

# CURRENCY DERIVATIVES SEGMENT

## CONSOLIDATED CIRCULAR

(UPDATED UPTO 31<sup>ST</sup> MARCH 2023)

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## **1. DEALS**

Deals executed on the Currency Derivatives Segment of BSE Ltd. (BSE) are eligible to be cleared and settled through Clearing Corporation in the Currency Derivatives Segment unless specifically deferred or not allowed to, or rejected from admission by the relevant authority.

## 2. LIQUID ASSETS

The liquid assets for trading in the Currency Derivatives Segment are to be maintained separately in the Currency Derivatives Segment.

### 2.1 Composition of Liquid Assets

Clearing Members of the Currency Derivatives Segment may deposit liquid assets in form of cash and cash equivalent i.e., Bank Guarantees and Fixed Deposit Receipts of scheduled commercial banks, eligible Government Securities, eligible Liquid Mutual Fund Units and non-cash equivalent i.e., eligible securities and in any other form of collateral as may be prescribed by ICCL from time to time. List of eligible securities and mutual fund units is available on the website of BSE Ltd. (BSE)/ICCL.

Eligible Collateral	Haircut	Concentration Limit
<b>Cash Equivalent</b>		
Cash	No haircut	No Limit
Bank Fixed Deposits Receipts ("FDRs")	No haircut	No limit
Bank Guarantees	No haircut	Limit on exchange's exposure to a single bank (see Note B)
Securities of the Central Government	Type and Tenor of Securities	
	Treasury Bills, and Liquid Government of India Dated Securities having residual maturity of less than 3 years	2%
	Liquid Government of India Dated Securities having residual maturity of more than 3 years	5%
	For all other Semi-liquid* and Illiquid* Government of India Dated Securities	10%
Units of liquid mutual funds or government securities mutual funds (by whatever name called which invest in government securities)	10%	No Limit
<b>Other Liquid Assets</b>		
1. Cannot be used for mark to market losses		

2. Total of Other Liquid Assets cannot exceed total of Cash Equivalents		
Liquid (Group I) Equity Shares (see section 3 for classification of equity shares on the basis of liquidity)	Same as the VaR margin for the respective shares	Limit on exchange's exposure to a single issuer
Mutual fund units other than those listed under cash equivalents	Same as the VaR margin for the units computed using the traded price on stock exchange, if available, or else, using the NAV of the unit treating it as a liquid security	
Card value of eligible exchanges	50% if the last sale or auction of card in the exchange took place during the last six months. 75% if the last sale or auction of card in the exchange took place during the last twelve months but not within the last six months. 100% if no sale or auction of card in the exchange has taken place during the last twelve months.	Eligible only for Extreme Loss Margin
Corporate Bonds	Fixed percentage based or VaR based Haircut. A higher haircut may be considered to cover the expected time frame for liquidation. To begin with the haircut shall be a minimum of 10%	Not to exceed 10% of the total liquid assets of the clearing member.

The exchanges shall lay down exposure limits either in rupee terms or as percentage of the Trade Guarantee Fund (TGF) / Settlement Guarantee Fund (SGF) that can be exposed to a single bank directly or indirectly. The total exposure would include guarantees provided by the bank for itself or for others as well as debt or equity securities of the bank which have been deposited by members towards total liquid assets. Not more than 5% of the TGF/SGF or 1% of the total liquid assets deposited with the exchange, whichever is lower, shall be exposed to any single bank which has a net worth of less than Rs 500 Crores and is not rated P1 (or P1+) or equivalent, by a RBI recognized credit rating agency or by a reputed foreign credit rating agency, and not more than 50% of the TGF/SGF or 10% of the total liquid assets deposited with the exchanges, whichever is lower, shall be exposed to all such banks put together.

\*\*The exchanges shall lay down exposure limits either in rupee terms or as percentage of the Trade Guarantee Fund (TGF)/Settlement Guarantee Fund (SGF) that can be exposed to a single issuer directly or indirectly and in any case the exposure of the TGF/SGF to any single issuer shall not be more than 15% of the total liquid assets forming part of TGF/SGF of the exchange.

The cash/cash equivalent component should be at least 50% of the total liquid assets. Hence, non-cash equivalent component in excess of the total cash/cash equivalent component would not be considered as part of Total Liquid Assets. Further, the Liquid Assets deposited in form of cash equivalent and non-cash equivalent are subject to applicable norms in respect of haircuts, single bank and single issuer exposure limits, etc. as per the guidelines issued by Securities and Exchange Board of India (SEBI), BSE and ICCL as well as any other circulars/guidelines that may be issued in respect of the same from time to time.

## **2.2 Minimum Liquid Asset**

The Clearing Member shall meet with the minimum liquid assets requirements prescribed by ICCL at all points of time.

The Clearing Member's liquid net worth after adjusting for the initial margin and extreme loss margin requirements must be at least Rs. 50 Lakhs at all points in time.

Accordingly, every Clearing Member would be required to maintain Minimum Liquid Networth (MLN) of Rs. 50 lakhs with ICCL. At least Rs. 25 lakhs of MLN should be in form of cash/Cash equivalent and the balance in form of Cash/Cash equivalent/non-cash equivalent.

## **2.3 Additional Liquid Assets**

Clearing Members may deposit additional liquid assets at any point of time based on the composition of Liquid Assets as detailed above.

## **2.4 Procedure for submission of deposits towards Liquid Assets**

### **Cash Deposits**

For depositing cash towards liquid assets, the Clearing Members need to send their online instruction in respect of the same through the Collateral Module to their respective Clearing Banks for confirmation of such request for enhancement of cash collateral.

ICCL has provided an on-line facility to members for sending instructions to Clearing Banks for enhancement of cash collateral. Through the said facility, Members can place their on-line requests to their designated Clearing Bank during the specified timings for enhancement of cash collateral for the relevant segment of the Exchange. The concerned Clearing Banks have also been provided the on-line web-based facility for confirmation of such cash collateral enhancement requests. Based on the request forwarded by the Member, the respective Clearing Banks may confirm or reject the enhancement of cash collateral request received by them.

ICCL shall pay interest at the rate of 2.7% per annum on cash collateral maintained in the Currency Derivatives Segment. The interest would be calculated on a weekly basis on the cash collateral maintained throughout the week in the Currency Derivatives Segment.

## **Fixed Deposit Receipts (FDRs)**

Clearing Members can deposit FDR(s) of a scheduled commercial bank towards liquid assets. The FDRs deposited by the Clearing Members should be issued in favour of "Indian Clearing Corporation Ltd. a/c Trade Name of the Clearing Member" and should be duly discharged by the Clearing Member himself or an authorised signatory of the member on the reverse of the FDRs. The FDRs need to be deposited along with a covering letter of the Clearing Member in the format given in Annexure - I, and also with a letter from the concerned bank addressed to ICCL in the format given in Annexure - II.

## **Fixed Deposit Receipts in electronic form (E-FDRs)**

The Clearing Members can also deposit the Fixed Deposit Receipts in electronic form (E-FDRs) in favour of ICCL towards their Liquid Assets. The process for issuance of E-FDR is as follows:

- Members who wish to avail of the facility can approach any of the empaneled banks.
- Submit required documents and information such as member code, segment for which FDR is to be deposited towards Liquid Assets (Collateral) requirements, Amount, Tenure etc.
- Request the bank to create/renew FDR and mark lien in favour of ICCL.
- Bank will issue/renew the FDR, mark lien in favour of ICCL.
- Bank will update and confirm the FDR information electronically to ICCL through the system provided by ICCL.

The process for withdrawal of E-FDR would be same as that of the current process for the FDR. ICCL shall from time to time, inform the Clearing Members of the empaneled banks who shall provide this facility.

## **Renewal of FDRs**

Clearing Members may renew the FDRs deposited towards Liquid Assets by submitting a renewal letter from the concerned bank in the prescribed format given in Annexure – III. The renewal letter should be submitted along with a covering letter by the Clearing Member in the prescribed format given in Annexure - IV.

## **Bank Guarantee (BGs)**

Clearing Members can deposit Bank Guarantees (BGs) issued by Scheduled Commercial Banks towards Liquid Assets requirements in the prescribed format given in Annexure - V. The BG may be deposited along with a covering letter of the Clearing Member in the format given in Annexure - VI.

Clearing Members can deposit bank guarantee(s) with/without the claim period. In cases where bank guarantee(s) are submitted without a claim period, the amount of the bank guarantee(s) would be removed from the liquid assets of the member at least seven days before the expiry date of the bank guarantee(s) or such other period as may be decided by ICCL from time to time. In cases where bank guarantee(s) are submitted with a claim period, the amount of the bank guarantee(s) would be removed on the expiry date of the bank guarantee(s) or such other date as may be decided by ICCL from time to time.

Clearing Members are required to ensure the following at the time of deposit of bank guarantees:

- The bank guarantee should be strictly as per the formats prescribed by the Clearing Corporation.
- No relevant portion of the bank guarantee should be left blank
- All irrelevant portions struck off on the printed format should be authenticated by the bank by affixing the bank seal / stamp duly authorised.
- All handwritten corrections and blanks should be attested by the bank by affixing the bank seal / stamp duly authorized.
- Each page of the bank guarantee should bear the bank guarantee number, issue date and should be signed by at least two authorised signatories of the bank.
- That the bank guarantee should be free from any discrepancy before the same is submitted to ICCL.

### **Bank Guarantee in electronic form**

The Clearing Members can also deposit the Bank Guarantees in electronic form in favour of ICCL towards their Liquid Assets. The process for issuance Bank Guarantees in electronic form is as follows:

- Members who wish to avail of the facility can approach any of the empaneled banks.
- Submit their request along with the required documents/information and complete the necessary formalities as may be required by the concerned banks for issuing bank Guarantees towards Liquid Assets (Collateral) requirements.
- If the documents are in order as per bank's requirements, then the bank may issue the Bank Guarantee documents in favour of ICCL as per the existing process.
- Bank will update and confirm such Bank Guarantee information electronically to ICCL through the system provided by ICCL.



The process for withdrawal of such Bank Guarantees would be same as that of the current process for the Bank Guarantee Release. ICCL shall from time to time, inform the Clearing Members of the empaneled banks who shall provide this facility.

### **Renewal of BGs**

Clearing Members may renew the BGs deposited towards Liquid Assets by submitting a renewal letter from the concerned bank in the prescribed format given in Annexure – VII. The renewal letter should be submitted along with a covering letter by the Clearing Member in the prescribed format given in Annexure - VIII.

### **Eligible securities and units by way of pledge towards Liquid Assets**

Clearing Members can deposit eligible securities and units in dematerialised form towards liquid assets by way of pledge. The list of eligible securities and units is available on BSE/ICCL website. These securities and units shall be pledged in favour of ICCL in the designated depository accounts.

The valuation of the securities and units deposited towards Liquid Assets shall be in accordance with the norms and limits as prescribed by ICCL from time to time. The value of the securities shall be subject to such haircut as may be prescribed by ICCL from time to time to arrive at the collateral value of the securities. The valuation of securities and units will be done on a periodic interval by ICCL and benefit to the extent of net value of the securities/units after haircut shall be considered.

ICCL may revise the list of approved securities/units and the norms in respect of same from time to time. Clearing Members shall regularly monitor their valuation of securities/units lying towards Liquid Assets and replace/replenish the same based on the revised list of approved securities/units and change in norms.

Clearing Members shall also ensure that only eligible securities are pledged and lying towards their Liquid Assets with ICCL and that the said securities are not subject to any lock in period, buy back scheme any charge or lien, encumbrance of any kind, or such other limitations or title is questioned before the court or any regulatory body.

### **Procedure for pledging of demat securities/units towards Liquid Assets**

Clearing Members need to follow the following procedure for availing the facility to pledge demat securities /units towards Liquid Assets:

Clearing Members need to execute a deed of pledge in favour of ICCL, for deposit of approved securities towards liquid assets with ICCL for the concerned segment in the prescribed format given in Annexure - IX. The said deed of pledge should be:

- signed and stamped on all pages and where manual changes have been carried out by (i) Clearing Member in case of individual, (ii) all partners in case of a

- Partnership Firm (iii) by any two of the following persons (Managing Director, Whole-time Director, Directors) in case of a company.
- accompanied with a certified true copy of the Board Resolution, authorising the signatory to sign this deed, to be submitted in case of a company. By Authorized Signatory as approved by the Bank, in case of a Bank.
  - Accompanied with a copy of the authority letter addressed by the member to its Clearing Bank authorising them to carry out the debit in respect of charges levied by ICCL/ICCL's custodian. The said copy of letter shall be duly acknowledged by their Clearing Bank.
  - A covering letter of the Clearing Member enclosing details of the aforesaid and requesting for opening of a pledgee account of ICCL in whose favour the said demat securities/units towards Liquid Assets of the member shall be pledged.

Clearing Members can initiate pledging of securities/units in favour of ICCL for deposit of same towards their Liquid Assets, and requisite benefits in respect of same will be available after receipt of confirmation of the pledge from the Depository system.

### **Government of India Securities towards Liquid Assets**

Clearing Members may deposit eligible securities of Central Government of India (G-Sec) and Treasury Bills (T-bills). The list of such eligible securities is available on BSE/ICCL website .

The procedure for deposit of eligible securities in form of G-Sec and T-Bills shall be as prescribed in Annexure – X.

In addition to the existing mode of depositing the G-Secs through the E-kuber system of RBI, the Clearing Members can create a lien on the G-Secs held in CSGL (Constituent Subsidiary General Ledger) account of the members in favour of ICCL as part of their collateral requirements.

### **2.5 Procedure for submission of release request of Liquid Assets**

Clearing Members can place their on-line requests for release of Liquid Assets deposited by them with ICCL to the extent of available collateral which is not utilised/blocked towards margins and/or other obligations of the member through the collateral module provided to them. Such requests may be considered by ICCL, inter alia, subject to availability of un-utilised collateral of the member after due adjustments for the fulfilment of all obligations and liabilities of the member towards ICCL/BSE as per the Bye Laws, Rules and Regulations of ICCL/BSE or anything done in pursuance thereof.

Clearing Members can log-in to the web-based Collateral Module of ICCL and submit their requests for release of available collaterals. No separate letter would be required to be submitted for the same.

### **2.6 Transfer of collateral from one trading segment to another trading segment**

Clearing Members, who intend to transfer collateral across segments need to send their on-line instruction in respect of same through the Collateral Module. Members can log-in through specific user-ids and passwords into the Collateral Module.

Clearing Members can avail facility of on-line transfer of collateral across segments to the extent of the available amount of unutilised collateral (collateral which is not utilised/blocked towards margins and/or other obligations of the member). The transfer requests received from Clearing Members through the Collateral Module shall be treated as request from the member and no separate letter would be required to be submitted.

In case of collateral lying in form of bank guarantees issued by banks the same would be available for transfer from one trading segment to another, only after submission of letter from the concerned bank regarding transfer of scope of the bank guarantee in the specified format given in Annexure - XI, to ICCL.

The evaluation of collateral transfer across the segments will be subject to hair-cut and other criteria/norms in respect of the concerned segments as specified by SEBI/BSE/ICCL in this behalf from time to time.

Clearing Members may verify the details of their request for transfer and its status in the Class Collateral Module.

## **2.7 Open ended mutual fund units as Collaterals**

Units of mutual funds are accepted as in dematerialized form as approved collaterals through approved custodians.

