The Clearing Corporation of India Ltd.

Notification No. :CCI/FXS/1002/NOT-1

October 7, 2002

To,
Member Banks

<u>**Sub: Notification to Members for live operations of Forex Settlement**</u>

Dear Sir,

CCIL has now obtained regulatory approval for commencement of forex clearing operations. The commencement of live operations is scheduled for end October 2002 /early November 2002 and the dates are being finalized in consultation with RBI. The same will be communicated to members shortly.

CCIL will have a 15 day dry run for members commencing on 14th October 2002 for trades 'Value' 16th October 2002 and beyond. All trades with Trade Date 11th October or earlier with value 16th October, 2002 needs to be reported to CCIL before 12.00 noon on 14th October, 2002 for mock settlement through CCIL. Please note 'Forwards' if reported, will have to be reported again once live operations begin. It is advisable for all Authorised Dealers to participate in the test runs.

Please convey your acceptance for participation in the test runs before 10th October 2002 to enable us to advise all members the names of banks who will be a part of the dry run. Our Help Desk Telephone Nos. are 4639208/4639307 and E-mail: helpdesk@ccilindia.co.in / frx@ccilindia.co.in

<u>**SCHEDULES**</u>**:**

Activity	Period From	Value Date To	Remarks
Dry run	14th October 2002	25th October 2002	16th October 2002 -
SGF contribution	-	-	25th October 2002 & 28th October 2002.-
Live Operation (Spot and Forward)	-	-	Tentatively early November 2002Date of commencement of live operations of Forex Settlement will be informed to the members after due consultation with RBI.

All members will be required to contribute to the Settlement Guarantee Fund in US Dollars, the sum as already advised by CCIL on the dates specified, before CCIL starts accepting their trades. ***Modalities for contribution of SGF will be conveyed by means of a separate notification***.

Initially CCIL will settle only Spot and Forward deals. Members with a Net Debit position in USD dollars will be required to send instructions to the correspondent bank for credit to the account of CCIL with ABN AMRO Bank, New York ***before 12.00 noon (EST) on the value date.***

We are enclosing below the instructions for modalities for data transfer and for issue of settlement instructions.

We request you to provide us with the latest phone nos. , mobile nos., fax nos., e-mail address/s and names of the person associated with CCIL's Forex Settlement operations.

Yours faithfully,
for **Clearing Corporation of India Limited**

Sd/-
P. S. Sundareswaran
(Asst. Vice President – Forex Settlement)

The Clearing Corporation of India Ltd.

[A] DATA TRANSFER PROCEDURE

1.   Trades will be reported using the new Forex Deal Reporting (FDR) utility which will be available on 11th October 2002 on CCIL web server. Members are requested to please install the FDR utility on Payment Gateway server. The FDR utility is similar to the FTP utility. The FDR utility would prompt for the path where Digital Certificates are stored. In case, members are installing the FDR utility on a server/PC other than Payment Gateway server, members need to provide a Digital Certificate on this particular server/PC. Members who have installed the FDR utility earlier than October 11, 2002, would also need to download the same again.

2.   However login IDs and passwords need to be separately collected from us.

3.   The **cut-off time** for acceptance of trades for settlement on value S day will be **12 noon on S-1 day.**

4.   Members would be able to retrieve all malformed data along with reject reasons once the data has been uploaded at CCIL, through the receive folder of the FDR utility given. The same data could be sent back as a NEWT deal after having made the necessary changes. (For more details please refer to our FDR doc available on installation of the FDR utility)

5.   For viewing reports on the browser members would be provided with separate user names and passwords along with the IP address.

6.   Trades have to be reported in IFN 300 format. Write up in respect of which has been enclosed for member's ready reference.

7.   All files to be sent to CCIL should be saved with **.ccil** extension (Lower case) and the file name should not have any special characters or blank spaces.

