at 03.00 PM is lower than the intra-day MTM margin already collected from the members based on prices at 12.00 noon, such excess intra-day MTM margin will be released by CCIL.

3. The change will come into effect from **04<sup>th</sup> Feb'2019**

For The Clearing Corporation of India Limited

Sd/-  
Managing Director