



**NOTIFICATION**

No. CCIL/MEM/SS/10/24

13<sup>th</sup> August, 2010

**SECURITIES SEGMENT**

**Disciplinary action due to securities/ funds default**

*(Please refer to Chapter XIV of the Bye-Laws)*

In terms of the provisions in para 3.1 (f) of the Bye-Laws of The Clearing Corporation of India Ltd. (CCIL), a Member shall be liable for immediate suspension of its Securities Segment membership upon committing an act of default in delivery of either funds and/or Securities for more than three occasions in a financial half year, in line with the extant Regulatory guidelines.

2. Reserve Bank of India has since revised their guidelines regarding penalty applicable to SGL bouncing vide their Notification no. IDMD. DOD.17/11.01.01 (B)/2010-11 dated 14<sup>th</sup> July 2010 which provides for payment of monetary penalties on account of bouncing of SGL by the member instead of getting debarred from using the SGL account facility for a period of six months, if the SGL transfer form bounced three times in a half year, as per the provisions of the earlier guidelines in this respect.

3. All members are hereby notified that taking in view the revised regulatory guidelines as above, it has been decided that the above provisions in para 3.1 (f) of our Bye-Laws regarding immediate suspension of membership on account of Securities/ funds defaults on more than three occasions in a financial half year shall no more be applicable to the membership of Securities Segment. However, the financial penalties payable by defaulting members, as prescribed in our Notifications on fees and charges shall continue to be applicable as hitherto.

4. Kindly note that there is no change in applicability of the provisions of para 3.1 of the Bye-Laws to the membership of other business segments of CCIL.

**Assistant Vice President**  
(Membership Department)