IP ADDRESSES:

Activity	CCIL Server	Reports	Remarks
Test Run	10.30.248.158	10.30.248.147	From 14-10-2002 to 26-10-2002 for trades commencing value 16-10-2002.
Live Operations	10.30.248.155	10.30.248.156	As and when the live forex settlement operations commence

[B] SETTLEMENT INSTRUCTIONS:

1.   Members would need to ensure that instructions to their correspondent banks are sent before 6.00 p.m. on Settlement -1 day (S-1). The instructions should clearly specify that the funds have to be credited to CCIL's account with ABN AMRO Bank before 12 noon (EST) of the Settlement day.

2.   For the settlement instructions to ABN AMRO New York the Fed wire routing no is 026009580 which should be quoted by the members in field "57A" of their MT202 as //FW026009580 along with the Swift code for ABN AMRO Bank, New York which is ABNAUS33.

3.   Members should quote CCIL BIC Code – CCILINB1 in field "58A" of their payment message MT202 to their correspondent bank.

4.   Members to quote the transaction number given in the Net Position Report in field "21" of their MT202 to their correspondent bank.

5.   If members need to pre fund CCIL's account with ABN AMRO New York in the event of member's exposure being violated, the member may quote "PRF" in field "21" of their MT202 to their correspondent bank.

The Clearing Corporation of India Ltd.

<u>Interface of Bank with CCIL for sending in Deals Data :</u>

<u>Forex IFN 300 Message Format (Block 4 in the Message) :</u>

SEQUENCE A : Conditions of the Contract

Status	Field No	Field Name	Content and Options
Mandatory	20	Transaction Reference Number	16x
Mandatory	21	Related Reference	16x
Mandatory	22	Code/Common Reference	4a2c4n4a2c (*) Refer Page 2
Mandatory	30	Date Contract Agreed/Amended	8n
Mandatory	36	Exchange Rate	12number
Optional (Mandatory to be sent to CCIL)	72	Sender To Receiver Information	6*35x

SEQUENCE B Amount Bought

Status	Field No	Field Name	Content and Options
Mandatory	32R	Value Date Currency Code Amount	8n3a15 number
Optional	56A	Intermediary	A
Mandatory	57A	Account with Institution	A or D

SEQUENCE C Amount Sold

Status	Field No	Field Name	Content and Options
Mandatory	33P	Value Date Currency Code Amount	8n3a15 number
Optional	53A	Sender's Correspondent	A
Optional	56A	Intermediary	A
Mandatory	57A	Account with Institution	A or D

X :- AlphaNumeric   n = Date   A = Swift Code   D= Bank Name

(*)
- 4a – Bank's BIC code
- 2c – Bank's Location code
- 4n – Exchange Rate (4 digits taken from the Right Hand Side from the first Non-Zero Digit.)

For Examples: 1. If Exchange rate 48.7525 then 4n would be 7525
               2. If Exchange rate 48.2500 then 4n would be 4825
               3. If Exchange rate 48.0000 then 4n would be 0048
               4. If Exchange rate 48.5000 then 4n would be 0485
               5. If Exchange rate 48.2550 then 4n would be 8255.
- The placement of 4a is in alphabetical order of both the banks.

The IFN300 message has to be sent in the following order :-

The Clearing Corporation of India Ltd.

OUTGOING MESSAGE

{ 1:Basic Header Block:
  : Application Identifier   : F- User to User
  : Application Protocol Data Unit Identifier   : 01- User to User
  : Originating Date   : YYYYMMDD
  :Originating Time   : HHMM
  : Sender's Address   : (Unique IFSC Code) Till SFMS goes live, it will
                                               be sender's swift code (11 characters Long or CCIL member Id with one character removed)
  : Sequence(Number)   : (To be input by the system)Presently it would
                                                 be XXXXXXXXX}(9 characters long)

{2: Application Header Block:
  : Message Type   : 300 - Forex Exchange Confirmation
  : Sub Message Type   : XXX
  : Date   : YYYYMMDD
  : Time   : HHMM
  :Receipent Address   : CCIL (11 characters long)
  : Sequence Number   : XXXXXXXXX (9 characters long)
  : Non Delivery Warning Indicator : 0 (Warning Not required for the Moment)
  : Open Notification Indicator   : 0 (Warning Not required for the Moment)
  : Obsolence Period   : XXX (3 characters long)}

