Policy for Contribution to Core SGF

At any point of time, the contributions of various contributors to the Core Settlement Guarantee Fund ("Core SGF") of any segment shall be as follows:

**a. Clearing Corporation contribution:**
ICCL’s contribution to the Core SGF shall be at least 50% of the Minimum Required Corpus ("MRC"). ICCL shall make this contribution from its own funds. ICCL contribution to Core SGF shall be considered as part of its net worth.

**b. Stock Exchange contribution:**
Stock Exchange contribution to the Core SGF shall be at least 25% of the MRC (can be adjusted against transfer of profit by Stock Exchange as per Regulation 33 of SECC Regulations, which may be reviewed in view of these guidelines).

**c. Clearing Member primary contribution:**
If ICCL wishes, it can seek risk based contribution from Clearing Members ("CMs") of the segment (including custodial clearing members) to the Core SGF subject to the following conditions:

- that total contribution from CMs shall not be more than 25% of the MRC,
- that no exposure shall be available on Core SGF contribution of any CM (exposure-free collateral of CM available with ICCL can be considered towards Core SGF contribution of CM), and
- that required contributions of individual CMs shall be pro-rata based on the risk they bring to the system.

ICCL shall have the flexibility to collect CM primary contribution either upfront or staggered over a period of time. In case of staggered contribution, the remaining balance shall be met by ICCL to ensure adequacy of total Core SGF corpus at all times. Such ICCL contribution shall be available to ICCL for withdrawal as and when further contributions from CMs are received.

Any penalties levied by ICCL (as per Regulation 34 of SECC Regulations) shall be credited to Core SGF corpus.

Interest on cash contribution to Core SGF shall also accrue to the Core SGF and pro-rata attributed to the contributors in proportion to their cash contribution. ICCL may accept CM contribution in the form of Cash Collateral, Bank Fixed Deposits and Central Government Securities. ICCL shall adhere to specific guidance which may be issued by SEBI from time to time in this regard.