

NDS OM Web Application (Brief Summary for GAH Users)

Introduction

Reserve Bank of India (RBI) owns Negotiated Dealing System - Gilts Order Matching System (NDS-OM), which today accounts for more than 75% of all secondary market dealing in Government Securities (GSecs). Direct access to NDS-OM is presently available only through RBI's Indian Financial Network (INFINET) to those entities who maintain their Subsidiary General Ledger (SGL) Account with RBI. RBI has permitted certain Banks, PDs and a few Financial Institutions to open and maintain Gilt Accounts for their constituents. RBI has now developed an internet access based Utility for use by the various Gilt Account Holders (GAH). This Application titled "NDS-OM Web Based System" ("OM-Web") is an integral part of RBI's NDS-OM. OM-Web is to be launched very shortly by RBI.

Access

Access to OM-Web would be available to a GAH based on a formal request being made to RBI in the prescribed format by the respective Custodian (i.e., the Bank / PD / Financial Institution) with whom it maintains its Gilt Account and Fund Account)

Important Product Features

- Two kinds of GAH users are available on OM-Web - (a) "Transactional User" who has the right to deal on OM-Web; and (b) "View User" who has query and view rights;
- OM-Web supports multiple Transactional and View Users within a GAH User environment;
- GAH User creation, and their day to day management functions would be handled exclusively by the Custodian;
- As the Custodian would be responsible for all actions of all its GAH users, various Operational Risk Control Parameters (ORCP) have been provided to the Custodian to facilitate proper oversight, monitoring and control of all actions of its GAH and the latter's users. Brief information relating to ORCP provided;
- GAH would have access to Regular Markets for CG, SG and TB Securities available for trading on NDS-OM in both "standard" and "odd" lot segments as per applicable rules;
- All GAH orders would be visible to its Custodian, who can also cancel outstanding orders of its GAH;
- Complete audit trail of all actions performed by every GAH user and or its Custodian made available;
- Numerous Reports/ Queries available to a GAH to view/download/print for use at its end. .CSV files can also be generated for use at GAH end;
- All trades and other GAH related information would also be available to Custodian through various queries/reports;
- Custodian can suspend / terminate its GAH and/or its various users on OM-Web;

Operational Risk Control Parameters (ORCP)

- ✓ **Single Order Limit** represents the max order quantity (face value) that can be placed thru a single order
- ✓ **Price / Yield Range Setting** represents the max/min price/yield range for order input vis-à-vis LTP
- ✓ **Activity Controls** represents activity privileges (buy and/or sell) assigned to a GAH Transactional User
- ✓ **Security Stock Balances** represents individual security balances available for a GAH which would be automatically updated based on buy/sell actions across users. Sale orders would be validated against available Security Stock Balances
- ✓ **Turnover Limit** represents gross consideration computed by aggregating individual "buys" + "sells" orders inputted on behalf of a GAH;

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- ✓ **Funding Limit** *represents the net aggregate settlement consideration upto which a GAH can accumulate net long fund positions*
- Every GAH order inputted on OM-Web would be validated on a pre-order basis against the applicable ORCP benchmark set by its Custodian;
- Orders violating any of the ORCP thresholds set by the Custodian would be rejected by OM-Web;
- Intra-day modifications to ORCP by Custodian facilitated subject to certain conditions;
- View/Query facility of ORCP values provided to GAH to know values set for it by its Custodian;
- Values, if any, set at OM-Web Admin level for any of the ORCP fields would apply irrespective of value set by Custodian for any of its GAH;
- OM-Web Orders that successfully pass through the ORCP thresholds set for them by their Custodian, would travel directly to NDS-OM system i.e., they would not need to separately validated/approved by the Custodian before being sent to NDS-OM;
- Once an OM-Web Order reaches NDS-OM, it will be eligible for matching as per the rules, conventions and processes applicable to NDS-OM orders;

Information Security & IT Pre-requisites

- ✚ OM-Web access would facilitate internet based access through a secure website;
- ✚ All OM-Web GAH users would need to use Digital Certificates issued by the designated Certifying Authority obtained by the respective Custodian, embedded into etokens (of the prescribed configuration) supplied to them by their Custodian;
- ✚ A safe, reliable, stable internet connection with suitable bandwidth is necessary for efficient operations;
- ✚ A modern PC with contemporary configuration, minimum 1 GB RAM, Operating System - Windows XP and above is adequate;
- ✚ Only IE Browser - 7 and above can be used for accessing OM-Web;
- ✚ Only 1 active log in would be enabled from a PC at any point of time;
- ✚ Comprehensive Password Policy would be in place on OM-Web;

Settlement of OM-Web Trades

- Orders getting traded would automatically flow to CCIL for clearing and settlement in an STP environment and would be settled subject to CCIL's Bye Laws, Rules and Regulations;
- Respective Custodian would be fully responsible for timely, efficient and complete settlement of all trades of its GAH including ensuring adequacy of margins, payment of fees and charges, fines, penalties etc. and/or fulfilling any other obligations that may be required to be met, as applicable from time to time as per CCIL's Bye Laws, Rules and Regulations

Other Important Information

- GAH would not be permitted to undertake short sales and/or participate in "When Issued" Market;
- All instructions/notifications/circulars/press releases issued by RBI, both current and future, relating to CSGL trades would be binding and applicable;
- Dealing on NDS-OM Web would be subject to RBI's NDS-OM Guiding Principles