## **2.8 Inter CC Collateral**

As per SEBI circular section 5.3.3, 'The liquid assets as well as hair-cuts as prescribed vide SEBI Circular MRD/DoP/SE/Cir-07/2005 dated February 23, 2005 on "Comprehensive Risk Management Framework for the cash market" and SEBI Circular CIR/MRD/DRMNP/9/2013 dated March 20, 2013 on "Corporate bonds and Government securities as collateral" shall be applicable for inter-CCP transactions.

CCs have agreed to initially exchange cash/ bank guarantees/ FDRs for the purpose of inter CC margin requirement.

### **Single collateral across segments**

Unlike clearing members who are required to maintain collateral segment-wise; the interoperable CCs are permitted to deposit single overall collateral. The collateral available towards margin requirement (i.e. the total collateral net of the risk-based capital) is to be assessed against the total inter-CC margin requirement across segments. The inter-CC margin enforcement is not upfront (ordinarily end-of-day and subject to intraday margin call.

Inter CC movement of collateral for change in Designated CC

Where a clearing member decides to change its CC, post interoperability, the outgoing CC shall facilitate porting of positions and collateral of the clearing member to incoming CC. While porting of cash and securities is easier, the same is not true for fixed deposit receipts and Bank Guarantees. The BGs and FDRs are issued by Banks to clearing members in favour of a specific CC. Where a clearing member decides to change its CC, post interoperability, this would have entailed cancellation of existing FDR and BG that are in favour of outgoing CC and issuance of new FDR and BG in favour of incoming CC. This would have been both time consuming and costly. In view of this it was agreed between CCs that while outgoing CC shall retain such FDR and BG till expiry of the instrument, it will pass on the details of such instruments to incoming CC. The member will renew BG or FD in favour of new CC upon expiry of existing instruments. In case clearing member want to get release of such instruments, the request shall be made to new CC. The new CC shall after doing necessary checks give go ahead to old CC for release of such collateral. The procedural details are provided by CC in FAQ and circulars.

### **Pledge / Re-pledge of Securities**

Deposit of eligible demat securities (inclusive of Equity shares/MF Units/Corporate bonds, G-sec's etc.) by way of pledge/re-pledge in favour of ICCL towards collateral requirements by Clearing Members (CMs) through the Depositories system, the undermentioned new process will be followed as prescribed in the aforementioned SEBI Circular dated February 25, 2020, w.e.f. August 01, 2020.

#### ***a. Pledging-Repledging of Securities***

1. As per the process prescribed in the aforesaid SEBI Circular, the Depositories will provide the files pertaining to pledge/re-pledge to ICCL.
2. Clearing Members will be required to open separate designated demat account in the Depositories system for the purpose of providing securities as collateral. CMs need to provide the details of designated demat accounts from where the pledge/re-pledge of eligible securities will be created in favour of ICCL. The said demat account details are to be provided by email addressed to [bse.csd@bseindia.com](mailto:bse.csd@bseindia.com), latest by July 20, 2020.
3. The details of ICCL's demat accounts in favour of which pledge/re-pledge of eligible securities are to be created by CMs will be provided through a separate circular. Details of such demat accounts of ICCL will also be available in the respective Depository system at the time of creation of pledge/re-pledge of eligible securities.
4. Custodians would be required to enter Custodial participant (CP) code in pledge/re-pledge instructions pertaining to their CP clients as per the procedure stipulated by the Depositories.
5. After creating pledge/re-pledge in the Depository system, on the basis of the details provided by the Depositories, the following fields will be provided to the respective CMs in the collateral holding report.

- Client UCC
- Trading Member (TM) Code/CP Code
- CM Code
- Segment Indicator
- CM Demat account details
- Description of Securities
- Depository ISIN
- Quantity
- Depository Pledge/Re-pledge sequence No etc.

Such collateral holding report will be available in the existing ICCL Collateral Management Module  Reports  Holding Statement / New Holding Statement provided to the CMs. In addition to this, along with the other End-of-Day (EOD files) of the respective segment, comprehensive report pertaining to the securities pledged by CMs in favour of ICCL will also be provided in CSV format. File format for the same is attached.

6. CMs may note that the Depository system will accept only eligible securities towards pledge/re-pledge by CMs in favour of ICCL.

7. The evaluation of collateral will be subject to existing norms/criteria pertaining to haircut, composition of cash/cash equivalent & non-cash equivalent etc. as specified by SEBI/ICCL in this behalf from time to time.



Annexure Security  
Formats.xls

### ***b. Release of Securities***

1. For release of pledged securities lying with ICCL, the CMs can place their online requests through ICCL Collateral Module as per existing process.

2. Such pledge/re-pledge securities will be released only if the same are not utilised towards margin/obligations of the respective clients/TMs of the concerned CM or; there is sufficient unutilised collateral deposit of the concerned CM available with ICCL to meet such margin/obligation requirements.

For other details, Members are requested to refer the aforesaid SEBI Circular No SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 & SEBI circular no SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020, or any other circular issued by SEBI/Exchanges/ICCL/Depositories from time to time.

Client Allocation for Cash and Cash Equivalent Collateral

In view of SEBI Circular Ref No. SEBI/HO/MRD2/DCAP/P/CIR/202 dated November 23, 2021, for availing collateral limits in case of Cash and Cash equivalent collateral,

CMs will be required to provide client level collateral allocation details to ICCL through File upload/API. The same may be done through upload of file through member extranet portal or via API.

**1. Process for upload of ICCLCOLL file through members’ extranet portal:**

- a. File to be uploaded on extranet URL <https://member.bseindia.com>  
Path Menu: uploads→select file type, Collateral Allocation File→ Click upload.
- b. Maximum 50,000 records can be uploaded in a single allocation file.
- c. After upload of the first full allocation file, all subsequent files uploaded by CMs would be for changing the allocated collateral amounts (except in case of transfer) of existing TM/Client/CP or for adding collateral allocation for any new TM/Client/CP.
- d. The allocated amount (except incase of transfer) mentioned in the file would be the allocation requested amount for the respective data string i.e., segment wise collateral allocated for respective CM/TM/Client/CP. Accordingly, the allocated amount provided in the file would replace the previous values for the mentioned data string. However, in case of transfer of collateral amount from one segment to another segment, CM should mention the actual amount to be transferred in the field against “Sr No. 8” and mention the segment where the collateral amount is to be transferred in the field against “Sr No. 9.

*e. Format for ICCLCOLL file:*

<b>File Nomenclature</b>	ICCLCOLL_CMCODE_ddmmyyyy_batchno (CM will upload single file for all segments. The segment wise details to be taken from field number two i.e Segment Indicator. Segment indicator details are provided on page number 3. Nomenclature date should be the current business date.)		
<b>File type</b>	Batch No – Batch no will be unique four-digit sequence no (0001 to 9999)		
<b>File type</b>	CSV		
<b>Frequency of reporting</b>	Online basis. It will always be a final file at client level.		
<b>Cut-off time for submission</b>	Morning 8:00 am to 8:00 pm (tentative-to be parameterized). Cut-Off time for Commodity and Gold Spot segment to be till 11 pm (tentative–to be parameterized). Records which are uploaded by the members post the above stipulated end time, collateral system will read the records on the next working day.		
<b>Sr No</b>	<b>Field Name</b>	<b>Data Type</b>	<b>Remarks</b>
1	Current Date	Char (11)	DD-MMM-YYYY. Date will be the current business date (file upload date). It should match with the date mentioned in file nomenclature.

2	Segment Indicator	Char (03)	*Values shall be CM, FO, CD, CO, SLB, OFS, TPR, ITP, DT and NCB
3	Clearing Member Code	VarChar (5)	ICCL CM Code
4	Trading Member Code	VarChar (5)	TM Code
5	CP Code	VarChar (12)	CP Code
6	Client Code	VarChar (10)	UCC Code. Value should be Blank when CP code is populated, or Account type is 'P'
7	Account Type	Char (1)	P-prop, C-Client
8	Cash & Cash Equivalents Amount	Number (15,2)	Value in Rs. (Cash + FDR +BG)
9	Transfer to segment	Char (03)	Values shall be CM, FO, CD, CO, SLB, OFS, TPR, ITP, DT and NCB (Actual value to be provided only in case of transfer from one segment to another. In all other cases value should be blank)
10	Filler 1		Reserved for future
11	Filler 2		Reserved for future
12	Filler 3		Reserved for future
13	Filler 4		Reserved for future
14	Filler 5		Reserved for future
15	Action	Char (1)	Expected sample value: Allocated Collateral amount (A) Transfer (T)

\*Segment description –

CM – Equity Cash Segment

FO – Equity Derivatives Segment

CD – Currency Derivatives Segment

CO – Commodity Derivatives Segment

SLB – SLB Segment

OFS – Offer for Sale Segment.

TPR – Tri-party Repo Segment

ITP – ITP Segment

DT – New Debt Segment

NCB – NCBGSEC Segment.

f. *Format: Input fields for each client/proprietary type*

Sr. No.	Level	Clearing Member Code	Trading Member Code	CP Code	Client Code	Account Type	Mandator y
1	CM Proprietary account	CM Code	Blank	Blank	Blank	P	Yes
2	CM's own TM Proprietary account	CM Code	TM Code	Blank	Blank	P	No*
3	CM's aggregated CP Proprietary	CM Code	(-) TM Code	Blank	Blank	P	No*



	account						
4	Client's account	CM Code	TM Code	Blank	Client Code	C	Yes
5	CP account	CM Code	Blank	CP Code	Blank	C	Yes
6	TM's Proprietary account	CM Code	TM Code	Blank	Blank	P	Yes

CM should input the above applicable fields for allocation pertaining to each type.

**CM Proprietary account Allocation would be at CM Proprietary level**

This allocation would be available towards the excess non-cash collateral of all TMs and their clients including the CM's own TM and CP clients.

Example: CM: 1234.

**CM's own TM Proprietary account**

Allocation would be at CM's own TM's Proprietary level. This allocation would be available towards the excess non-cash collateral of clients clearing directly through the CM in its capacity as a TM. Excess cash-equivalent collateral of the CM's own TM Proprietary account would first be used to offset the excess non-cash collateral of his clients. In case, excess cash-equivalent collateral of the CM's own TM Proprietary account is not provided or is insufficient to offset the excess non-cash collateral of his clients, then the excess cash-equivalent collateral of the CM as in point 1 would be used.

Example: CM: 1234; TM:1234

**CM's aggregated CP Proprietary account**

Allocation would be at CM's CP Proprietary level. This is an additional functionality for the CM to allocate his own collateral for all CP clients cleared by him on an aggregate basis. This allocation would be available only towards the excess non-cash collateral of CPs clearing directly through the CM. Excess cash-equivalent collateral of the CM's own CP Proprietary account would first be used to offset the excess non-cash collateral of his CPs. In case, excess cash-equivalent collateral of the CM's own CP Proprietary account is not provided or is insufficient to offset the excess non-cash collateral of his CPs, then the excess cash-equivalent collateral of the CM as in point 1 would be used.

**Client account**

This is applicable for clients of the CM in its capacity as a TM or for any clients of the other TM(s) clearing through the CM.

Example: CM: 1234; TM:1234; Client Code: ABC Or CM: 1234; TM:4370; Client Code: PQR

**CP account**

This is applicable for CPs directly clearing through the CM.

Example: CM: 1234; CP Code: XYZ

**TM's Proprietary account**

Allocation would be at TM Proprietary level.



Example: CM: 1234; TM: 4370.

\* Point 2 and Point 3 are additional optional allocation levels provided by ICCL to enable the CM to ring-fence the CM's own client/CP trades from the trades executed by his other TMs.

- a. In case of allocation to CM Prop, values in TM Code, CP Code, Client Code will be blank
- b. In case of allocation to TM Prop, values in CP Code, Client Code will be blank
- c. In case of allocation to CP, values in TM Code, Client Code will be blank
- d. A response file will be provided to the CMs for the above collateral break-up on Member Extranet portal under folder 'Allocation Response File' for rejected records. The format of response file is provided below:

**Format: CM Collateral Allocation Response file**

<b>File Nomenclature</b>	Res ICCLCOLL_CMCODE_ddmmyyyy_batchno
<b>File type</b>	CSV
<b>Frequency</b>	Immediate basis post matching of member allocation file vis a vis available collateral in Class Collateral system

Sr. No	Field Name	Data Type	Remarks
1	Current Date	Char (11)	DD-MMM-YYYY. Date shall be the current business date (file upload date)
2	Segment Indicator	Char (03)	*Values shall be CM, FO, CD, CO, SLB, OFS, TPR, ITP, DT and NCB
3	Clearing Member Code	VarChar (5)	ICCL CM Code
4	Trading Member Code	VarChar (5)	TM Code
5	CP Code	VarChar (12)	CP Code
6	Client Code	VarChar (10)	UCC Code. Value should be Blank when CP code is populated, or Account type is 'P'
7	Account Type	Char (1)	P-prop, C-Client
8	Cash & Cash Equivalents Amount	Number (15,2)	Value in Rs. (Cash + FDR +BG)
9	Transfer to segment	Char (03)	Values shall be CM, FO, CD, CO,

			SLB, OFS, TPR, ITP, DT and NCB
10	Filler 1		Reserved for future
11	Filler 2		Reserved for future
12	Filler 3		Reserved for future
13	Filler 4		Reserved for future
14	Filler 5		Reserved for future
15	Action	Char (1)	Expected sample value: Allocated Collateral amount (A) Transfer (T)
16	Error code/Error reason	VarChar (50)	In case of rejection, appropriate error code/error reason to be displayed.

- 1) A report utility is provided in ICCL Collateral system to view the status of allocation file uploaded on the below path:  
Reports→Member Reports→ Collateral Allocation File Upload Status
- 2) In case of erroneous records, following Error codes with reasons will be provided for rejected entries in the field “Sr No. 16”:
  1. Invalid CM Code in File nomenclature (For Invalid CM code in file nomenclature, entire file would be rejected.)
  2. Invalid CM Code in respective field record (For Invalid CM code in respective field record, respective record would be rejected.)
  1. Invalid TM Code (For Invalid TM code respective record would be rejected.)
  2. Invalid segment indicator (Records pertaining to wrong segment would be rejected.)
  3. Invalid CP Code (For Invalid CP code respective record would be rejected.)
  4. Total Allocated amount is more than available collateral (entire file would be rejected)
  5. Negative values in amount field not accepted (Respective records would be rejected)
  6. Request Rejected due to non-availability of un-utilized collateral (Respective record would be rejected)
  7. File format error (Invalid date, Junk characters, Blank rows – entire file would be rejected)

## 2. Process for Collateral Allocation through API Facility

The New API is a JSON based API Request facilitating Collateral Management for the Members. The detailed document for setup and other details is attached.



Annexure - API.pdf

The document contains:

- i. Member registration for API access through the Web Application
- ii. Collateral API Authorization Structure Request and Response
- iii. Collateral Management API Structure Request and Response
- iv. The given API shall provide the following facilities:
  - a. Authentication / Session Creation APIs
  - b. Collateral Allocation (Allocation & Transfer)
  - c. Data validation error codes

### **3. MARGINS**

The margin norms for the Currency Derivatives Segment would be as follows:

#### **3.1 Initial Margin**

##### **a. Computation of Initial Margin**

ICCL has adopted the Standard Portfolio Analysis of Risk (“SPAN”) methodology for the purpose of real time risk management.

The Initial Margin requirement is based on a worst scenario loss of a portfolio of an individual client comprising his positions in all the options and futures contracts across various scenarios of price and volatility changes. The Initial Margin requirements shall be set to provide coverage of at least a 99% single-tailed confidence interval of the estimated distribution of future exposure over a one-day time horizon.

The client-wise margins would be grossed across various clients at the Trading / Clearing Member level. The proprietary positions of the Trading / Clearing Member would be treated as that of a client (net basis).

