



**THE CLEARING CORPORATION OF INDIA LTD**

**Risk Management Department**

**No. RMD/FX/USD-INR/19/42**

**09 Sep'19**

**FOR INFORMATION OF ALL MEMBERS**

**Forex Settlement Segment**

Dear Sir/Madam,

**Changes to the Regulations of the Forex Settlement Segment**

Members are hereby advised that the Regulations of the Forex Settlement Segment have been amended to strengthen CCIL's risk management framework by incorporating the following:

i) Impose restrictions (Hike margins / Reduce limits) in case of any adverse developments in respect of any member

2. The changes effected to the Regulations of the Forex Settlement Segment are enclosed as **Annexure**.

3. The updated Regulations are available on our website ([www.ccilindia.com](http://www.ccilindia.com)) under Membership section and shall be effective from **October 14, 2019**.

Yours faithfully,

**For The Clearing Corporation of India Ltd.,**

**Sd/-**

**Managing Director**



**THE CLEARING CORPORATION OF INDIA LTD**

**Annexure to Notification No. CCIL/RMD/FX/USD-INR/19/**

**THE CLEARING CORPORATION OF INDIA LIMITED**

**CHANGES TO REGULATIONS  
(FOREX SETTLEMENT SEGMENT)**



## THE CLEARING CORPORATION OF INDIA LTD

### **CHAPTER I: INTRODUCTION**

The Regulations framed hereunder shall be called "The Clearing Corporation of India Ltd. (Forex Settlement Segment) Regulations, 2009". (As amended in ~~April~~ **October** 2019)

### **CHAPTER V: NET DEBIT CAP, EXPOSURE LIMIT AND MARGINS**

#### **A. NET DEBIT CAP**

- i) Clearing Corporation shall set currency-wise Net Debit Cap(NDC) for each Member which shall constitute the maximum potential liquidity exposure that the Clearing Corporation may take on a Member in this segment for a given settlement date Net Debit Cap Limits for the trades shall be denominated both in USD and in INR.
- ii) Clearing Corporation shall set NDC for the Members depending on the ratings assigned to them on the basis of certain parameters including networth, asset quality etc. as worked out by Clearing Corporation from time to time. Clearing Corporation may take the assistance of any reputed Rating Agency for arriving at such ratings and the decision of Clearing Corporation in regard to the selection of agency or in regard to the ratings arrived at for the Members shall be final and binding on the Members.  
Notwithstanding the credit rating/grading, Clearing Corporation may hike margins in case of any regulatory actions/deterioration in financial position/adverse market report etc.
- iii) The NDC set for the Members may be reviewed periodically and Clearing Corporation may alter NDCs based on such review under advice to the concerned Members.
- iv) For the purpose of setting NDC for the Members, Clearing Corporation shall be entitled to seek from the Members such information as may be required in regard to their financial positions, management & ownership structure, balances with



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Reserve Bank of India, state of their Regulatory compliance etc. Such information is to be furnished by the Members within the time as may be required by Clearing Corporation.

In case any Member fails to submit such information, Clearing Corporation, at its sole discretion may step up the margin factor for such Member till the review for the Member is completed.

- v) Notwithstanding anything contained herein, it shall be open for Clearing Corporation to reduce or cancel (set it at NIL) the NDC for any Member, under advice to the concerned Member, if Clearing Corporation is of the view, based on any adverse market report or other adverse information available to it or on the Member's failure to fulfill any settlement obligation, that such reduction/cancellation of NDC shall be necessary to protect its own interest and/or the interest of its Members, in which case the decision of Clearing Corporation shall be final.