

# **CLEARCORP** **DEALING** **SYSTEMS (INDIA)** **LIMITED**



## ORGANISATION

The Clearcorp Dealing Systems (India) Limited (Clearcorp) was incorporated in June 2003 as a wholly owned subsidiary of CCIL to manage the various trading systems developed to facilitate trading in the money, fixed income, forex and the derivatives market. It initially launched its proprietary platform viz., Collateralised Borrowing and Lending Obligations (CBLO) for the Indian money market. The FX-CLEAR platform facilitating trading in the Spot segment of the inter-bank forex market was launched in August 2003. These initiatives of the Company gave the requisite confidence to RBI to utilize Clearcorp's services to conceive, develop and implement electronic dealing platforms. This led to the launch of the NDS-OM platform for secondary market trades in government securities and the NDS-CALL system for inter-bank dealing in the call, notice and term money markets. The Company has also developed a proprietary anonymous order matching platform for market repos in G-Secs "CROMS" and a Currency Swap Dealing Solution "FX-Swap". FX-Swap has been

merged with the FX-Clear platform since March 18, 2024. The Company launched the IRS Anonymous Dealing system (ASTROID) for trading in the IRS market in August 2015. "TREPS" (Triparty Repo Dealing System), is an anonymous order matching system, of Clearcorp Dealing Systems (India) Ltd launched on November 5, 2018 for Triparty repo trades. It facilitates borrowing and lending of funds against Government Securities under Triparty Repo. Leveraging from its experience in developing and managing trading systems, Clearcorp, working on RBI's mandate has developed and successfully

**Clearcorp through its electronic trading platforms has facilitated price discovery, efficiency and transparency in the financial markets.**

launched the first retail forex platform for trading by retail investors in August 2019. Through this platform, retail participants in the forex market for the first time have

access to the going market prices thus facilitating greater transparency in the forex market.



## Owned Applications

**1. TREPS:** CCIL was authorized by RBI, to act as a Triparty Repo Agent and to undertake CCP clearing of Triparty Repo transactions under its securities segment and the same was implemented with effect from November 5, 2018. It facilitates CCP clearing of Triparty Repo transactions in government securities and also performs the role and responsibilities of a Triparty Repo Agent as per Repurchase Transactions (Repo) (Reserve Bank) Directions 2018. “TREPS” (Triparty Repo Dealing System), an anonymous order matching system, of Clearcorp Dealing Systems (India) Ltd, is a RBI approved “Electronic Trading Platform” that facilitates borrowing and lending of funds against G-Secs under Triparty Repo. The securities equivalent to borrowing outstanding is debited to Members’ Gilt Account with CCIL and corresponding credit given to lenders in their Gilt Account with CCIL. RBI had vide above Repo directions, brought the reserve requirements for Triparty Repo in Government securities at par with that of Repo. Repo eligible entities can seek membership to TREPS Dealing Segment of Clearcorp and Securities settlement of CCIL. Dealing on this platform was operationalized for constituent members during FY 2020-21.

**2. CROMS:** The ‘Clearcorp Repo Order Matching System (CROMS)’, a STP enabled electronic anonymous order matching platform was launched on January 27, 2009 to facilitate dealing in market repos of government securities. CROMS facilitates dealing in two kinds of repos viz. Basket Repo and Special Repo, which is the conventional repo for T+0 and/or T+1 settlement. In Basket Repo, the lender is assured of delivery of a liquid security from amongst the cluster of securities forming part of a specific basket, obviating the need for pre-specifying a security while initiating a repo order. Since April 2013, all

the OTC transactions in the repo market are reported on the CROMS platform. During 2014-15, RBI, based on the recommendation of the Working Group on Enhancing Liquidity in the Government Securities and Interest Rate Derivatives Markets, permitted re-repo transactions in government securities acquired through reverse repo by market participants. Accordingly, the re-repo functionality was facilitated on the platform from February 2015 onwards. Trading on the CROMS platform now accounts for more than 94% of the trading in the repo market. Pursuant to RBI relaxing repo restriction on constituent dealing, functionality enhancements to facilitate constituent orders in order matching segment and repo trade reporting between Primary member (PM) and its Gilts Account Holder and between two Gilts Account Holders of same PM were enabled. The functionality enhancement to facilitate re-repo on securities received under Liquidity Adjustment Facility (LAF) by Primary Member has also been facilitated on the CROMS platform.



Further, CROMS Web which facilitates direct market access to the Gilt Account Holders to the CROMS Order Book for Market Repos in Government Securities was facilitated on this platform on February 15, 2020. Dealing in Government Securities Lending (GSL) transactions was facilitated on CROMS in July 2024.

**FX-CLEAR:** FX-CLEAR, an anonymous Dealing platform for foreign exchange was launched by Clearcorp in August 2003. It offers two modes of dealing - "Order Matching" and "Negotiation". The platform offers trading in inter-bank US Dollar-Indian Rupee (USD-INR) Spot, Swaps (Short and Long tenor swaps) and Forwards. All trades concluded on the Order Matching mode of the platform are guaranteed by CCIL from the point of trade. The platform offers STP (Straight Through Processing), wherein all these trades are automatically sent to CCIL for guaranteed settlement.