The margins levied to members shall be levied and collected in INR.

##### **b. Portfolio Based Margining**

The parameters involved in a portfolio-based margining approach include-

**c. Worst Scenario Loss**

The worst-case loss of a portfolio is calculated by valuing the portfolio under several scenarios of changes in price and volatility. The scenarios to be used for this purpose would be:

Risk Scenario Number	Price Move in Multiples of Price Range	Volatility Move in Multiples of Volatility Range	Fraction of Loss to be Considered
1.	0	+1	100%
2.	0	-1	100%
3.	+1/3	+1	100%
4.	+1/3	-1	100%
5.	-1/3	+1	100%
6.	-1/3	-1	100%
7.	+2/3	+1	100%
8.	+2/3	-1	100%
9.	-2/3	+1	100%
10.	-2/3	-1	100%
11.	+1	+1	100%
12.	+1	-1	100%
13.	-1	+1	100%
14.	-1	-1	100%
15.	+2	0	35%
16.	-2	0	35%

The probable premium value at each price scan point for volatility up and volatility down scenarios is calculated and then compared to the theoretical premium value (based on last closing value of the underlying) to determine profit or loss.

The Black 1976 option pricing model is used for the purpose of calculation of probable/theoretical option values for all Interest Rate Options while the Black-

Scholes option pricing model is used for the purpose of calculation of probable/theoretical option values for all Currency and Cross-Currency Options. The maximum loss under any of the scenario (considering only 35% of the loss in case of scenarios 15 and 16) is referred to as the Worst Scenario Loss.

#### d. Volatility

The standard deviation (volatility estimate) is computed using the Exponentially Weighted Moving Average method (“EWMA”).

The estimate at the end of time period t ( $\sigma_t$ ) is estimated using the volatility estimate at the end of the previous time period. i.e., as at the end of t-1 time period ( $\sigma_{t-1}$ ), and the return ( $r_t$ ) observed in the futures market during the time period t.

The volatility estimated at the end of the day’s trading is used in calculating the initial margin calls at the end of the same day.

The formula is as under:

$$\sigma_t^2 = \lambda(\sigma_{t-1})^2 + (1 - \lambda)(r_t)^2$$

Where:

- $\lambda$  is a parameter which determines how rapidly volatility estimates changes. The value of  $\lambda$  is currently fixed at 0.995.
- $\sigma$  (sigma) means the standard deviation of daily returns in the futures market.
- $r$  (return) is defined as the logarithmic return:  $r_t = \ln (C_t/C_{t-1})$  where  $C_t$  is the price of the Currency Future at time t.

#### e. Volatility Scan Range

The Volatility Scan Range (“VSR”) is the amount by which the implied volatility is changed in each risk array scenario. The VSR is referred to in percentage terms.

The VSR for all Currency and Interest Rate Derivatives Contracts is derived as the maximum of:

- 25% of annualized EWMA Volatility

and

- Minimum VSR%

Product	VSR Factor	Minimum VSR
<b>Currency Contracts</b>		
EURINR	25%	3%
EURUSD	25%	3%
GBPINR	25%	3%
GBPUSD	25%	3%
JPYINR	25%	3%
USDINR	25%	3%
USDJPY	25%	3%
<b>Interest Rate Contracts</b>		
Interest Rate	25%	3%

#### f. Price Scan Range

The Price Scan Range (“PSR”) is the probable price change over a one-day period. PSR would be specified by ICCL from time to time. The PSR is referred to in standard deviation/ sigma ( $\sigma$ ) terms.

The PSR for all Currency and Interest Rate Derivatives Contracts (futures and options) is derived as the maximum of:

- $6\sigma$  and
- Minimum Percentage of Underlying Price.

Product	PSR	Minimum Initial Margin
<b>Currency Contracts – Future and Option</b>		
EURINR	$6\sigma$	2.15%
EURUSD	$6\sigma$	2.50%
GBPINR	$6\sigma$	2.25%
GBPUSD	$6\sigma$	2.50%
JPYINR	$6\sigma$	2.65%

USDINR	6σ	1.50%
USDJPY	6σ	2.50%
<b>Interest Rate Contracts – Future and Option</b>		
Interest Rate	6σ	1.75%
91 Day T Bill	6σ	0.065%
ONMIBOR	6σ	5.50%

#### a. Initial Margin Requirement

The Initial Margin Requirement is computed as follows:

<b>Initial Margin Requirement</b>	=	<b>Maximum of:</b>	-	<b>Net Option Value</b>
		Scan Risk		
		Inter Commodity Credit		
		Intra Commodity Charge		
		Short Option Minimum		

#### i. Short Option Minimum Charge

There is no separate short option minimum charge apart from the margin parameters specified.

### 3.2 Calendar Spread Margin

ICCL provides calendar spread margin benefit wherein a position in one expiry is hedged by an offsetting position in a different maturity of the same underlying

The margin for options is calculated based on delta of the portfolio in each month. A portfolio consisting of a near month option with a delta of 100 and a far month option with a delta of -100 bears a spread charge equal to the spread charge for a portfolio which is long 100 near month futures and short 100 far month futures. Portfolio pertains to a portfolio consisting of futures and /or options contract on a particular underlying. Option positions of different expiry, irrespective of their strike prices, shall also attract calendar spread margin.

The benefit for a calendar spread continues till expiry of the near month contract. The calendar-spread margin shall be charged in addition to the worst-scenario loss of the portfolio.

Product	Less than or equal to 1 month	More than 1 month and Less than or equal to 2 months	More than 2 months and Less than or equal to 3 months	More than 4 months
<b>Currency Contracts</b>				
EURINR	750	1050	1550	1550
EURUSD	1600	1900	2100	2200
GBPINR	1575	1875	2075	2075
GBPUSD	1600	1900	2100	2200
JPYINR	675	1075	1575	1575
USDINR	500	600	900	1100
USDJPY	1600	1900	2100	2200
<b>Interest Rate Contracts</b>				
Interest Rate	1700	2000	2300	3200
91 Day T Bill	110	160	210	260
ONMIBOR	7000	7500	8000	8000

## ii. Net Option Value

The Net Option Value (“NOV”) is the current market value of the option times the number of options (positive for long options and negative for short options) in the portfolio. The Net Option Value would be added to the Liquid Net Worth of the clearing member i.e., the value of short options will be deducted from the liquid net worth and the value of long options will be added thereto.



Thus mark-to-market gains and losses on option positions are adjusted against the available liquid net worth of the Clearing Member. Since the options are premium style, there will be no mark-to-market settlement of profit or loss.

### 3.3 Extreme Loss Margin

Extreme Loss Margin is applicable on the gross notional value of the open positions in addition to the other margins on a real time basis. It shall be deducted from the liquid assets of the clearing member on an online, real-time basis.

Extreme Loss Margin is applicable only on futures and short option positions and is not applicable on long option positions.

The notional value is be computed using the latest futures price for futures contracts and last available closing price/reference rate of the underlying for the options contracts.

In case of calendar spread positions in futures contracts, extreme loss margin is levied on one third of the value of the open position of the far month futures contract.

The Extreme Loss Margin rates are as under:

Product	Extreme Loss Margin	
	Futures	Options
<b>Currency Contracts</b>		
EURINR	0.15%	0.75%
EURUSD	0.50%	0.50%
GBPINR	0.25%	0.75%
GBPUSD	0.50%	0.50%
JPYINR	0.35%	0.75%
USDINR	0.50%	0.75%
USDJPY	0.50%	0.50%

Interest Rate Contracts		
Interest Rate	0.25%	0.25%
91 Day T Bill	0.015%	NA
ONMIBOR	0.50%	NA

**i. Margin on Consolidated Crystallised Obligation**

**a. Intraday Current Exposure Margin**

*Payable crystalized obligations based on the closed-out futures positions and payable/receivable premium at client level.*

On intraday basis the net payable/receivable amount at client level shall be calculated using:

- Premium payable/receivable
- Futures crystallized Profit or Loss (calculated based on weighted average prices of trades executed).

If the overall amount at client level is payable, such amount shall be the intraday Current Exposure Margin (“CEM”) for the client.

**CEM Example**

Particulars	Premium Payable (+) /Receivable(-)	Crystallised Loss (+) /Profit (-)	Current Exposure Margin
Client 1	-20	-90	0
Client 2	50	30	80
Client 3	0	0	0
Client 4	-30	80	50
Client 5	30	-80	0
Client 6	-100	80	0
Client 7	100	-80	20

**b. End – of - day basis**

Payable obligations at client level considering all futures and options positions. At the end of day, the payable/receivable amount at client level will be calculated using:

- Futures mark to market profit/loss to be settled
- Options premium payable/receivable
- Options exercise/assignment for expired contracts
- Futures final settlement for expired contracts

If the overall amount at client level is payable, such amount will be the end -of-day consolidated crystallized obligation margin for the client. The margin on consolidated crystallized obligations will replace the net buy premium, intraday crystallized losses, assignment margin and futures final settlement margin levied currently. The margin on consolidated crystallized obligations will be released on completion of settlement.

## ii. Updation of risk parameters

The ICCL SPAN risk parameters shall be updated at:

- Beginning-of-Day
- 11:00 a.m.
- 12:30 p.m.
- 02:00 p.m.
- 03:30 p.m.
- 05:00 p.m.
- 06:30 p.m.
- Interim Risk File (5.00 p.m. – 8.00 p.m.)
- End-of-Day

## iii. Risk Reduction Mode

The entry and exit threshold for the Risk Reduction Mode (“RRM”) is detailed below:

- **Clearing Members:** Put in RRM at 90% collateral utilization & moved back to normal mode when utilization goes below 85%.
- **Trading Members:** Put on RRM at 90% utilization of trading limit assigned by their Clearing Members & moved back to normal mode when limit utilization goes below 85%.

**iv. Assignment Margin**

Assignment Margin shall be levied on assigned positions of the clearing members towards exercise settlement obligations for option contracts. For option positions exercised, the seller of the options shall be levied assignment margins which shall be 100% of the net exercise settlement value payable by a clearing member towards exercise settlement. Assignment margin shall be levied till the completion of pay-in towards the exercise settlement. Assignment margins shall be computed as net of assignment settlement and futures final settlement.

**v. Imposition of Additional Margins**

As a risk containment measure, ICCL may require clearing members to pay additional margins as may be decided from time to time. This shall be in addition to the margins, which are or may have been imposed from time to time.

**vi. Enforcement and Collection of Margins**

Aforesaid margins are computed at a client level portfolio and grossed across all clients (including the proprietary positions of member) at the member level. Margins are collected/adjusted upfront from the liquid assets of the Clearing Members on an on-line real time basis.

Members are required to collect initial margins, extreme loss margins, calendar spread margins and mark to market settlements and report details of such margins collected from their client/constituents to ICCL.

**vii. Mode of payment of Margin**

Clearing members shall provide for margin in any one or more of the eligible collateral modes as specified by ICCL. The margins shall be collected/adjusted from the liquid assets of the member on a real time basis.

**viii. Settlement of Premium**

Premium would be settled in INR and would be paid in by the buyer in cash and paid out to the seller in cash on T+1 day. Until the buyer pays in the premium, the

premium due shall be deducted from the available liquid assets on a real time basis. For arriving at the settlement value in INR for EURUSD and GBPUSD contracts, the latest available RBI reference rate for USDINR shall be used. For USDJPY contracts, the settlement value in INR shall be arrived at using the latest available exchange rate published by RBI for JPYINR.

**ix. Mark to market settlement**

The mark to market gains and losses shall be settled in cash before the start of trading on T+1 day. If mark to market obligations are not collected before start of the next day's trading, ICCL collects correspondingly higher initial margin to cover the potential for losses over the time elapsed in the collection of margins.

The daily closing price of currency futures contract for mark to market settlement would be calculated based on the last half an hour weighted average price of the futures contract. In the absence of trading in the last half an hour the theoretical price would be taken.

The Mark to Market settlement for Cross-Currency derivative contracts will be based on the following formula:

$$(C2 - C1) \times R2,$$

Where **C2** is closing price of cross-currency derivative contract on T Day, **C1** is closing price of cross-currency derivative contract on (T - 1) day, **R2** is USD-INR reference rate on T day.

#### **4. CLEARING & SETTLEMENT**

The Clearing & Settlement of trades executed on the Currency Derivatives Segment of BSE Ltd. are cleared and settled through Indian Clearing Corporation Ltd. (ICCL) as per the guidelines issued by Securities and Exchange Board of India (SEBI) and as per the provisions of Rules, Bye-Laws and Regulations of ICCL and BSE as well as any other circulars/guidelines that may be issued in respect of the same from time to time.

The Clearing and Settlement shall be done on a multilateral netting basis as per the settlement obligations of the respective clearing members. The Clearing Members shall be responsible for all obligations, inter alia, including the payment of margins, penalties,

any other levies and settlement of obligations of the trades entered by them as trading members and also of those trading members and custodial participants, if any, for whom they have undertaken to settle as a Clearing Member.

As a set process all obligations in respect of trades entered by trading members will be transferred to the respective Clearing Members who have undertaken to settle as Clearing Members for them.

### **Give-up/Take-up facility**

Members can give-up trades pertaining to their Custodial Participant clients who want to settle their trades through other Clearing Members. The Clearing Members of the custodial participants need to confirm such trades to take-up the positions for settlement. Such trades shall be confirmed by the Clearing Members in such manner, within such time and through such facility as may be provided to Clearing Members from time to time by the Exchange/ICCL. The trades which have been confirmed by Clearing Members shall form part of the obligations of concerned Clearing Members and such Clearing Members shall be responsible for all obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations. In case of trades which have not been confirmed by Clearing Members of the Custodial Participants shall be considered as trades pertaining to the Trading Members entering such trades and shall form a part of the obligations of Clearing Members, who clear and settle for such Trading Members.

ICCL has provided the facility for setting take-up limits at Custodial Participant Code (CP Code) level and for on-line, real time auto take-up/confirmation of trades. The said facility is available in the Real Time Risk Management System (RTRMS) module.

The salient features of the said facilities in the RTRMS module are as follows: -

- CP - Clearing Members can select the option on RTRMS screen to activate their respective CP code/s for the facility of auto take-up/confirmation of trades till 5.00 pm on any working day. Such selected CP Codes will get activated for auto take-up/confirmation on the next trading day.
- Default value of the set limit for all mapped CP Codes (auto-take up as well as manual take-up mode) would be zero (0) in RTRMS. For taking up of trades up to the assigned limit, the CP-Clearing Members would be required to set specific CP Code limit or select the option of 'unlimited' for taking-up position without any set limit.

#### **• Auto Take-up process**

Through the CP Code limit setting window in RTRMS, CP-Clearing Members can set limit for auto take-up of trades for each of their mapped CP Code. Accordingly, the system would accept trades for auto confirmation up to the set limit in respect of the activated CP Codes. On reaching the set limit of margin utilisation, the pending trades under such CP code would get transferred to manual take-up mode and trading

limits/margin deposits of the Trading Member/Clearing Member (mapped with the Trading Member) would get utilised as per the existing process. CP-Clearing Members can on-line enhance the limit for such CP Code for re-activating the auto take-up function for the respective CP Code. However, enhanced limit would be applicable for trades received by RTRMS after enhancement of such limit. The trades transferred to manual confirmation mode as mentioned above would be required to be taken-up manually by the CP-Clearing Members.

The trades of CP Code in auto confirmation mode would automatically get transferred under the concerned CP-Clearing Member in RTRMS module without any manual intervention subject to the abovementioned conditions.

- **Manual Take-up process**

The process for manual take-up would remain unchanged except for setting CP Code Limit as explained above.

