



# THE CLEARING CORPORATION OF INDIA LTD.

## NOTIFICATION

28<sup>th</sup> February, 2023

Notification No.: CCIL/FXS-CLS/23/08

**All Member Banks  
CLS Segment**

Dear Sir/Madam,

**Re: Changes to CLS Segment Regulations.**

In terms of the extant process, Member banks provide USD cash as collateral to CCIL in CLS Segment towards Base Limit for covering the mark to market and haircut value on current settlement day (S) outstanding positions and outstanding trades for the next settlement date (S+1) of the member as mentioned in Chapter VIII relating to “Risk Management” in the CLS Segment Regulations. In terms of Chapter IV “Collateral” of these regulations, CCIL is authorized to invest the cash contribution received in CLS eligible currencies from Members in accordance with its Investment policy and distribute net earnings arising out of such investments on the basis of average daily cash balances to the Members at half-yearly rests.

In order to follow a uniform process in line with the interest distribution of interest on cash in the INR denominated interest pay-outs, it is now decided to change the procedure for distribution of USD interest earnings to members. Going forward, interest earnings will be distributed to the Members, on the basis of average daily cash balances at half-yearly rests, at 25 basis points below the weighted average rate earned by CCIL during that period.

In view of the above, Clause C of Chapter IV of the CLS Segment Regulations has been suitably amended. The changes to the CLS Segment Regulations have been appended herewith as Annexure. The updated Regulations are also available on our website ([www.ccilindia.com](http://www.ccilindia.com)) under Membership section.

We advise that the changes to the CLS Segment Regulations shall come into effect as on **1<sup>st</sup> April, 2023**.

Yours faithfully,  
**for The Clearing Corporation of India Ltd.,**

sd/-  
**Managing Director**

**Annexure to Notification No. CCIL/ FXS-CLS/23/08**

**THE CLEARING CORPORATION OF INDIA LIMITED**

**CHANGES TO REGULATIONS  
(CLS SEGMENT- ANNEXURE)**

## CHAPTER IV: COLLATERAL

### C. INTEREST ON CONTRIBUTIONS TO COLLATERAL

1. Members shall be entitled to receive interest on eligible Government Securities contributed as Collateral as per coupon rate payable on the respective securities, net of ~~costs and taxes if any, and any other~~ charges levied by RBI / custodian.
2. Clearing Corporation shall invest cash contribution received in US Dollar ~~CLS eligible currencies~~ from Members in accordance with the Investment policy and distribute interest as notified by Clearing Corporation from time to time. ~~net earnings (in case it is positive), arising out of such investments (excluding revaluation gains/loss), and net of costs / taxes, if any, on the basis of average daily cash balances to the Members at half yearly rests.~~
3. ~~In the event, the net earnings are in negative, then such negative amount will be collected from the Members at half yearly rests.~~
4. ~~For this purpose, the Net earnings shall mean the returns from investments (excluding revaluation gains/loss) less costs/taxes etc. s~~