



Risk Management Department

This has been Superseded by Notification No. RMD/SS/20/07 dated 04-Feb-2022 on Risk Management process for Tri-party Repo (TPR) trades

No. RMD/CBLO/15/54

01/10/2015

FOR INFORMATION OF ALL MEMBERS

**CBLO Settlement Segment
Imposition of Intra-day MTM Margin**

Further to our notification No. RMD/CBLO/12/06 dated February 15, 2012 the under noted changes are being effected in the process followed for imposition of intra-day MTM margin on the outstanding trades of the members in CBLO Segment.

2. The change in process to be followed for imposition of MTM margin will be as under:

- a) All the outstanding CBLO trades as at the time of computation (including trades outstanding at previous EoD and new trades concluded on the current day) will be valued using the MTM rates derived based on the trades concluded on the trading system till the time of intra-day valuation. The process for computation of MTM Rates as mentioned in para 1(b) of above mentioned notification remains unchanged.
- b) Collaterals under charge will be revalued using the latest available intra-day MTM prices arrived at for computation of intra-day MTM margin in Securities segment. For this purpose, notional charge will be created based on outstanding borrowings as at the time of computation of intraday MTM margin. The process of creating charge on collaterals will be same as the process followed for creating charge at the end of the day. The value of such securities as at intraday prices and as at previous EoD prices will be arrived at and loss, if any will be taken into consideration.
- c) Net MTM loss in the portfolio of a member will be sum of net MTM value depletion on trades and reduction in value of collaterals under charge.
- d) If the net MTM Loss arrived at as above exceeds **50% of the sum of the haircut levied on the collaterals under charge and Initial Margin collected at the time of computation of intraday MTM**, such net MTM loss will be the Intra-day MTM margin payable by the member.
- e) The processes of assessing applicability of intraday MTM margin as explained above will be carried out at **12.00 Noon and at 03:00 PM.**



- f) Moreover, Clearing Corporation, on volatile days may collect intraday MTM margin at such other time of the day as required.
- g) If applicable, the Intra-day MTM margin will be collected after one hour from the time of notifying the members of imposition of any such margin. Upon imposition of intra-day MTM margin, if there is margin inadequacy, penal charges will be levied for such margin shortfall. It shall also be the responsibility of the members to replenish the shortfall at the earliest.
- h) In case the intra-day MTM margin payable by a member at 03.00 PM is lower than the intra-day MTM margin already collected from the members based on prices at 12.00 noon, such excess intra-day MTM margin will be released by CCIL.

3. The change will come into effect from 02/11/2015.

For The Clearing Corporation of India Limited

Sd/-

Managing Director