Once the confirmed trades appear under the CP-Clearing Member, all types of margins pertaining to such trades will be utilised from the collateral deposits of the concerned CP-Clearing Member on an on-line, real-time basis. However, if such CP-Clearing Member confirming (taking-up) the trades do not have sufficient un-utilised collateral, then such trades will not get confirmed and margins of the Clearing Member (mapped with the Trading member) would be utilised.

#### **4.1. Settlement Schedule**

**The Settlement Schedule for Currency Derivatives Segment shall be as under**

##### **Settlement Period**

The pay-in and pay-out of daily mark to market settlements, premium settlement, final settlement of futures contracts and final exercise settlements of options contracts would be effected in accordance with the settlement schedule issued by ICCL periodically. The Clearing Members should maintain clear balance of funds in their settlement account with their designated Clearing Bank towards their funds pay-in obligation at the scheduled pay-in time on the settlement day.

The pay-out of funds will be credited to the receiving Clearing member's settlement account with their designated Clearing Bank.

##### **Daily settlement**

The daily mark-to-market settlement and premium settlement of currency derivatives contracts would be cash settled on T+1 day basis as per the timelines specified by ICCL.

##### **Final settlement in currency futures and options**

The final settlement of currency futures and options contracts shall be effected on T+2 day basis as per the timelines specified by ICCL. The final settlement date shall be T+2 day from the last trading day of the contract as specified by the Exchange.

#### **Final settlement in futures on 91 Day GOI T-Bills and Cash settled Interest Rate Futures on 6/10/13 year G-Sec**

The final settlement of futures on 91 Day GOI T-bill and Cash settled Interest Rate Futures contracts on 6/10/13 year G-Sec shall be effected on T+1 day basis. The final settlement date shall be T+1 day

from the last trading day of the contract as specified by the Exchange, as per the timelines specified by ICCL.

#### **4.2. Settlement Price**

**Settlement price for settlement of contracts in the Currency Derivatives segment are specified as under**

##### **Daily Settlement Price for mark to market settlement of currency futures contracts**

The Daily settlement price for futures contracts shall be the closing price of such contracts on the trading day. The closing price for a futures contract shall be calculated on the basis of the last half an hour weighted average price of such contract or such other price as may be decided by the relevant authority from time to time. The theoretical daily settlement price for unexpired futures contracts, which are not traded during the last half an hour on a day, shall be the price computed as per the prescribed formula.

##### **Final Settlement Price of Currency futures contracts and Final Exercise Settlement Price of Currency Options contracts**

In case of USD-INR and EUR-INR, final settlement price for a futures contract and final exercise settlement price for option contracts shall be the Reserve Bank Reference Rate on the last trading day of such contract. In case of GBP-INR and JPY-INR, final settlement price for a futures contract shall be Exchange rate published by the Reserve Bank in its Press Release captioned RBI Reference Rate for US\$ and EURO or as may be specified by ICCL from time to time.

##### **Daily Settlement Price for Cross-currency futures & options contracts**

The daily settlement price of cross-currency derivatives contracts shall be the last half an hour volume weighted average price of the contract.

In the absence of last half an hour trading, the daily settlement price shall be the theoretical price as calculated by the stock exchange. Stock exchanges shall be required to disclose the model / methodology used for arriving at the theoretical price.



For arriving at the settlement value in INR for EUR-USD and GBP-USD contracts, the latest available RBI reference rate for USD-INR shall be used. For USD-JPY contracts, the settlement value in INR shall be arrived at using the latest available exchange rate published by RBI for JPY-INR.

### **Final Settlement Price for Cross-currency futures & options contracts**

The final settlement price of the cross-currency derivatives contracts shall be computed using the RBI reference rate for USD-INR and the corresponding exchange rate published by RBI for EUR-INR, GBP-INR and JPY-INR, as applicable, on the last trading day of the contract.

For arriving at the final settlement value in INR for EUR-USD and GBP-USD contracts, the RBI reference rate for USD-INR on the last trading day of the contract shall be used. For USD-JPY contracts, the final settlement value in INR shall be arrived at using the exchange rate published by RBI for JPY-INR on the last trading day of the contract.

### **Daily Settlement Price for mark to market settlement of futures contracts on 91 Day GOI T-bills**

All the open positions in futures on 91-day GOI T-bills shall be marked to market on the Daily Settlement Price. The daily settlement price would be determined in the following manner:

$$100 - 0.25 * Y_w$$

Where  $Y_w$  (futures yield) shall be volume weighted average futures yield of traded futures contracts in the last 30 minutes of trading subject to there being at least 5 trades. Failing which, trades during the last 60 minutes shall be used for the calculation, subject to at least 5 trades. Failing which, trades during the last 120 minutes shall be used for the calculation, subject to at least 5 trades.

If the daily contract settlement value cannot be calculated as above, a theoretical futures yield would be used for computation.

### **Final settlement price of futures contracts on 91 Day GOI T-bills**

The final settlement price would be determined in the following manner:  $Rs\ 100 - 0.25 * Y_f$

Where  $Y_f$  is weighted average discount, yield obtained from RBI's weekly auction of 91-day GOI T-Bill on the day of expiry.

### **Contract Value for futures on 91 Day GOI T-bills**

The contract value would be determined in the following manner:  $Rs. 2000 * (100 - 0.25 * y)$

Where y is the futures discount yield. For example, for a futures discount yield of 6%, the contract value would be  $2000 * (100 - 0.25 * 6) = Rs 1,97,000$

### **Daily Contract Settlement Value for futures on 91 Day GOI T-bills**

The daily contract settlement value would be determined in the following manner:

$Rs. 2000 * \text{daily settlement price}$

### **Final Contract Settlement Value for futures on 91 Day GOI T-bills**

All open positions of clearing members in expiring month futures contract shall be settled in cash and final settlement shall be conducted on expiry plus one working day. The final contract settlement value would be determined in the following manner:

$Rs. 2000 * \text{final settlement price}$

### **Daily Settlement Price for mark to market settlement of Cash settled Interest Rate Futures on 10-year G-Sec**

Daily settlement price (DSP) shall be the closing price of such contracts on the trading day. The closing price for a futures contract shall be calculated on the basis of the last half an hour weighted average price of such contract or such other price as may be decided by the relevant authority from time to time. In the absence of last half an hour trading, theoretical daily settlement price of the contract shall be used for settlement.

### **Final Settlement Price for Cash settled Interest Rate Futures on 6 / 10 / 13-year G-Secs**

The final settlement price is the weighted average price of the underlying bond based on the prices during the last two hours of trading on NDS-OM, subject to a minimum of 5 trades during that period.

If less than 5 trades are executed in the underlying bond during the last two hours of trading on NDS-OM, then FIMMDA price shall be used as final contract settlement price. In case FIMMDA price is not available, the price for settlement shall be as decided by ICCL from time to time.

### **Contract Value for Cash settled Interest Rate Futures on 6 / 10 / 13-year G-Sec**

The contract value shall be determined as 2000 multiplied by the price

### **Daily Contract Settlement Value for Cash settled Interest Rate Futures on 6 / 10 / 13-year G-Sec**

The daily contract settlement value shall be determined as 2000 multiplied by daily settlement price of Interest Rate Futures contract.

### **Final Contract Settlement Value for Cash settled Interest Rate Futures on 6 / 10 / 13-year G-Sec**

The final contract settlement value shall be determined as 2000 multiplied by final settlement price of cash settled Interest rate futures on 6 / 10 / 13-year G-Secs respectively.

### **4.3. Settlement Process**

#### **The settlement process in Currency Derivatives segment shall be as under**

The settlement of contracts in Currency Derivatives Segment would be cash settled in Indian Rupees.

The daily mark-to-market settlement and premium settlement of currency derivatives Segment would be cash settled on T+1 day basis as per the timelines specified by ICCL.

The final settlement of currency derivatives contracts would be effected as per the settlement schedule and as per the timelines specified by ICCL from time to time. In case of option contracts, on expiry date, all open long in-the-money contracts shall be automatically exercised/assigned.

The pay-in and pay-out of daily mark to market settlements and final settlement would be effected in accordance with the settlement schedule issued by ICCL periodically through the clearing accounts of Clearing Members with the designated Clearing Bank. The members should maintain clear balance of funds in their settlement account with their designated clearing bank towards their funds pay-in obligation at the scheduled pay-in time on the settlement day.

### **4.4. Clearing Bank**

Every clearing member shall maintain a settlement account for the Currency Derivatives Segment with any one of the designated Clearing Banks. The settlement account shall be used exclusively for clearing and Settlement operations i.e., for settling funds obligations, payment of margins, penal charges, etc. as may be specified by ICCL from time to time. The list of Clearing Banks currently available for settlement is provided in Annexure – XII.

### **Operation of settlement Account**

Clearing members shall irrevocably authorise their designated clearing bank to access their settlement accounts for debiting and crediting their settlement accounts as per the instructions of ICCL, reporting of balances and other information as may be required by ICCL from time to time.

Clearing Members shall maintain clear balance of funds in their settlement account with their designated clearing bank towards their funds obligation/s to ICCL.

Clearing members shall not seek to close or de-activate the settlement accounts without the prior written consent of ICCL.

The Clearing Banks shall debit/credit the settlement accounts of Clearing Members as per instructions received by them from ICCL from time to time. Any request from the Clearing Members for revoking the authorisation furnished by them shall not be considered by the Clearing Banks. The Clearing Banks shall not close the settlement accounts or permit deactivation of the same without the prior written consent of ICCL.

### **Procedure for change in designated Clearing Bank**

In case a Clearing Member wishes to shift their settlement account from one designated Clearing Bank to another, the following procedure shall be followed:

1. The Clearing Member shall submit their request letters (on their letterhead) of their intent to shift their settlement account from one designated Clearing Bank to another, to ICCL as per the format enclosed as Annexure – XIII.
2. As soon as the formalities are completed, ICCL will inform the member in writing about the date from which they can start their clearing and settlement operations from new designated Clearing Bank. However, till such time, ICCL will continue to debit /credit the member's existing clearing bank account.

## **4.5. SETTLEMENT OBLIGATIONS**

### **4.5.1. Settlement of Admitted Deals**

Deals executed on the Currency Derivatives segment, shall be cleared on a netted basis, by ICCL.

It shall be the responsibility of the clearing members with regard to all the obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations of the trades entered by them as trading members and also of those trading members and custodial participants, if any, for whom they have undertaken to settle as a clearing member.

Where the clearing member is not a trading member of BSE then the trades of those trading members and custodial participants of BSE for whom the clearing member has undertaken to settle shall be considered for determining the obligations as a clearing member.

#### **4.5.2. Custodial Participant**

Custodial participants are those constituents who are eligible for trading through trading members and who clear and settle deals through clearing members. Such custodial participants shall register themselves with ICCL through their clearing members.

#### **Confirmation of trades entered by custodial participants**

Clearing members of the custodial participants shall confirm trades entered into on behalf of the custodial participants. Such trades shall be confirmed by the clearing members in such manner, within such time and through such facility as may be provided to clearing members from time to time. Such confirmation shall be carried out within such time as may be specified by BSE/ICCL from time to time where such trades have been entered. All such trades which have been confirmed by clearing members shall form part of the obligations of clearing members concerned and such clearing members shall be responsible for all obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations. Trades which have not been confirmed by clearing members of the custodial participants shall be considered as trades pertaining to the trading members entering such trades and shall form a part of the obligations of clearing members, who clear and settle for such trading members.

### **4.6. SETTLEMENT PROCEDURE**

#### **4.6.1. Daily mark to market settlement of futures contract**

Daily mark to market settlement in respect of deals in Currency futures, Cash settled Interest Rate Futures on 6/10/13 year G-Sec and futures on 91 Day GOI T-bill contracts shall be by debit/ credit of the clearing accounts of clearing members with the respective clearing bank.

At the close of trading hours on a day, all positions (brought forward, created during the day, closed out during the day) of a clearing member in futures contracts, shall be marked to market at the daily settlement price (for daily mark to market settlement) and settled.

#### **4.6.2. Daily premium settlement of currency options contracts**

Premium settlement shall be netted with daily mark to mark settlement of currency futures, Cash settled Interest Rate Futures on 6/10/13 year G-Sec and futures contracts of 91 Day GOI T-bills and the daily premium settlement shall be effected on T+1 day as per the timelines specified by ICCL.

#### **Settlement of Premium for Cross Currency Futures & Options Contracts**

Premium would be settled in INR and would be paid in by the buyer in cash and paid out to the seller in cash on T+1 day. Until the buyer pays in the premium, the premium due

shall be deducted from the available liquid assets on a real time basis.

For arriving at the settlement value in INR for EUR-USD and GBP-USD contracts, the latest available RBI reference rate for USD-INR shall be used. For USD-JPY contracts, the settlement value in INR shall be arrived at using the latest available exchange rate published by RBI for JPY-INR.

### **Settlement of Premium for Options on EUR-INR, GBP-INR and JPY-INR Spot Rate**

Premium would be paid in by the buyer in cash and paid out to the seller in cash on T+1 day. Until the buyer pays in the premium, the premium due shall be deducted from the available liquid assets on a real time basis.

### **Final settlement of currency futures contract**

At the close of trading hours on the last trading day, all positions (brought forward, created during the day, closed out during the day) of a clearing member in currency futures contracts, shall be marked to market at final settlement price (for final settlement) and settled in cash on T+2 day by debit/ credit of the clearing accounts of clearing members with the respective clearing bank.

### **Final Exercised settlement of currency options contract**

On Expiry date, all open long in-the-money contracts shall be automatically exercised at the final settlement price and assigned on random basis to the open short position of the same strike and series. Exercise settlement shall be effected on last working day (excluding Saturdays) of the contract month and the last working day shall be taken to be the same as that for Interbank Settlements in Mumbai.

Exercise settlement in respect of deals in option contracts shall be cash settled by debit/ credit of the clearing accounts of the relevant clearing members with the respective clearing bank on T+2 day. Option contracts, which have been exercised, shall be assigned and allocated to clearing members at the client level. Open positions in an option contracts shall cease to exist after its expiration day.

### **Final settlement for futures contract on cash settled Interest Rate Futures on 6/10/13 year G-Sec:**

All open positions of a clearing member in futures contracts, at the close of trading hours on the last trading day of the contract, shall be settled in cash at final settlement price.

Open positions in a futures contract shall cease to exist after its expiration day.

### **Final settlement of futures contracts on 91 Day GOI T-Bills**

All positions (brought forward, created during the day, closed out during the day) of a clearing member in futures contracts on 91 Day GOI T-Bills, at the close of trading hours on the last trading day, shall be marked to market at final settlement price (for final settlement) and settled in cash on T+1 day by debit/ credit of the clearing accounts of clearing members with the respective clearing bank.

## **7. CORE SETTLEMENT GUARANTEE FUND**

### **7.1 Core Settlement Guarantee Fund**

A Core Settlement Guarantee Fund (Core SGF) shall be maintained in respect of the Currency Derivatives segment. The administration and utilisation of this fund shall be applicable to such deals as may be prescribed by the relevant authority.

The Minimum Required Corpus (MRC) of the Core SGF shall be arrived based on the stress test methodology prescribed by SEBI. ICCL shall compute the Minimum Required Corpus (MRC) for Currency Derivatives Segment which shall be subject to the following:

- The MRC shall be fixed for a month.
- By 15th of every month, ICCL shall review and determine the MRC for next month based on the results of daily stress tests of the preceding month. ICCL shall also review and determine by 15th of every month, the adequacy of contributions made by various contributors and any further contributions to the Core SGF required to be made by various contributors for the next month.
- For every day of the preceding month, uncovered loss numbers shall be estimated by the various stress tests for credit risk conducted by the ICCL for the segment and highest of such numbers shall be taken as worst-case loss number for the day.
- Average of all the daily worst case loss numbers determined in (3) shall be calculated.
- The MRC for next month shall be higher of the average arrived in at step (4) and the segment MRC as per previous review.