The FX-CLEAR platform also offers a facility to enable polling of BID/ASK ATM VOLs, 25D RR and 25D STR rates from selected submitters for the computation of the FBIL FC Rupee Options Volatility Matrix Rates.

The facility to trade on the FBIL reference rate has been enabled on the FX-Clear platform effective November 7, 2022. Through this, members can place orders in the R-Spot instrument by quoting a spread i.e. At Par, At Premium (+) or At Discount (-) to the Reference Rate.

The FX-Retail platform which was launched on August 5, 2019 provides an anonymous and order driven dealing platform in USD/ INR currency pair for the Customers of Banks. During FY 2020-21, booking of Forward contracts was enabled on the platform. Further, from November 2021 onwards,

rollover and early delivery of outstanding forward contracts was made operational on the platform. Facility to book option period forward contracts was introduced on the platform in March 2022.

**3. ASTROID:** The Anonymous System for Trading in Rupee OTC Interest-Rate Derivatives (ASTROID) was launched on August 3, 2015. The platform offers trading in MIBOR Overnight Indexed Swap (OIS) contracts with rolling maturity in various tenors ranging from 1 month up to 10 years. The trades executed on the platform are guaranteed for settlement from point of trade and are linked to CCIL's clearing and settlement system for rupee OIS trades. Effective November 2020, retail and non-retail users can avail the services of ASTROID as Constituents through their Clearing Member. With the objective of expand the trading options for Members a new functionality, PV01 Neutral Spread trading was made available to members in the month of September 2023 on this platform. Available under the 'Spread Market Watch' window on the ASTROID platform, spread trading can happen between two Intentional Spread orders or between Intentional and Inferred spread orders. Effective March 2025, anonymous trading of interest rate swap transactions linked to Modified MIFOR (MMFOR) benchmark has been made available on this platform.

## Managed Applications

**1. NDS-OM:** To promote greater transparency and price discovery in the secondary G-Sec market, at the request of RBI, the Company designed and launched an anonymous Electronic Order Matching Platform, the NDS-OM on August 1, 2005. Initially limited to banks and primary dealers, trading on this platform was gradually extended to other NDS members like insurance companies, mutual funds and non-NDS members like provident funds, port trusts etc.

Features like standard and/or odd market lots, and the capabilities to input client orders by the primary members, have ensured transparency in the government securities market. It has enabled RBI to implement various important reforms viz., covered short sales, when issued markets etc. A web-based NDS-OM module granting online access to NDS-OM Main System to Gilt Account Holders to enable trading in secondary market of government securities was launched in June 2012. Since April 2013, all OTC outright deals in government securities are being reported on the NDS-OM platform. The reporting functionality on NDS-OM was enhanced since April 2015 to facilitate T+2 deal reporting for FPI trades. Security wise limit monitoring for FPI trades is also now enabled on this platform.

NDS-OM functionalities have been further enhanced to enable dealing by individual retail investors holding Demat Account with Primary Members of NDS-OM who also act as Depository Participants. From December 2017, online monitoring of FPI Limits in government securities has been enabled on NDS-OM. The new NDS-OM System was operationalized in October 2018. The new system has features like customizable and enriched GUI, enhanced operational risk capabilities, flexible user hierarchy, advanced order management features and Alerts etc. NDS-OM Web system is now part of the new integrated system. The messaging protocol also underwent change from MQ to TCP IP.

The Request for Quote (RFQ) module for dealing in illiquid securities went live from October 2020. All members of RBI's Retail Debt Platform can trade on the NDS-OM platform under the Odd-Lot Segment. Further market-making for such investors through primary dealers has also been facilitated on this platform. Post launch of the RBI

Retail Direct Scheme in November 2021, access to NDS-OM by the retail segment, comprising of individual investors having RETAIL DIRECT GILT ACCOUNTS (RDG) is facilitated by allowing them to use their RDG accounts for their transactions and holdings in G-Sec. This access is facilitated directly without the investor having to come through a Bank or Intermediary. The scheme facilitates efficient access to retail individual investor to the same G-Sec market being used by the large institutional investor in a seamless manner. The Retail Platform has been enhanced to incorporate linkages to payment gateways, to enable direct transfer of funds by retail investors. These functionalities would give direct control to the retail investors over their orders. The NDS OM Mobile App for retail investors was launched in May 2024.

**2. NDS-CALL:** The NDS-CALL system launched on September 18, 2006 is an electronic Request for Quote System facilitating dealing in call, notice and term money. It has been conceived and developed by the Company and further hosted and maintained for and on behalf of RBI. Effective November 2012, the reporting of telephonic deals in call, notice and term money done outside the NDS-CALL system has migrated to the NDS-CALL system.

A utility has been developed on the NDS-CALL platform to compute the overnight MIBOR based on traded rates, which is released as the FBIL Overnight MIBOR rate. A polling process for setting MIBOR for selected term tenors has also been developed. The polling functionality facilitates designated Members to participate in a polling process for submission of rates for select term tenors. The computation of the overnight MIBOR went live on July 22, 2015 and computation of Term MIBOR for-14Days, 1 Month and 3 Months went live from September 23, 2015.