



Qualified Central Counterparties in Securities Market

National Securities Clearing Corporation Limited (NSCCL), Indian Clearing Corporation Limited (ICCL) and MCX-SX Clearing Corporation Limited (MCX-SXCCL) are the Qualified Central Counterparties (QCCPs) in the Indian Securities Market jurisdiction. These clearing corporations have qualified as QCCPs in view of the fact that these are regulated by Securities and Exchange Board of India (SEBI) under SEBI Act 1992, Securities Contract (Regulation) Act, 1956 (SCRA) and Rules and Regulations made there under. These are also subjected, on an on-going basis, to rules and regulations that are consistent with the Principles for Financial Market Infrastructures (PFMIs) issued by the Committee on Payment and Settlement Systems (CPSS) and International Organisation of Securities Commissions (IOSCO).

Background

Clearing Corporations in securities market are established under SCRA and SEBI (Stock Exchange and Clearing Corporation) Regulations, 2012 to undertake the activity of clearing and settlement of trades in securities or other instruments or products that are dealt with or traded on recognized stock exchanges.

Clearing Corporations are designated as Market Infrastructure Institutions (MII) for oversight considering its systemic importance in Securities markets regulated by the SEBI. As such, it was subjected to regulation and supervision using the PFMIs framework thus necessitating its adherence to PFMI requirements. The “Principles for Financial Market Infrastructure” (PFMIs) were issued by the CPSS and IOSCO in April 2012. These were issued to enhance safety and efficiency in payment, clearing, settlement, and recording arrangements, and more broadly, to limit systemic risk and foster transparency and financial stability. The members of CPSS and IOSCO are required to strive to adopt the PFMIs in their respective jurisdictions in line with the G20 expectations. SEBI, as a member of Financial Stability Board (FSB) and IOSCO, is committed to the adoption and implementation of the PFMIs.

Mumbai

January 03, 2014