### **7.2 Contribution towards Core Settlement Guarantee Fund**

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

- a. Clearing Corporation contribution: ICCL contribution to 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 SGFs shall be considered as part of its net worth.

- b. Stock Exchange contribution: Stock Exchange contribution to 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 the 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 32 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 shall ordinarily accept cash collateral for Core SGF contribution. However, ICCL may accept CM contribution in the form of bank FDs too. ICCL shall adhere to specific guidance which may be issued by SEBI from time to time in this regard.



## 8. CUSTODIAL PARTICIPANTS

### Procedure for allotment of custodial participant codes

Custodial participants are those constituents who are eligible for trading through trading members and who clear and settle deals through clearing members.

- The clearing member/s of custodial participants are required to furnish the details to the Clearing Corporation as per prescribed format in Annexure XIV to obtain CP codes.
- The Clearing Corporation shall allot a CP code which shall be placed in all orders placed by the trading members for the Constituent on the Exchange.
- Once the trade is executed in the trading system, the same shall be available to the clearing member, for approval or rejection. Clearing member shall approve or reject the trade, within the stipulated time as per the mechanism provided from time to time.
- For deactivation/ modification/ change of Custodian or Clearing member of a Custodial Participant clearing member/s are required to furnish the details to the Clearing Corporation. In case the constituent wishes to change from one Clearing Member to another Clearing Member, then a No Objection Certificate (as per format mentioned as per Annexure XV) need to be obtained from the existing Clearing Member and the same should be submitted along with a letter (as per format mentioned as per Annexure XVI) by the new Clearing Member.

#### (a) Auto approval of Custodial Participant (CP) trades

ICCL has provided additional facility of auto approval of custodial participant trades, coexisting with the existing mechanism of CP trade confirmation.

##### 1 Setting limits for CP

- (e) Clearing members (CM) may set the margin limit for their CP codes
- (f) Limits shall be a number 0 to n.
- (g) CM shall not set limit as unlimited
- (h) CM may revise the limits. Revisions in limits shall not affect already confirmed/rejected/not acted upon trades
- (i) Revision in limits shall apply for trades executed after the time limits are revised

##### 2 Trades executed with CP code shall be checked for sufficiency of margins against the limit available

##### 3 If the limit of the CP is available

- a The trades shall be auto approved for the CM for that CP
  - b Such trades which are auto approved cannot be rejected
  - c Margins shall be imposed on CM of CP, similar to those trades which are confirmed by CM
  - d Settlement obligation arising out of such CP trades shall be marked to the CM of CP, similar to those trade which are confirmed by CM
- If the limit of CP is inadequate
    - e The trades shall be subject to margins on the executing Trading Member (TM) as per current procedure
  - Such trades shall be available for approval / rejection by the CM as per current procedure

## 9. CLIENT MARGIN REPORTING

### Client Margin Reporting

Clearing/Trading members are required to collect margins (initial margin and extreme loss margin) from their client/constituents on an upfront basis and it is mandatory for all clearing /trading members to report details of such margins collected to the Clearing Corporation as per the formats specified hereunder or as may be specified by the Clearing Corporation from time to time:

#### 1. Detailed margin file for trading member (MGTM)

Naming Convention	BFX_MGTM_<MEMBER CODE>_DDMMYYYY.CSV
File Path	Extranet
File Format	comma separated file format (CSV)

Column No.	Headers	Field Characteristics	Details
1	Trade date	DATE	Format DD-MM-YY
2	Client Code	VARCHAR2	Client Code
3	Initial margin	NUMBER	Amount of Initial Margin in INR
4	Net Buy premium margin	NUMBER	Net premium Margin in INR
5	Extreme Loss Margin	NUMBER	Amount of Extreme Loss Margin in INR

6	Total margin (payable logic: 3+4+5)	NUMBER	Amount of Total Margin in INR
7	Account Type	VARCHAR2	P – Proprietary, C - Client

## 2. Detailed margin file for clearing member (MGCM)

Naming Convention	BFX_MGCM_<MEMBER CODE>_DDMMYYYY.CSV
File Path	Extranet
File Format	comma separated file format (CSV)

Column No.	Headers	Field Characteristics	Details
1	Trade date	DATE	Format DD-MM-YY
2	Trading member /Custodial participant code	VARCHAR2	Trading Member / Custodial Participation Code
3	Initial margin	NUMBER	Amount of Initial Margin in INR
4	Net buy premium margin	NUMBER	Amount of net buy premium margin in INR
5	Extreme Loss Margin	NUMBER	Amount of Extreme Loss Margin in INR
6	Total margin (payable logic: 3+4+5)	NUMBER	Amount of Total Margin in INR
7	Account Type	VARCHAR2	I – Institution, P-Proprietary

### 3. Margin Response File:

BFX\_MGRCM\_<MemberCode>\_<. yyyyymmdd>.CSV

BFX\_MGRTM\_<MemberCode>\_<. yyyyymmdd>.CSV

No	Field Name	Remarks	Data type
1	Margin Date	Format DD MMM YYYY, i.e., 13 AUG 2013	Datetime (11)
2	Trading Member Code / CP Code / Client Code	In case of Margin File for Clearing Member, this field will contain the Trading Member ID / Custodial Participant Code (initially this will be populated as 'INST' in case of Institutional Clients)  In case of Margin File for Trading Member, this field will contain the Client Codes under which transactions have been done	char (12)
3	Initial Margin	This field will contain the Initial Margin (SPAN)	Numeric (22,2)
4	Net Premium	In case of futures contracts, the value is 0 (Zero).  In the case of options contracts, the value is the day's sell value minus the day's buy value.  The value is provided with the appropriate sign convention Payable (-)/ Receivable (+).	Numeric (22,2)
5	Extreme Loss Margin	This field will contain the Extreme Loss Margin	Numeric (22,2)
6	Total Margin	Total Margin Payable. New Logic: 3+4+5	Numeric (22,2)
7	Account Type	In case of Clearing Member File: 'T' for Trading Member/ 'I' for Institutional accepted trades  In case of Trading Member File: 'P' for proprietary/ 'C'	char (1)

No	Field Name	Remarks	Data type
		for client	
8	Margin File Uploaded Date/Time	Date & Time of margin file uploaded into the exchange system. (Ex: 16 NOV 2011 15:01:52:350)	Char (24)
9	Reported Margin	Margin Collected will be added by the member and to be uploaded to the exchange system.	Numeric (22,2)
10	Margin Shortage	If any difference in Total Margin and Margin collected.	Numeric (22,2)
11	Penalty Code	If any Margin shortage, then apply penalty category. (A, B & C) Note: * is for invalid reported entry.	Char (1)
12	Penalty Amount	If any Margin shortage, then applied penalty as given by SEBI.	Numeric (22,2)

### Statement of account of settlement & client margin

Clearing / trading members are required to collect upfront margins from their respective trading members/constituents. Every clearing /trading member is required to send a complete statement of account for settlements and margins as reported in the client margin files submitted to the Clearing Corporation in respect of trading member/constituents.

## 10. VIOLATIONS & PENALTIES

### Penalty for trading limit violations

Description*	Instances of trading limit violations in a calendar month	Penalty
For violation of trading limits (assigned by Clearing member) by trading member.	1st instance	0.07% per day
	2nd to 5th instance of disablement	0.07% per day + Rs. 1,000/- per instance from 2nd to 5th instance
	6th to 15th instance of disablement	0.07% per day + Rs. 4,000/- (for 2nd to 5th instance) + Rs.2,000/- per instance from 6th to 15th instance
	16th instance onwards	0.07% per day + Rs.24,000/- (for 2nd to 15th instance) + Rs.2,000/- per instance from 16th instance onwards.  Additionally, the member will be referred to the Disciplinary Action Committee for suitable action.

Clearing Members shall collect the penalty amounts from their respective Trading Members and remit the same to ICCL.

\* The instances as mentioned above refer to all instances of violations of trading limits during trading hours in a calendar month.

### B) Clearing Charges

Clearing charges shall be levied on per trade basis at the rate of Re. 0.01 per trade, on all trades cleared in the Currency Derivatives Segment. ICCL will swipe the Settlement Accounts of the Clearing Members maintained with the respective Clearing Banks.

## 11. RECENT AMENDMENTS

As per SEBI Circular (SEBI/HO/MRD/POD 3/CIR/P/2023/58) dated April 20, 2023, following amendments are incorporated as under:

“Notwithstanding such rescission,

- i. Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable
- ii. The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded.”



## 12. ANNEXURES

### Annexure – I

#### Format Letter for Deposit of Fixed Deposit Receipts (FDRs) by Clearing Member

Date

To,  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

**Re : Deposit of Fixed Deposit Receipt towards ICCL – BSE Currency Derivatives Segment**

Please find enclosed the following Fixed Deposit Receipt/s (FDR) issued in your favour towards the margin deposit of the ICCL – BSE Currency Derivatives Segment.

<b>Sr. No.</b>	<b>Bank Name</b>	<b>FDR No.</b>	<b>FDR Date</b>	<b>Maturity Date</b>	<b>Amount (Rs.)</b>

Yours faithfully,

Authorised Signatory

(Clg. No. \_\_\_\_\_).

## Annexure – II

### Fixed Deposit Receipts (FDRs) Confirmation by Bank

#### (Format of letter to be submitted by the concerned bank along with the instrument)

*(Bank's Letter Head)*

Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

We refer to deposit receipt (FDR) No. .... issued in the name of “Indian Clearing Corporation Ltd. A/c. .... (*member's name*) .....

Sr. No.	FDR Number	Issue Date	Principal Amount (Rs.)	Maturity Date

We hereby confirm that,

- i. There is no lock in period for encashment of the said FDR and the lien on the said FDR has been created in favour of Indian Clearing Corporation Ltd. (ICCL) only.
- ii. The amount under the said FDR would be paid to ICCL on demand without demure on or before or after the maturity of the said FDR without any reference to M/s. .... (*Member's name*) .....
- iii. The FDR is payable at Mumbai
- iv. Encashment by ICCL, whether premature or otherwise would not require any clearance from M/s. (member's name) or any other authority/person.
- v. We agree that on encashment of FDR by ICCL, the interest accrued will also be released to you.
- vi. We undertake that at the time of encashment of aforesaid FDR No. \_\_\_\_\_ by M/s. (member name) or any other authority/person, whether premature or otherwise will be done only if the aforesaid FDR No. \_\_\_\_\_ is accompanied with the release of lien letter issued by ICCL.
- vii. We undertake that the aforesaid FDR No. \_\_\_\_\_ would stand automatically renewed by the Bank on the respective maturity dates.

Yours faithfully,

For ..... (*Bank*) .....

Authorised Signatory (with Bank's stamp)

### Annexure – III

#### Renewal of Fixed Deposit Receipts (FDRs) by Bank

*(Bank's Letter Head)*

The General Manager  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

We refer to deposit receipt (FDR) No. .... issued in the name of "Indian Clearing Corporation Ltd. A/c. .... (*member's name*) ....."

Sr. No.	FDR Number	Issue Date	Principal Amount (Rs.)	Maturity Date

The above FDR has been renewed for a further period of ..... months/years under the auto renewal facility on the request of the member. Details are as follows

Sr. No.	FDR Number	Issue Date	Principal Amount (Rs.)	Maturity Date

We hereby confirm that,

- viii. There is no lock in period for encashment of the said FDR and the lien on the said FDR has been created in favour of Indian Clearing Corporation Ltd. (ICCL) only.
- ix. The amount under the said FDR would be paid to ICCL on demand without demure on or before or after the maturity of the said FDR without any reference to M/s. .... (*Member's name*) .....
- x. Old instrument will remain valid and no new instrument with new FDR No. ---- is issued.
- xi. The FDR is payable at Mumbai
- xii. Encashment by ICCL, whether premature or otherwise would not require any clearance from M/s. (member's name) or any other authority/person.
- xiii. We agree that on encashment of FDR by ICCL, the interest accrued will also be released to you.
- xiv. We undertake that at the time of encashment of aforesaid FDR No. \_\_\_\_\_ by M/s. (member name) or any other authority/person, whether premature or otherwise will be done only if the aforesaid FDR No. \_\_\_\_\_ is accompanied with the release of lien letter issued by ICCL.
- xv. We undertake that the aforesaid FDR No. \_\_\_\_\_ would stand automatically renewed by the Bank on the respective maturity dates.

Yours faithfully,  
For ..... (*Bank*) .....

Authorised Signatory (with Bank's stamp)

## Annexure – IV

### Format of Letter for Renewal of Fixed Deposit Receipts (FDRs) by Clearing Member

Date

To,  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

**Re: Deposit of renewed Fixed Deposit Receipt towards ICCL – BSE Currency Derivatives Segment.**

We refer to following Fixed Deposit Receipt issued on our behalf in your favour towards the margin deposit of the ICCL – BSE Currency Derivatives Segment

Sr. No.	FDR No.	Issue Date	Amount (Rs.)	Maturity Date

The above Fixed Deposit Receipt/s has been renewed for a further period the details are as follows

Sr. No.	New FDR No.	Issue Date	New Amount (Rs.)	New Maturity Date

Yours faithfully,

Authorised Signatory

(Clg. No. \_\_\_\_\_).

**Annexure – V**

***(on letter head of the bank)***

Date: DD/MM/YYYY

Indian Clearing Corporation Ltd. (ICCL)  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai 400 001.

**Re.: New Bank Guarantee/s for various segments of BSE with ICCL**

Dear Sir,

We confirm having issued the following bank guarantee/s favouring yourself on behalf of ***(clearing member name)***.

<b>Bank Guarantee No.</b>	<b>Expiry Date</b>	<b>Amount (Rs ).</b>

We also confirm that the persons who have signed the above guarantee(s) are authorized signatories of the bank.

Yours faithfully,

For *(bank name)*

Authorised Signatory

**Format of Bank Guarantee towards fulfillment of various requirements/liabilities/obligations of Clearing Member in relation to various segments of BSE**

Letter of Guarantee in favour of Indian Clearing Corporation Ltd. (ICCL) for various segments of BSE Ltd.

**BG No.:** \_\_\_\_\_

**BG Date:** \_\_\_\_\_

From:

<p><b>Insert Name</b></p> <p><b>&amp;</b></p> <p><b>Address of the Bank</b></p>
---

(hereinafter referred to as "**the Bank**")

To  
Indian Clearing Corporation Ltd.  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

(hereinafter referred to as "**ICCL**")

WHEREAS:

- (i) **(Delete inapplicable portion >>>>)** Mr./Ms./M/s. \_\_\_\_\_, an individual / a sole proprietary concern / a partnership firm / a body corporate, registered / incorporated under the provisions of the Indian Partnership Act, 1932 / the Companies Act, 1956, having his / her / its Registered Office at .....  
.....  
is a Clearing Member of ICCL for various segments of BSE (**BSE Segments**) having Clearing No. ...., hereinafter referred to as "**Clearing Member**" (which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include his / her / its successors, administrators and permitted assigns);
- (ii) As per the Rules, Bye-laws and Regulations of the Indian Clearing Corporation Ltd ("**ICCL**")/BSE Ltd ("**BSE**") and in pursuance of various notices/circulars issued by the Securities and Exchange Board of India ("**SEBI**")/RBI/ICCL/BSE, all its Clearing Members are required to maintain with ICCL, collateral towards the /Additional Capital



**BG No.:** \_\_\_\_\_

**BG Date:** \_\_\_\_\_

in the form of Cash or Fixed Deposit of Banks or approved Securities or Bank Guarantees etc. after applying suitable haircut/margins, as prescribed by ICCL from time to time.

