



Media Release

ICCL becomes the first entity to be assigned LEI by CCIL

Mumbai, November 18, 2014: The Indian Clearing Corporation Limited ("ICCL") became the first company to apply for, and receive Pre-Legal Entity Identifier ("LEI") from Clearing Corporation of India Limited ("CCIL"). In a function held at CCIL today, Shri H. R. Khan, Deputy Governor, Reserve Bank of India presented the LEI certificate to Mr. K. Kumar, MD&CEO, ICCL and Mr. Piyush Chourasia, Chief Risk Officer, ICCL in the presence of distinguished invitees from the Reserve Bank of India, Industry Associations, Exchanges, Primary Dealers, Depository Participants (DPs), and Banks.

Due to the vulnerabilities of the global financial system, the importance of creating a common system of identifiers was keenly felt by the Financial Stability Board ("FSB"), IOSCO, and G-20 finance ministers and leaders. The LEI helps connect to key reference information that enables clear and unique identification of companies participating in global financial markets. The LEI is based on the international ISO 17442 standard and the current guidelines of the FSB. Every entity which registers for a LEI is subject to reliable, but flexible operational principles and standards for the origination and continued maintenance of a LEI.

On January 6, 2014, RBI identified CCIL as the Local Operating Unit ("LOU") for issuing globally compatible LEIs in India. The LEI is a unique 20 digit, alpha-numeric reference code.

About ICCL:

ICCL was incorporated in 2007 as a wholly owned subsidiary of BSE Ltd ("BSE"). ICCL carries out the functions of clearing, settlement, collateral management and risk management for various segments of different stock exchanges. ICCL undertakes to act as the central counterparty to all the trades it provides clearing and settlement services for.

ICCL settles trades reported on the debt and mutual fund segments of BSE and clears and settles trades executed on all the other segments of BSE, including Equity Cash, Equity F&O, BSE SME, Offer for Sale, Securities Lending & Borrowing, etc. and the Currency Derivatives Segment (Currency F&O) of United Stock Exchange of India Limited ("USE").

ICCL has been accorded Qualified Central Counterparty ("QCCP") status by the Securities and Exchange Board of India. A QCCP member is subjected to lower capital

requirements/charges under the Basel III Framework introduced by the Basel Committee on Banking Supervision. The capital requirements for Banks and Primary Dealers in India, for a QCCP like ICCL is subject to the Capital Adequacy Standards and Risk Management Guidelines for Standalone Primary Dealers as prescribed by RBI. ICCL, as a Qualified CCP, is additionally required to comply with the rules and regulations that are consistent with the Principles for Financial Market Infrastructures ("PFMI") issued by the Committee on Payment and Settlement Systems ("CPSS") and International Organisation of Securities Commissions ("IOSCO"). These rules and regulations focus on limiting systemic risk and on enhancing transparency and stability in the financial market. A clearing member registered with a QCCP like ICCL will be a beneficiary of the enhanced risk management framework of ICCL and will also benefit in the form of lower capital costs.

ICCL is the only clearing corporation in India to have been granted "AAA" rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

ICCL has established a robust Risk Management framework which utilises a Value at Risk model for margining of Equity Cash Segment and a risk based SPAN model for all its derivatives transactions, viz. equity derivatives, currency derivatives and interest rate derivatives. ICCL aims to provide secure, capital-efficient counterparty risk management and post-trade services.

ICCL remains committed to the safety of investors and members and to further add to this security, ICCL has subscribed to a unique Insurance Policy for INR 375 Crore. The objective of the Policy is to protect ICCL against counterparty defaults, and add a further capital cushion to the ICCL networth making the resources of the non-defaulting members even safer.

For More Information

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