



This has been superseded by Notification No. RMD/SEC/23/32 dated 30-Oct-2023 on Risk Management Processes and Margining Methodology

**Risk Management Department**

No. CCIL/RMD-SS/09/04

20<sup>th</sup> March, 2009

**FOR INFORMATION OF ALL MEMBERS**

**Securities Settlement Segment**

**MTM Margin on REPO Trades**

Please refer to our Notification No. CCIL/RMD/04/11 dated 9<sup>th</sup> June, 2004. At present, MTM margin on 2<sup>nd</sup> leg of repo/reverse repo trade is charged on the same day i.e. not allowed to be carried forward as Incremental MTM margin payable on next working day as in case of outright trades.

2. It has since been decided to treat the incremental portion of MTM margin on second leg of repo transaction also as Incremental MTM margin as in case of outright trades. The amount to be treated Incremental MTM margin on 2<sup>nd</sup> leg of repo transactions will however to be computed as lower of

- a) Actual MTM Margin on the trade or
- b) MTM Margin based on the difference in MTM rates of previous day and current day

3. The change has been effected from 16<sup>th</sup> March, 2009

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