- (iii) Clearing Members of the ICCL are also required to keep a certain amount as additional liquid asset with ICCL for availing of the trading limits and / or adjustment against margins prescribed by ICCL from time to time.
- (iv) Clearing Members are also required to pay to ICCL, various types of margins (comprising, inter alia, of gross exposure, mark to market, Value at Risk margin, Special margins, Extreme Loss margins, additional volatility margins, etc.) or any other margins in cash or any other form of collateral based on their exposure and volume of the business done by them in BSE Segments from time to time.
- (v) Clearing Members are also required to fulfil their engagements, commitments, obligations arising out of Trading, Clearing & Settlement System of BSE/ICCL
- (vi) ICCL requires that the maintenance of / additional capital (Liquid Assets) / payment of various margins and fulfillment of all requirements/liabilities/obligations arising under the Rules, Bye-laws and Regulations of ICCL and/or instructions/directions issued by ICCL from time to time in relation to BSE Segments may be secured by the Clearing Members, inter alia, by executing a Bank Guarantee, in favour of ICCL.
- (vii) At the request of the Clearing Member, ICCL has agreed to accept a Bank Guarantee issued in its favour from a Scheduled Bank for an amount of Rs. \_\_\_\_\_, (Rupees \_\_\_\_\_ only) in lieu of equivalent, additional capital (liquid assets) requirement, various margin payments and to meet his/ its requirements, obligations, and commitments as aforesaid.
- (viii) The Clearing Member has requested the Bank to furnish to ICCL a guarantee of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

IT IS HEREBY AGREED BY THE BANK AS UNDER: -

1. We, the above-mentioned Bank at the request and desire of the Clearing Member of ICCL do hereby irrevocably and unconditionally guarantee to pay Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) to ICCL as a security for, additional capital (liquid assets), various margin requirements and due performance and fulfillment by the Clearing

**BG No.:** \_\_\_\_\_

**BG Date:** \_\_\_\_\_

Member of his / its requirements, engagements, commitments, operations, obligations or liabilities arising under the Rules, Bye-laws and Regulations and/or pursuant to instruction/direction issued by ICCL in relation to BSE Segments. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging, or fulfilling all or any obligations or liabilities of the Clearing Member.

2. The Bank hereby agrees that if in the opinion of ICCL, the Clearing Member has been or may become unable to meet, satisfy, discharge or fulfil any requirements, obligations, liabilities or commitments or any part thereof to ICCL as aforesaid, then without prejudice to the rights of ICCL under its Rules, Bye-laws and Regulations or otherwise, ICCL, may at any time thereafter and without giving any notice to the Clearing Member invoke this guarantee to meet the obligations, liabilities or commitments of the Clearing Member.
3. The Bank undertakes that it shall on first demand of the ICCL, without any demur, protest or contest and without any reference to the Clearing Member and notwithstanding any contest by the Clearing Member, pay to ICCL sums not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) as may be demanded by ICCL. The decision of the ICCL from time to time as to the requirements or obligations or liabilities or commitments of the Clearing Member and the amount claimed shall be final and binding on the Bank.
4. This guarantee shall not be prejudiced by the failure of the Clearing Member to comply with the Rules, Bye-laws or Regulations of ICCL/BSE. ICCL/BSE shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye-laws or Regulations relating to membership of ICCL in general or as applicable to the Clearing Member in particular without thereby affecting its rights against the Clearing Member or the Bank or any security belonging to the Clearing Member now or hereafter held or taken by ICCL, at any time. The discretion to make demands under this guarantee shall exclusively be that of ICCL and ICCL is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Clearing Member.
5. The validity of this guarantee shall not be affected in any manner whatsoever if ICCL takes any action against the Clearing Member including default, suspension, or expulsion of the Clearing Member from ICCL.
6. This guarantee shall not be affected by any change in the constitution of ICCL or the Clearing Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by ICCL to its Clearing Member.

**BG No.:** \_\_\_\_\_

**BG Date:** \_\_\_\_\_

7. The Bank undertakes to pay to ICCL, the amount hereby guaranteed within forty-eight hours (excluding any holidays or bank strike) of being served with a written notice requiring the payment of the amount to the Branch Manager of the Bank's Branch office address stated hereinabove or to such other address as ICCL may be aware of either by hand delivery or by Registered Post or by Speed Post or by Courier Service.
8. The Bank hereby consents to ICCL for:
- (i) Making any variance, change or modification of any agreement with the Clearing Member and/ or others as ICCL thinks fit; and
  - (ii) Giving time to the Clearing Member for payment of any sums due from the Clearing Member; and
  - (iii) Making any composition with the Clearing Member; and
  - (iv) Releasing or parting with any security and/ or
  - (v) Agreeing not to sue the Clearing Member.
9. The Bank irrevocably agrees that this guarantee shall not be avoided, released or prejudicially affected and the Bank shall not be discharged from its liability hereunder to ICCL by reason of the aforesaid or by reason of any act or omission by ICCL, the legal consequence whereof may be to discharge the Clearing Member and/ or the Bank or by any act or omission by ICCL which would, but for this provision, be inconsistent with the Bank's right as a surety. The Bank agrees that this guarantee shall remain valid and enforceable notwithstanding any forbearance or delay in the enforcement of the terms of the contract between the Bank and Clearing Member or of ICCL's Rules, Bye-laws and Regulations. The Bank waives all the rights available to the Bank as surety under Section 133,134,135,139 and 141 of the Indian Contract Act, 1872 or any amendment thereof. The Bank also agrees that the Bank shall not be entitled to the benefit of subrogation to any security held by ICCL.
10. The Bank agrees that in the event of ICCL now or at any time hereafter holding any security, the Bank shall not be entitled to the benefit of such security or to receive such security notwithstanding that the Bank may have made payment under this guarantee.

**BG No.:** \_\_\_\_\_

**BG Date:** \_\_\_\_\_

11. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of ICCL in writing and this guarantee shall be continuous and irrevocable.
12. The Bank hereby states that this guarantee is not issued on the basis of any arrangement with or counter guarantee of any other Bank.
13. Notwithstanding anything mentioned hereinbefore, the aggregate liability of the Bank under this guarantee is restricted to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) and it will remain in force for a period of \_\_\_ months i.e., upto \_\_\_\_\_ day of \_\_\_\_\_.
14. Unless a claim/demand in writing is made against the Bank under this guarantee before the expiry of three months from the aforesaid date i.e., on or before \_\_\_\_\_ day of \_\_\_\_\_, all rights of ICCL under this guarantee shall cease and the Bank shall be relieved and discharged from all liabilities thereunder.

Executed at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**For** \_\_\_\_\_ **(Bank)**

\_\_\_\_\_ **(Name of the Branch)**

Sd. /-

Authorized Signatories

Seal of the Bank

## Annexure – VI

### Format of letter by the clearing member for deposit of bank guarantee

Date

To,  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

**Re: Deposit of Bank Guarantee towards ICCL – BSE Currency Derivatives Segment**

Please find enclosed the following bank guarantee/s (BG) issued on our behalf in your favour towards the margin deposit of the **ICCL – BSE Currency Derivatives Segment**.

<b>Sr. No.</b>	<b>Bank Name</b>	<b>BG No.</b>	<b>BG Date</b>	<b>Maturity Date</b>	<b>Claim Date</b>	<b>Amount (Rs.)</b>

Yours faithfully,

Authorised Signatory

(Clg. No. \_\_\_\_\_).

## Annexure – VII

### Format of renewal of Bank Guarantee

*(To be on Stamp/Franked Paper of Rs.100/- or the value prevailing in the State where executed, whichever is higher)*

**BG No.** \_\_\_\_\_.

**BG Date** \_\_\_\_\_.

From

<b>Insert Name</b>
<b>&amp;</b>
<b>Address of the Bank</b>

(Hereinafter referred to as "**the Bank**")

To

Indian Clearing Corporation Ltd. (ICCL)  
(BSE Currency Derivatives Segment)  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

We (bank name) a body corporate constituted under the Companies Act 1956 having our Registered Office at ( Bank's address ) and our branch office at ( branch office address ), refer to the Bank Guarantee Bearing No. (Original BG No.) executed by us on the (original BG date) at Mumbai (hereinafter referred to said bank guarantee) on account of (Clearing Member Name) (hereinafter referred to as a clearing member) for a sum of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) in your favour.

We now at the request of the Clearing member further extend the period of the said guarantee by \_\_\_\_\_ months, i.e. from \_\_\_\_\_ to \_\_\_\_\_ and unless a demand under this guarantee is made on us in writing by you *within three months after the date of expiry of this guarantee, i.e.,* on or before \_\_\_\_\_, all your rights under this guarantee shall cease and the bank shall be relieved and discharged from all liabilities hereunder.

We hereby affirm and confirm that save and except to the extent as provided for hereinabove, the said guarantee together with all other terms and conditions therein shall remain operational and in full force and effect till \_\_\_\_\_.

“Now withstanding anything contained herein our liability under this Bank Guarantee shall not exceed Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only). This Bank Guarantee shall be valid upto \_\_\_\_\_. And we are liable to pay the guaranteed amount or pay part thereof under this Bank Guarantee only and only if you serve upon us a written claim on or before \_\_\_\_\_.” (Date of expiry of the claim period).

Sign for and on behalf of (bank name) on this the \_\_\_\_\_, Mumbai.

Yours truly,

For (*bank name*)

\_\_\_\_\_ Branch

Authorized Signatories

## Annexure – VIII

### Format of letter by the clearing member for renewal of bank guarantee

Date

To,  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

**Re: Deposit of renewed Bank Guarantee towards ICCL – BSE Currency Derivatives Segment.**

We refer to following Bank Guarantees issued on our behalf in your favour towards the margin deposit of the ICCL – BSE Currency Derivatives Segment

Sr. No.	BG No.	Issue Date	Amount (Rs.)	Maturity Date	Claim Date

The above bank guarantees has been renewed for a further period the details are as follows

Sr. No.	New BG No.	Issue Date	Amount (Rs.)	New Maturity Date	New Claim Date

Yours faithfully,

Authorised Signatory

(Clg. No. \_\_\_\_\_)



## Annexure – IX

### Deed of Pledge

On Stamp/Franked paper of Rs.300/- or the value prevailing in the state where executed, whichever is higher and purchased in the name of the Clearing Member of Indian Clearing Corporation Ltd)

#### DEED OF PLEDGE TO DEPOSIT APPROVED SECURITIES TOWARDS MINIMUM LIQUID ASSETS AND ADDITIONAL LIQUID ASSETS WITH INDIAN CLEARING CORPORATION LIMITED FOR THE CURRENCY DERIVATIVES SEGMENT OF BOMBAY STOCK EXCHANGE LTD. (BSE LTD.)

This Deed of Pledge (hereinafter referred to as “the Deed” is executed at \_\_\_\_\_ this .....day of ....., 20.....

By

**Mr./Ms./M/s.** \_\_\_\_\_, an individual/ a sole proprietary concern/ a partnership firm/ a body corporate, registered/incorporated under the provisions of the Indian Partnership Act, 1932/the Companies Act, 1956, having his/her/its Registered Office at ..... is a clearing member of the Indian Clearing Corporation Limited (ICCL), for the Currency Derivatives Segment of Bombay Stock Exchange Ltd. (BSE Ltd.) having Clearing No. ...., (hereinafter referred to as “**the Clearing Member**”, which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include his/her heirs, legal representatives, executors and administrators/ the partners for the time being of the said firm, the survivor or survivors of them and the heirs, executors and administrators of such last survivor /its successors and assigns, as the case may be);

In favour of

**Indian Clearing Corporation Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at 25<sup>th</sup> Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 (hereinafter referred to as “**ICCL**” which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns)

### WHEREAS

- (i) Mr./Ms./M/s. \_\_\_\_\_, is a Clearing Member of ICCL for the Currency Derivatives Segment of BSE LTD.; and
- (ii) As per the Rules, Bye-laws and Regulations of the ICCL and in terms of the notices/circulars issued by ICCL/SEBI in this regard, all Clearing members of the BSE Currency Derivatives Segment of ICCL ( hereinafter referred to as “**ICCL-BSE Currency Derivatives Segment**”) shall maintain with ICCL liquid Assets in the form of Cash/Fixed Deposit with banks/Bank Guarantees/approved Securities

- after applying suitable haircut/margins, as prescribed by the ICCL-BSE Currency Derivatives Segment from time to time; and
- (iii) Clearing members of ICCL – BSE Currency Derivatives Segment are also required to keep certain amount as additional liquid assets with the ICCL – BSE Currency Derivatives Segment for availing of the exposure limit prescribed by the ICCL – BSE Currency Derivatives Segment from time to time; and
  - (iv) Clearing members of ICCL – BSE Currency Derivative Segment are also required to pay to ICCL – BSE Currency Derivative Segment initial margin on an upfront basis and settlement variation on account of daily mark to market or any other margin that may be prescribed by the ICCL – BSE Currency Derivative Segment from time to time in cash or any other form of collateral based on their exposure and volume of the business done by them in the ICCL – BSE Currency Derivative Segment; and
  - (v) Clearing members of ICCL – BSE Currency Derivative Segment are also required to fulfill their engagements, commitments, obligations arising out of trading & settlement system of the ICCL – BSE Currency Derivative Segment; and
  - (vi) ICCL – BSE Currency Derivative Segment requires that the maintenance of additional liquid assets/ payment of various margins as also the obligations arising out of the clearing and settlement of the trades executed on the ICCL – BSE Currency Derivative Segment may be secured by its Clearing members, inter alia, by executing a Deed to pledge to deposit the approved Securities (after applying suitable haircut) more particularly mentioned in the Schedule in its favour; and
  - (vii) At the request of the Clearing Member, ICCL has agreed to accept the approved securities pledged in its favour, as per the norms prescribed by ICCL from time to time and to meet his/its obligations and commitments under the trading & settlement system of ICCL – BSE Currency Derivative Segment; and
  - (viii) The Clearing Member shall deposit the approved securities with Custodian of ICCL as may be determined and notified by ICCL from time to time.

## **NOW, THIS DEED OF PLEDGE WITNESSETH AS FOLLOWS**

1. In consideration of ICCL – BSE Currency Derivative Segment having agreed to accept the approved securities for liquid assets and additional liquid asset, the Clearing Member hereby pledges the securities (hereinafter referred to as the "**the Said Securities**") and ICCL hereby accepts the first and present security interest in (i) the securities (ii) all dividends/interest/redemption (iii) all additional securities and (iv) such other collateral listed in the Schedule hereto to secure and performance of all obligations of the Clearing Member under this Deed of Pledge. The Said Securities shall include all the securities deposited from time to time (in addition, substitution or replacement thereof) with ICCL as security for due performance and fulfillment by him/them of all engagements, commitments, operations, obligations or liabilities as a Clearing Member of ICCL – BSE Currency Derivative Segment arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/them as per the Rules, Bye-laws and Regulations of the ICCL.

