



**THE CLEARING CORPORATION OF INDIA LTD.  
RISK MANAGEMENT DEPARTMENT**

**This has been superseded by Notification No. CCIL/RMD-FX-FF-20-74 dated 30-Dec-2020 on Close out of accepted trades of a resigning member**

**Date: 28<sup>th</sup> February 2013**

**Notification No.: RMD/FX-FF/13/03**

**All Member Banks**

**ForexForward Segment**

**Forex Forward Segment**

**Close-out of accepted trades by Resigning Member**

**Process**

In terms of Clause C3 of Chapter II Membership of the Regulations for the Forex Forward Segment, the resigning member shall be required to close-out all its Outstanding Trades as of Resignation Request Date within the notice period..

2. The process to be followed as a condition precedent for such close-out of the accepted trades will be as under:

a) The resigning member shall obtain a written consent with its original bilateral counter-party/(ies) for one of the following approaches for achieving the close-out. Counterparty/(ies) shall agree to either :

- (i) bilateral cancellation of the trades; or
- (ii) transfer of the trades/net positions to other member(s) of this segment

Transfer of trades/positions could only be to a non-defaulter member who has not opted to resign from this segment.

b) After the original bilateral counter-party/(ies) agree to any of the two above-mentioned approaches, the “exiting member” shall enter into an arrangement with such counter-parties for making/receiving payments as consideration for such cancellation or transfer of trades/positions. Any exchange of consideration on this account shall be bilateral and outside CCIL clearing system.

c) In case of cancellation as in 2(a)(i) above, both the counter-parties shall report trade cancellations to CCIL Clearing system in the usual manner. These will be matched in CCIL Forex Forward Clearing system and will get accepted subject to availability of margin. It will be the responsibility of both counterparties to the trades to ensure that the trades agreed to be

cancelled by them are removed from CCIL Forex Forward Clearing System latest by the end of the day next to their exchange of consideration.

- d) In case of transfer of trades/positions as in 2(a)(ii) above, both the original counter-parties will report cancellation as in (c) above. After recording of the cancellations are over and these are duly accepted by the CCIL's Clearing System, the member which is taking over the trades/positions will report new trades with maturities co-terminus with the trades/positions which are getting transferred. The bilateral counter-part(ies) of the resigning member will also report those trades. After both the reporting matches, the trades will get accepted in CCIL's clearing system after these pass through the exposure check. It will be the responsibility of the resigning member /its counterparties and the transferee member(s) to ensure that the trades relating to the transfer of trades / positions of resigning counterparty are accepted in the CCIL Clearing system within two days of cancellation getting recorded.
- e) Clearing Corporation shall take no responsibility in ensuring that the cancellations or transfers of trades are duly recorded in its Clearing System unless those trades are matched appropriately in the system and are duly supported by margins by the counterparties. It may however assist members in good faith without attracting any liability whatsoever in this regard.

3. These changes will come into effect from 31<sup>st</sup> March 2013.

**Sd/-**  
**Managing Director**