



THE CLEARING CORPORATION OF INDIA LTD.

NOTIFICATION

This has been superseded by Notification No. CCIL/DRV/1020/59 dated 01-Oct-2020 on Changes to the Rupee Derivatives IRS Regulation

Date: 13th November, 2015

Notification No.: CCIL/DRV/IRS/59

**All Members
Rupee Derivatives Segment**

Dear Sir/Madam,

Re:Amendment to the Regulations in respect of Guaranteed Settlement of Rupee Interest Rate Swaps (IRS) and Forward Rate Agreement (FRA).

Members are hereby advised that the clause VII(C) relating to the “Default of Clearing Corporation” in the regulations of the Rupee Derivatives and Rupee Derivatives (Guaranteed Settlement) Segment has been revised.

We append the changes to the pertinent clause as Annexure. The updated Regulations are available on our website (www.ccilindia.com) under Membership section.

We advise that the changes to the Rupee Derivatives and Rupee Derivatives (Guaranteed Settlement) Segment shall come into effect from 14th December 2015.

for The Clearing Corporation of India Ltd.,

**-Sd/-
Managing Director**

Annexure to Notification No.CCIL/DRV/IRS/59

**THE CLEARING CORPORATION OF INDIA
LIMITED**

CHANGES TO REGULATIONS

*(Rupee Derivatives Segment and Rupee Derivatives
Guaranteed Settlement Segment)*

Chapter VII: Defaults

C. DEFAULT OF CLEARING CORPORATION:

1. In the event Clearing Corporation fails to fulfill any settlement related obligation to any non-defaulting counterparty, even after the expiry of 30 (thirty) business days from the date of the payment / delivery falling due and an intimation being sent by the counterparty in this regard to Clearing Corporation or in the event **RBI cancels CCIL's Payment System license or issues a notice for such cancellation thereto**, of the license for Payment System having been cancelled and / or notice in relation to such cancellation being issued by the Reserve Bank of India, a non defaulting counterparty may, by notice in writing to the Clearing Corporation **not later than 7 (seven) business days from such event**, seek the termination and close-out of its outstanding trades in this segment.

~~2. On receipt of a notice seeking termination and close-out in terms of clause C(1) above, Clearing Corporation shall, not later than two business days thereafter, by notifying all members of this segment : (a) effect close-out of outstanding trades of such member or (b) Close-out all outstanding trades in the segment.~~

Clearing Corporation shall, not later than 2 (two) business days from the date of receipt of such notice and after due notification to all members of this segment: (a) effect close-out of Outstanding Trades of such member or (b) close out all Outstanding Trades in the segment.

Such Close-out shall be at a pre-determined price as may be notified by the Clearing Corporation from time to time and post such Close-out, Clearing Corporation shall determine the member-wise net mark-to-market loss or gain (as the case may be) in respect of the trades. The net mark to market loss or gain so arrived at shall constitute the termination amount for each member. The termination amount shall be settled by payment to the member, in case of member's gain, or by receipt from the member, in case of member's loss.

3. The termination amount shall be settled by the close of business on the business day following the day of termination or as soon as possible thereafter. Any non-

recovery of termination amount from any of the member within this period will be considered as a Default by the member and shall be handled in terms of provisions of Chapter VII Default & Chapter IX Default Fund of these Regulations.

4. Before paying out any amount under this clause, Clearing Corporation shall have the right to recover there from any amount payable by the member to Clearing Corporation.
5. The close-out transactions shall be final and binding upon the members.