2. The Clearing Member, if so determined by ICCL – BSE Currency Derivative Segment, shall place the Said Securities in the absolute disposition of such custodian/depository participant in such manner as decided by the ICCL – BSE Currency Derivative Segment and such possession and disposition may be apparent and indisputable notwithstanding the fact that the Clearing Member may be permitted to have access to the Said Securities in the manner and subject to such terms and conditions as may be determined by ICCL – BSE Currency Derivative Segment. The Clearing Member confirms, affirms and covenants with ICCL – BSE Currency Derivative Segment that during the period of the Said Securities remaining in possession and disposition of the custodian/depository participant as decided by the ICCL – BSE Currency Derivative Segment, he/they shall do all such acts and things, sign such documents and pay and incur such costs, taxes including capital gain tax or related tax demand/s, debts and expenses as may be necessary without prejudice to any other obligations, liabilities, duties which he/they owe as a Clearing Member of ICCL – BSE Currency Derivative Segment. The Clearing Member agrees that the applicable charges for the pledging and un-pledging of securities shall be solely borne by the Clearing Member.
3. The Clearing Member represents, declares and assures that all the Said Securities (a) are in existence, (b) are owned by him/them, (c) are free from any prior charge, lien, encumbrance, (d) not subject to any lock-in, and further that all the Said Securities over which pledge may be created in future would be in existence and owned by him/them at the time of creation of such pledge and that all the Said Securities to be given in future as security to ICCL will be unencumbered, absolute and disposable property of the Clearing Member.
4. In respect of such of the Said Securities as belong to the constituents of the Clearing Member, the Clearing Member represents, declares and assures that (a) all the Said Securities are in existence, are owned by its constituents, are in the possession/custody of the Clearing Member in the ordinary course of the Clearing Member's business, are free from any prior charge, lien, encumbrance and are not subject to any lock-in, (b) the Clearing Member has been expressly authorised in writing by the constituents, who own the Said Securities to pledge the same in favour of ICCL and to incur such costs, charges and expenses for and on behalf of the constituent as the Clearing Member may deem necessary in respect of such pledge, and (c) that all of the above representations, assurances and declarations shall remain true, valid and binding upon the Clearing Member in respect of all securities that may hereafter be pledged by the Clearing Member in pursuance of this Deed of Pledge.
5. The Clearing Member agrees that he/they shall not without the written permission from ICCL – BSE Currency Derivative Segment create any charge, lien or encumbrance of any kind upon or over the Said Securities hereby pledged to ICCL – BSE Currency Derivative Segment. The Clearing Member further agrees that he/they shall not permit any charge, lien or encumbrance to be created and shall not do or allow anything to be done that may prejudice the Said Securities while he/they remain liable to ICCL – BSE Currency Derivative Segment, in any manner, without the prior written permission of the ICCL – BSE Currency Derivative Segment.

6. The Clearing Member agrees that he/they shall also similarly pledge all corporate actions/benefits in respect of the Said Securities if the depository/custodian does not automatically pledge the same.
7. The Clearing Member agrees, declares, and undertakes that he/they shall be bound and shall abide by the terms and conditions of the scheme for the deposit of securities as formulated and determined by the ICCL – BSE Currency Derivative Segment, for security towards liquid assets and/or additional liquid assets, either in their existing form or as modified/amended from time to time.
8. The Clearing Member is aware and agrees that in accordance with the Rules, Bye-laws & Regulations of the ICCL and Bye-law 5.1 in particular, the Said Securities shall be subject to a first and paramount lien for any sum due to the ICCL and all other claims against the Clearing Member for fulfillment of engagements, obligations and liabilities of Clearing Members arising out of or incidental to any Dealing made subject to the Bye-Laws, Rules and Regulations of ICCL.
9. If in the opinion of ICCL – BSE Currency Derivative Segment, the Clearing Member has failed to perform and/or fails to fulfill his/their engagements, commitments, operations, obligations or liabilities as a Clearing Member of ICCL – BSE Currency Derivative Segment arising out of or incidental to any dealings made by him/them in accordance with the Rules, Bye-laws and Regulations of the ICCL, then the Clearing Member agrees that the ICCL – BSE Currency Derivative Segment as a pledgee, on giving one working days' notice to the Clearing Member, shall be empowered/ entitled to invoke the pledge, and to sell, dispose of or otherwise effect any other transfer of the Said Securities in such manner and subject to such terms and conditions as ICCL – BSE Currency Derivative Segment may deem fit and that the money, if any, realised from such pledge/sale/disposal/ or other transfer of the Said Securities shall be utilised/disbursed by the ICCL – BSE Currency Derivative Segment in such manner and subject to such terms and conditions as ICCL – BSE Currency Derivative Segment may deem fit and further the Clearing Member shall do all such things, deeds, acts and execute such documents as are necessary to enable the ICCL – BSE Currency Derivative Segment to effect such pledge/sale/disposal/ or other transfer of the Said Securities. The decision of the ICCL – BSE Currency Derivative Segment as to the obligations or liabilities or commitments of the Clearing Member and the amount claimed shall be final and binding on the Clearing Member. The Clearing Member agrees that one working day notice mentioned above shall be deemed to be a reasonable notice.
10. All dividends/interests hereinafter declared on or payable with respect to any approved securities during the term of the Deed will be immediately delivered to the ICCL – BSE Currency Derivative Segment to be held under this Deed of Pledge. Notwithstanding this Deed of Pledge, so long as the Clearing Member owns the securities and no event of default has occurred in fulfilling its obligations or liabilities, the Clearing Member will be entitled to vote any shares comprising the collateral, subject to any proxies granted by the Clearing Member, if law permits.
11. In the event that during the term of this Deed of Pledge, any stock dividend, reclassification, readjustment, stock split or other change is declared or made with respect to the collateral, or if warrants or any other rights, options or securities are issued in respect of the collateral (the '**Additional Securities**') then all new,

substituted and/ or additional shares or other securities issued by reason of such change or by reason of the exercise of such warrants, rights, options or securities, if delivered to the Clearing Member, immediately surrendered to ICCL, will be pledged to the ICCL – BSE Currency Derivative Segment to be held under the terms of this Deed of Pledge as and in the same manner as the collateral is held hereunder.

12. Until all obligations and liabilities of the Clearing Member are fulfilled and under this Deed of Pledge have been satisfied in full, all collateral will continue to be held in pledge under this Deed of Pledge.
13. The Clearing Member shall, at the request of the ICCL – BSE Currency Derivative Segment, execute and deliver such further documents and take such further actions as ICCL – BSE Currency Derivative Segment shall reasonably request to perfect and maintain the security interest of the ICCL – BSE Currency Derivative Segment in the collateral, or in any part thereof.
14. This Deed of Pledge will inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.
15. The Said Securities pledged as security shall be available at the disposal of ICCL – BSE Currency Derivative Segment as a continuing security and remain available in respect of the obligations, liabilities, or commitments of the Clearing Member jointly or severally and may be utilised as such in the discretion of the ICCL – BSE Currency Derivative Segment, as if each of the obligations, liabilities or commitments is secured by the Said Securities. This Deed shall not be considered as cancelled or in any way affected on its utilisation for meeting any specific obligation, liability or commitment by the ICCL – BSE Currency Derivative Segment but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Clearing Member.
16. The Clearing Member agrees to execute such further documents whether of a legal nature or otherwise as may be required by ICCL – BSE Currency Derivative Segment for the purpose of giving effect to the provisions of this Deed and the scheme for the deposit of securities.
17. The Clearing Member agrees that deposit of the Said Securities and pledge thereof shall not be affected in any manner whatsoever if ICCL – BSE Currency Derivative Segment takes any action against the Clearing Member including suspension or expulsion or declaration of the Clearing Member as a defaulter.
18. The Clearing Member agrees that ICCL – BSE Currency Derivative Segment shall not be under any liability whatsoever to the Clearing Member or any other person for any loss, damage, expenses, costs etc., arising out of the deposit of the Said Securities, in any manner, due to any cause, whatsoever, irrespective of whether the Said Securities shall be in the possession of the ICCL – BSE Currency Derivative Segment or not at the time of such loss or damage or the happening of the cause thereof. The Clearing Member shall at all times indemnify and keep indemnified ICCL – BSE Currency Derivative Segment of ICCL from and against all suits, proceedings, costs, charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against ICCL – BSE Currency Derivative Segment in respect of any acts, matters and things lawfully done or caused to be done by the ICCL – BSE Currency Derivative Segment of in connection with the

Said Securities or in pursuance of the rights and powers of ICCL – BSE Currency Derivative Segment under this Deed.

19. The Clearing Member shall be released from its obligations/liabilities/commitments under this Deed only when ICCL – BSE Currency Derivative Segment in writing expressly provides for the same.
20. The Clearing Member agrees that ICCL – BSE Currency Derivative Segment shall be entitled to sell, dispose of or otherwise transfer the Said Securities and to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements for this purpose and that ICCL – BSE Currency Derivative Segment shall be entitled to receive from the Clearing Member all expenses incurred by the ICCL – BSE Currency Derivative Segment custodian/ depository participant for the aforesaid purposes.
21. The Clearing Member undertakes that the deposit of the Said Securities and pledge thereof shall be binding on him/them as continuing and that the same shall not be prejudiced by his/their failure to comply with the Rules, Bye-laws or Regulations of the ICCL in their existing form or as modified/altere d/ amended from time to time.
22. No change whatsoever in the constitution of the Clearing Member during the continuance of this Deed shall impair or discharge the liability of the Clearing Member hereunder.

## SCHEDULE

.....

IN WITNESS WHEREOF the Clearing Member has executed these presents on the day and year first hereinabove mentioned.

Signed, sealed and delivered by the within named Clearing Member

Mr. / M/s -----

In the presence of witnesses (Name, address and signature of witnesses)

- 1.
- 2.

### *Note*

***(Signature and stamp in all pages by)***

1. *Clearing Member in case of individual.*
2. *All partners in case of a Partnership Firm.*
3. *By any two of the following persons in case of a company.*

- a) *Managing Director*
- b) *Whole-time Director*
- c) *Directors.*

*(A certified true copy of the Board Resolution, authorising the signatory to sign this deed, to be submitted in case of a company).*

- 4. *By Authorized Signatory as approved by the Bank, in case of a Bank.*



## Certified True Copy of Board Resolution

(On Company's Letter Head)

CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF \_\_\_\_\_ DULY CONVENED AND HELD ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 200 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT \_\_\_\_\_.

“RESOLVED THAT the Company do hereby pledge and un-pledge the approved securities towards Minimum Liquid Assets and Additional Liquid Assets in favour of Indian Clearing Corporation Ltd.(ICCL), Mumbai.

RESOLVED FURTHER THAT for the purpose of depositing of securities towards Minimum Liquid Assets and Additional Liquid Assets by way of pledge in favour of the ICCL, Mumbai the Company do hereby execute and sign the Deed of Pledge and the following Director(s)/Authorised Representative(s) of the Company are jointly and severally authorized to sign all documents, papers, applications, deeds related to pledge and un-pledge the securities on behalf of the Company.

RESOLVED FURTHER THAT any one of the Director of the Company is hereby authorized to execute and sign the said deeds and affixed Common Seal if required as per the Article of association of the Company.

RESOLVED FURTHER THAT the Certified true copy of the resolution be forwarded to the ICCL, Mumbai for necessary action and records.”

The following are the Authorized Signatories

NAME	DESIGNATION	SIGNATURE

Certified to be True Copy

For \_\_\_\_\_

Place

Director

Date

(Signature and Company Stamp)



## Annexure – X

### **Procedure for deposit and withdrawal of Government of India Securities (G-Sec)/T-Bills as collateral towards Liquid Assets in Currency Derivatives Segment**

Only approved G-Sec/T-Bills from the list with residual maturity of a minimum period of one year from the date of transfer of same will be accepted. The same is available on website.

Process for depositing G-Sec/T-Bills:

- Members desirous of providing G-secs will inform ICCL about the details of such G-Secs in the format enclosed as Annexure - I. A copy of such letter should be sent to ICCL (Fax No. 2272 3130) or email at [bse.csd@bseindia.com](mailto:bse.csd@bseindia.com)
- The details filled in said form by the Member brokers need to be entered into in the Ekuber System under Margin Transfer Module before 4.00 p.m. for transfer of securities to the following CSGL account of ICCL.

Account Name: Indian Clearing Corporation Ltd. - CSGL Account  
CSGL Account No. : 53111600001

- The process of transfer shall get completed on confirmation of the transfer instructions received by ICCL through EKUBER for acceptance of the said Govt. Securities.
- Members may note that the valuation of G-Secs shall be based on the latest available closing price (subject to a minimum hair-cut of 10%) of G-Secs.

### **Process for withdrawal of G-Secs**

- For withdrawal of G-Secs (deposited towards Liquid Assets with ICCL), members will be required to send the release request in the prescribed format (Annexure-II) by 5 :00 pm, on a working day to ICCL.
- Member brokers may note that the periodic coupon/redemption payments received on such G-Secs will be distributed/passed by ICCL to concerned Clearing Members by crediting the same to their settlement accounts with the designated clearing banks upon receipt of amount from RBI.

The approved G-Sec/T-Bills which are in “SHUT PERIOD” will not be accepted.

## Annexure I

### (Format of covering letter to be given by the member for deposit of Government Securities)

(To be typed on Member's letter head)

(ICCL – BSE Currency Derivatives Segment)

Date :

To,  
Indian Clearing Corporation Ltd (ICCL)  
Mumbai

Dear Sir / Madam,

Re: Request for Addition of Securities (G-Sec / T-Bills) as Collaterals

We would like to deposit below mentioned G-Sec / T-Bill as Margin Deposit in BSE Currency Derivatives Segment:

Details are as under: **(Ekuber Ref No #)** :

Member ID	Member Name	Source SGL A/c no	Source SGL A/c Holder Name	Instrument details	ISIN no.	Maturity Date	Face Value (in digits & words)	Qty.

Further, we have initiated transfer of securities to CSGL account (53111600001) of ICCL, vide Margin Transfer module through Ekuber System. You are requested to confirm the same and consider the above G-Sec / T-Bills towards our margin deposit.

We would like to inform you that since this transfer of securities is on account of margin deposit and the same has been settled through Margin Transfer module, no monetary consideration is involved in this transaction.

Declaration: These Margin Transfer of Government Securities pertain to margins submitted towards trade in Currency Derivatives Segment

Thanking you,

Yours faithfully,

Authorised Signatory

## Annexure II

### (Format of covering letter to be given by the member for deposit of Government Securities)

(To be typed on Member's letter head)

(ICCL – BSE Currency Derivatives Segment)

Date :

To,  
Indian Clearing Corporation Ltd (ICCL)  
Mumbai

Dear Sir / Madam,

Re: Request for withdrawal of Securities (G-Sec / T-Bills) as Collaterals in Currency Derivatives Segment

We would like to withdraw below mentioned G-Sec / T-Bill as Margin Deposit in BSE Currency Derivatives Segment:

Details are as under: **(Ekuber Ref No #):**

Member ID	Member Name	Source SGL A/c no	Source SGL A/c Holder Name	Instrument details	ISIN no.	Maturity Date	Face Value (in digits & words)	Qty.
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We would like to inform you that since this transfer of securities is on account of margin deposit and the same has been settled through Margin Transfer module, no monetary consideration is involved in this transaction.

Declaration: These Margin Transfer of Government Securities pertain to margins submitted towards trade in Currency Derivatives Segment.