{3: User Header Block :
        Additional Reference – OPTIONAL)}

{4: Text block:
  :20 :Transaction Reference Number(16x)
  :21 : Related Reference
                Three Codes NEWT, AMND,CANC which indicates which sort of deal it is.
                NEWT : Indicates the deal is new
                AMND : Indicates the new deal reported has been amended
                CANC : Indicates the new deal reported previously has been deleted

  :22:Common Reference Number(As Explained In Page 1)

  :30:Date Contract Agreed(Trade Date(8n))
                The date in which contract agreed (Format YYYYMMDD)

  :36:Exchange Rate (12 Number)

  : 72:/Sender to Receiver Information (Mandatory to be sent to CCIL)
           Start with a "/ " followed by Sender's CCIL ID and Counterparty's CCIL ID (In the same order shown)
Note: This field may contain additional details after the counterparty ID, however this additional detail needs to be prefixed by /)

  :32R:Value Date(8n)/Currency Code(3a)/Amount Bought(15 Number)
This field will contain the Value Date (Format YYYYMMDD) / Currency Code (for eg : USD) / Amount Bought

  :56A:Intermediary Bank (Swift Code) (Optional)
                Contains SWIFT code (Already Submitted to CCIL during Admission).

  :57A: Account with The Institution
                Correspondent Bank Swift Code (Already Submitted to CCIL during Admission).

The Clearing Corporation of India Ltd.

:33P: Value Date(8n)/Currency Code(3a)/Amount Bought(15 Number)
This field will contain the Value Date (Format YYYYMMDD) / Currency Code (for eg : USD) / Amount Sold.

:53A: Sender's Correspondent (Optional)

:56A: Intermediary Bank(Swift Code) (Optional)
        Contains SWIFT code (Already Submitted to CCIL during Admission).

: 57A: Account with The Institution
        Correspondent Bank Swift Code (Already Submitted to CCIL during Admission).
-}

An Example :

The deal is as following :

Txn Ref No : B41194,
Related Ref :NEWT,
Common Ref : CANABB0048EXIMBB
Trade Date :18-OCT-01,
Exchange Rate: 48.000000,
Sender to receiver Information : CCIL Member Id : BNKCANA CCIL CounterParty Id : BNKEXIM

Amount bought :

Value Date : 22-OCT-01,
Currency Code: USD,
Amount Bought : 500000.00,
Account Of Institution :CHASUS33,

Amount Sold :

Value Date :22-OCT-01,
Currency Code: INR,
Amount Sold : 24000000.00,
Account Of Institution : RBI

The Clearing Corporation of India Ltd.

The message Format to be sent to CCIL will be :

```
{1:F01200111011800CBKCANA0005XXXXXXXXX}{2:300XXX200111011800CCILINB1XXXXXXXXXXXX00XX
X}{4:
:20:B41194
:21:NEWT
:22:CANABBB0048EXIMBB
:30:20011018
:36:48.000000
:72:/CCBKCANA0005CCFIEXIM0007
:32R:20011022USD500000.00
:57A:CHASUS33 (Coresspondent Bank for the currency bought)
:33P:20011022INR24000000.00
:57A:RBISINBB
-}
```

The Clearing Corporation of India Ltd.

- SFMS branch server will append the Header 1 and 2 when SFMS is live.
- Headers should be on the same line.
- Header 1 consists of 35 characters.
- Header 2 consists of 43 characters.
- All Mandatory Fields to be filled in compulsorily.
- The file name should not bear any special characters nor have any blank spaces.
- All files should be saved as **.ccil (lower case)**
- No blank lines to be left between 2 deals.
- At the end of the message file **<CrLf>** is mandatory.
- A file may contain "N" number of messages.
- When a record of a file fails validations on account of format being incorrect or any other data inconsistencies the record is put in the rejected folder of the member with a reason mentioned thereof. The record could be re sent as a **NEWT** record.
- When any record fails on account of business validations a Rejected Deal Report would go out to the member. In this case members would need to re send this record as **AMND.**
- No commas to be used in the IFN300 message.