Thanking you,

Yours faithfully,

Authorised Signatory

## Annexure – XA

### FORM - XIV

[See regulations 21 (1), (2), (3) and 22(2)]

### NOTICE OF PLEDGE/HYPOTHECATION/LIEN OF GOVERNMENT SECURITIES

To, The Regional Director, Reserve Bank of India, Public Debt Office, .....	To, The Manager, Name of CSGL A/c Holder, Address: ..... .....	To, The Manager, Indian Clearing Corporation Ltd. Address: ..... .....
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Dear Sir,

Please take notice that I/we ..... [name(s) of the holder(s)] have pledged/hypothecated/created lien<sup>1</sup> on the Government securities specified in Schedule 'A' hereto annexed {and have deposited the original scrip(s) with.....name(s) of the Pledgee(s)/Creditor(s)}. A duly executed transfer form is deposited with the pledgee<sup>2</sup>. Please record pledge/hypothecation/lien<sup>1</sup> in your books of account in respect of the securities listed in Schedule 'A' and oblige.

Yours faithfully,

Signature(s) and name(s) of the Holder(s) / Borrower(s).....  
 Mailing address: .....  
 Signature(s) and name(s) of the Pledgee(s) / Creditor(s).....  
 Mailing address: .....  
 Dated this .....day of .....

#### Schedule 'A'

Nomenclature of the security and ISIN	Distinctive number of the physical security	SGL/CSGL/Bond Ledger Account No.	Date of maturity	Face value of security

Note: (i) This form has to be submitted in triplicate. Counter receipt will be issued if submitted at the counter. The Public Debt Office will retain the original. Confirmation of having recorded the pledge/hypothecation/lien in the books of Public Debt Office will be issued on the duplicate and triplicate. Holder(s)/borrower(s) or pledge(s)/creditor(s) shall arrange to collect the same by surrendering the counter receipt duly discharged."

(ii) If this Form is submitted otherwise than at the counter, the duplicate and triplicate of the Form shall be dispatched by Post/Courier at the mailing addresses.

For Office use only:

**Return Memo**

Notice of pledge/hypothecation/lien could not be recorded in the books of account of Public Debt Office for the following reason(s).

- Discrepancies in the particulars of securities/Account No(s).
- Discrepancies in the names of holders.
- Form is incomplete.
- Enclosures not compiled properly.
- Signature not matching.
- Security not eligible for pledge/hypothecation/lien
- Security already under pledge/hypothecation/lien in favour of another creditor.
- Claims in respect of the security are pending.
- Under Stoppage.
- Any other reason.....

Authorised Officer

**Confirmation**

Confirmed that the notice of pledge/hypothecation/lien is recoded in the books of account of Public Debt Office / CSGl Account Holder / Agent.

Authorised Officer

**Annexure – XB**

**FORM - XVI**

[See regulations 21 (5) (6) and 22 (2) (4)]

**CANCELLATION OF PLEDGE/HYPOTHECATION/LIEN**

To, The Regional Director Reserve Bank of India Public Debt Office .....	To, The Manager, Name of CSGL A/c Holder Address: .....	To, The Manager Indian Clearing Corporation Limited Address: .....
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Dear Sir,

The holder(s) of the Government securities listed in Schedule 'A' had created pledge/hypothecation/lien\*, on the said Government securities in my/our favour. I/we enclose in original, the duplicate of Form - XV containing the confirmation regarding the recording of the said pledge/hypothecation/lien\* in your books of account and request that the said pledge/hypothecation/lien be cancelled, and that my/our name(s) be deleted from your books of account as the pledgee(s)/ creditor(s) in respect of the said Government securities.

Yours faithfully,

Signature(s) and name(s) of the Pledgee(s)/Creditor(s).....

Mailing address: .....

Dated this .....day of .....

\*: Strike out whichever is not applicable

**Schedule 'A'**

Nomenclature of the security and ISIN	Distinctive number of the physical security	SGL/CSGL/Bond Ledger Account No	Date of maturity	Face value of security

Note: (i) This form has to be submitted in triplicate. Counter receipt will be issued if submitted at the counter. The Public Debt Office will retain the original. Confirmation of having cancelled the pledge/hypothecation/lien in the books of Public Debt Office will be issued on the duplicate and triplicate. Holder(s)/borrower(s) or pledgee(s)/creditor(s) shall arrange to collect the same within by surrendering the counter receipt duly discharged.

(ii) If this Form is submitted otherwise than at the counter, the duplicate and triplicate of the Form shall be dispatched by Post/Courier at the mailing addresses.

For Office use only:

**Return Memo**

Cancellation of pledge/hypothecation/lien could not be recorded in the books of account of PDO for the following reason(s).

- Discrepancies in the particulars of securities/account no(s).
- Discrepancies in the names of holders.
- Form is incomplete.
- Enclosures not compiled properly.
- Signature not matching.
- Any other reason.....

Authorised Officer

**Confirmation**

Confirmed that the pledge/hypothecation/lien has been cancelled in the books of account of Public Debt Office.

Authorised Officer

## Annexure – XI

### Format of extension of scope of Bank Guarantee from one trading segment to another trading segment

*(To be on Stamp/Franked Paper of Rs.100/- or the value prevailing in the State where executed, whichever is higher)*

BG No. \_\_\_\_\_.

BG Date \_\_\_\_\_.

From

<p><b>Insert Name</b></p> <p><b>&amp;</b></p> <p><b>Address of the Bank</b></p>
---

(Hereinafter referred to as "**the Bank**")

To  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

We, \_\_\_\_\_, having registered office at \_\_\_\_\_ and having branch amongst others at \_\_\_\_\_, refer to the Bank Guarantee No. \_\_\_\_\_ issued by us on \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ (hereinafter referred to as "said Guarantee") on behalf of \_\_\_\_\_ (hereinafter referred to as "Clearing Member") having its registered office at \_\_\_\_\_ for a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) issued in favour of ICCL – BSE Equity Cash Segment / ICCL – BSE Currency Derivatives Segment / ICCL – BSE Currency Derivatives Segment. The said bank guarantee was issued to cover the Clearing Member's collateral requirements and margin, settlement & other obligations in the ICCL – BSE Equity Cash Segment / ICCL – BSE Currency Derivatives Segment / ICCL – BSE Currency Derivatives Segment.

We, at the request of the Clearing Member, do hereby irrevocably and unconditionally agree to extend the scope of the said guarantee to cover the liabilities arising out of the collateral requirements and various margin, settlement & other obligations of the ICCL – BSE Equity Cash Segment/ ICCL – BSE Currency Derivatives Segment / ICCL – BSE Currency Derivatives Segment, also.



All other provisions of the said Bank Guarantee would remain unchanged.

Executed at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

**For \_\_\_\_\_ (Bank)**

\_\_\_\_\_ **(Name of the Branch)**

Sd. /-

Authorized Signatories

Seal of the Bank.

## Annexure – XII

### List of Clearing Banks

<b>S. No.</b>	<b>List of designated Clearing Banks</b>
1	Axis Bank Limited
2	Bank Of Baroda
3	Bank Of India
4	Canara Bank
5	Central Bank of India
6	Citibank N.A.
7	Corporation Bank
8	Deutsche Bank AG
9	HDFC Bank Limited
10	Hongkong and Shanghai Banking Corporation Limited
11	ICICI Bank Limited
12	IDBI Bank Limited
13	IndusInd Bank Limited
14	Kotak Mahindra Bank Limited
15	Punjab National Bank
16	Standard Chartered Bank
17	State Bank Of India
18	Union Bank of India
19	Yes Bank Limited
20	J P Morgan Chase Bank N.A.
21	City Union Bank Ltd.
22	DBS Bank India Limited

### Annexure – XIII

#### Format of member's request letter for change of Designated Bank

Date:

Manager,  
Clearing & Settlement Dept.  
Indian Clearing Corporation Ltd. (ICCL)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Dear Sir,

#### Re: Change of Designated Bank for Clearing & Settlement Purpose

I/We \_\_\_\_\_ Clg.No. \_\_\_\_\_ is/ are having A/c. No. \_\_\_\_\_ with \_\_\_\_\_ Bank for margins /clearing & settlement obligations of ICCL – BSE Currency Derivatives Segment. I/We wish to shift my / our designated bank from \_\_\_\_\_ to \_\_\_\_\_ bank.

Our Account No. \_\_\_\_\_ with \_\_\_\_\_ bank is \_\_\_\_\_ and we wish to designate the same for Clearing & Settlement purpose including margin payments for ICCL – BSE Currency Derivatives Segment.

I/We agree that the operations in the abovementioned account would start only after receiving intimation regarding the same from ICCL.

You are requested to please do the needful.

Signature & Stamp of the Member(s) / Director(s)

## Annexure XIV

### FORMAT OF LETTER FROM CLEARING MEMBER FOR APPLICATION OF CUSTODIAL PARTICIPANT (CP) CODE FOR NON NRI CLIENT.

(To be given by the clearing member on their letter head)

Date: \_\_\_\_\_ Clg. \_\_\_\_\_ No. \_\_\_\_\_

To,  
Indian Clearing Corporation Limited.  
25<sup>th</sup> Floor, P. J. Towers  
Dalal Street, Mumbai 400 001.

Dear Sirs,

**Sub.: Application for Custodial Participant (CP) code in ICCL - BSE  
(mention segment for which application is to be made)**

I/We have to inform that M/s. (Name of the constituent) has appointed us as Clearing Member in the ICCL - BSE (mention segment for which application is to be made)

The details of our aforesaid constituent are as under:

Name	
Unique Client Code (UCC)	
PAN	
Legal Status	
Registered Office/Office/ Residential Address	
SEBI Regn. No.	
CP Code (*)	
Contact Person Name & Designation	
Contact Details: Land line No/s. Mobile No/s. Fax No/s. Email id/s.	

\* As allotted in any other trading segment, if any.

I/We would undertake and be responsible for the Clearing & Settlement of trades done for the above-mentioned constituent in the ICCL – BSE (mention segment for which application is to be made). I/We also undertake to comply with the Rules, Byelaws and Regulations of the Exchange/Clearing

Corporation and also the circulars issued by the Exchange/Clearing Corporation from time to time.

In view of the aforesaid, I/we request you to allot the CP code in ICCL - BSE (mention segment for which application is to be made) for the abovementioned constituent.

Thanking you,  
Yours Sincerely,

I/We confirm the abovementioned details.

Authorised Signatories

Signature of Constituent.

**Note:**

In case of NRI client the above table shall be replaced by the following:

<b>NRI Client Name (*)</b>	Full Name (As appearing in the Passport)
<b>Unique Client Code (UCC)</b>	
<b>Complete address of current residence</b>	
<b>Complete address in India</b>	
<b>PAN Number</b>	
<b>CP Code (**)</b>	
<b>Details of Passport:</b>	
<b>Passport No ***</b>	
<b>Date of Issue</b>	DD/MM/YYYY
<b>Place of Issue</b>	CITY: _____
<b>Valid up-to</b>	DD/MM/YYYY
<b>Details of NRE/NRO Bank account number/s.</b>	
<b>Contact Details:</b> <b>Mobile No.</b> <b>Email id/s.</b>	
<b>Contact No. in India:</b> <b>Land line No/s.</b>	

(\*) If the NRI is an HUF, the application has to be made alongwith the passport of the Karta of the HUF. (\*\*) As allotted in the other trading segments, if any. (\*\*\*) copy of passport to be duly verified with original by a Notary Public or Notarised at the country of residence of the NRI, to be maintained with the CM.

In case the NRI client gets passport issued subsequent to allotment of the CP code based on his previous passport, he should not use the same to get another CP code issued.

## Annexure XV

### FORMAT OF NO OBJECTION CERTIFICATE FROM THE OLD CLEARING MEMBER IN CASE OF SHIFTING OF CP CODE TO ANOTHER CLEARING MEMBER

(to be given by the letter head of Old Clearing Member)

Date:

Clg. No. \_\_\_\_\_

To,  
Indian Clearing Corporation Limited.  
25<sup>th</sup> Floor, P. J. Towers  
Dalal Street, Mumbai 400 001.

Dear Sirs,

**Sub.: No objection certificate for shifting of Custodial Participant Code to another Clearing Member in ICCL - BSE (mention segment for which it is being shifted).**

I/We wish have to inform that our constituent M/s. .... intends to shift the clearing account from ourselves to M/s..... in ICCL - BSE (mention segment for which it is being shifted)

The details of our aforesaid constituent are as under:

Name	
Unique Client Code (UCC)	
PAN	
Legal Status	
Registered Office/Office/ Reside Address	
SEBI Regn. No.	
CP Code (*)	
Contact Person Name & Designation	
Contact Details:  Land line No/s. Mobile No/s. Fax No/s. Email id/s.	

\* As allotted in any other trading segment, if any.

In this connection, I/we have to inform that I/we have no objection towards M/s.....appointing M/s..... as their Clearing Member in the ICCL - BSE (mention segment for which it is being shifted).

Thanking you,

Yours Sincerely,

I/We confirm the abovementioned details.

Authorised Signatories

Signature of Constituent.



## Annexure XVI

### **FORMAT OF LETTER FOR SHIFTING OF CUSTODIAL PARTICIPANT (CP) CODE FROM ONE CLEARING MEMBER TO ANOTHER CLEARING MEMBER. (To be given by the New Clearing Member on their letter head)**

Date: \_\_\_\_\_ Clg. No. \_\_\_\_\_

To,  
Indian Clearing Corporation Limited.  
25<sup>th</sup> Floor, P. J. Towers  
Dalal Street, Mumbai 400 001.

Dear Sirs,

#### **Sub.: Application for Custodial Participant (CP) code in ICCL - BSE (mention segment for which application is being made)**

I/We have to inform that M/s. (Name of the constituent) has appointed us as Clearing Member in the ICCL - BSE (mention segment for which application is to be made).

The details of our aforesaid constituent are as under:

Name	
Unique Client Code (UCC)	
PAN	
Legal Status	
Registered Office/Office/ Reside Address	
SEBI Regn. No.	
CP Code (*)	
Contact Person Name & Designation	
Contact Details:  Land line No/s. Mobile No/s. Fax No/s. Email id/s.	

\* As allotted in any other trading segment, if any.

In view of the aforesaid, I/We request you to transfer the open positions of the above-mentioned constituent in ICCL - BSE (mention segment for which application is been made) to us.

I/We would undertake and be responsible for the Clearing & Settlement of trades and positions from the date of transfer for the above-mentioned constituent in the ICCL – BSE (mention segment for which application is been made). I/We also undertake to comply with the Rules, Byelaws and Regulations of the Exchange/Clearing Corporation and also the circulars issued by the Exchange/Clearing Corporation from time to time.

Thanking you,  
Yours Sincerely,

I/We confirm the abovementioned details.

Authorised Signatories

Signature of Constituent.

Encl.: copy of NOC received from the old Clearing Member.

**Note:**

In case of NRI client the above table shall be replaced by the following:

<b>NRI Client Name (*)</b>	Full Name (As appearing in the Passport)
<b>Unique Client Code (UCC)</b>	
<b>Complete address of current residence</b>	
<b>Complete address in India</b>	
<b>PAN Number</b>	
<b>CP Code (**)</b>	
<b>Details of Passport:</b>	
<b>Passport No ***</b>	
<b>Date of Issue</b>	DD/MM/YYYY
<b>Place of Issue</b>	CITY: _____
<b>Valid up-to</b>	DD/MM/YYYY
<b>Details of NRE/NRO Bank account number/s.</b>	
<b>Contact Details:</b> <b>Mobile No.</b> <b>Email id/s.</b>	
<b>Contact No. in India:</b> <b>Land line No/s.</b>	

(\*) If the NRI is an HUF, the application has to be made alongwith the passport of the Karta of the HUF. (\*\*) As allotted in the other trading segments, if any. (\*\*\*) copy of passport to be duly verified with original by a Notary Public or Notarised at the country of residence of the NRI, to

be maintained with the CM. In case the NRI client gets passport issued subsequent to allotment of the CP code based on his previous passport, he should not use the same to get another CP code issued.