



# **National Clearing Company of Pakistan Limited**

8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

## NCCPL/CM/SEPTEMBER-25/01 September 01, 2025

### **Approved Amendments in NCCPL Regulations, 2015**

### **Dear Clearing Members,**

Please find attached herewith the approved amendment in the **National Clearing Company of Pakistan Limited Regulations**, **2015**, Pertaining to Margin Regime for Secondary GDS Trades.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN 021-111-111-622 or visit our website <a href="https://www.nccpl.com.pk">www.nccpl.com.pk</a>

You can approach our Customer Support services through WhatsApp vide 021-111-111-622 or Click here.

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Adnan Akhtar	
<b>Assistant General Manag</b>	ger - CSS

CC:

Regards,

- 1. Executive Director/HOD Policy, Regulation and Development Department SMD Securities & Exchange Commission of Pakistan Islamabad
- 2. Chief Executive Officer Pakistan Stock Exchange Limited
- 3. Chief Executive Officer Central Depository Company of Pakistan Limited
- 4. Pakistan Stock Brokers Association

## Approved Amendments, Rationale for Amendments and Final Regulations

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Existing Regulations	Proposed Regulations	Rationale	Final Regulations
CHAPTER 02 – INTERPRETATION			
AND DEFINITIONS			
Non- Exchange Transaction	Non- Exchange Transaction	T+0 settlement is	Non- Exchange Transaction
		already	
Means a Market Contract which	Means a Market Contract which includes the	implemented for	Means a Market Contract which includes the
includes the following:	following:	the Government	following:
		Debt Securities	
(i) an institutional delivery system	(i) an institutional delivery system transaction, as	Market "GDS",	, ,
transaction, as per the	per the Procedures, which is not effected on the	therefore,	transaction, as per the Procedures, which is not
Procedures, which is not effected	Exchange and is initiated by a PCM, TOSB	provisions	effected on the Exchange and is initiated by a
on the Exchange and is initiated by a PCM, TOSB (keeping limited	(keeping limited custody), TSSB and TCSB Clearing Member based on an Exchange Trade;	restricting settlement on T+0	PCM, TOSB (keeping limited custody), TSSB and TCSB Clearing Member based on an Exchange
custody), TSSB and TCSB Clearing	or and is recorded on NCSS in which the initiating	basis have been	S S
Member based on an Exchange	Clearing Member notifies NCSS that the	removed.	initiating Clearing Member notifies NCSS that the
Trade; or and is recorded on NCSS	transaction shall be settled by an affirming	Temovea.	transaction shall be settled by an affirming
in which the initiating Clearing	Clearing Member on his behalf, provided that		Clearing Member on his behalf, provided that
Member notifies NCSS that the	such affirmation is made by a Clearing Member		such affirmation is made by a Clearing Member
transaction shall be settled by an	(who is a non-TRE Certificate Holder of the		(who is a non-TRE Certificate Holder of the
affirming Clearing Member on his	Exchange.).		Exchange.).
behalf, provided that such			
affirmation is made by a Clearing			
Member (who is a non-TRE			
Certificate Holder of the			
Exchange.).			
(11)	(11)		(11)
(ii) MT Transaction and MT (R)	(ii) MT Transaction and MT (R) Transaction as		(ii) MT Transaction and MT (R) Transaction as
Transaction as defined in these	defined in these Regulations.		defined in these Regulations.
Regulations.			
(iii) SLB Transaction and SLB (R)	(iii) SLB Transaction and SLB (R) Transaction, as		(iii) SLB Transaction and SLB (R) Transaction, as
Transaction, as defined in these	defined in these Regulations including an		defined in these Regulations including an
Regulations including an	institutional delivery system transaction, as per		institutional delivery system transaction, as per

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
institutional delivery system transaction, as per the terms and conditions prescribed in the	the terms and conditions prescribed in the Procedures.		the terms and conditions prescribed in the Procedures.
Procedures.	(iv) MF Transaction and MF (R) Transaction as defined in these Regulations.		(iv) MF Transaction and MF (R) Transaction as defined in these Regulations.
(iv) MF Transaction and MF (R) Transaction as defined in these Regulations.	Provided that Non Exchange Transaction shall not be allowed on trades executed in the NDM Reporting Interface for T+0 settlement cycle.		Provided that Non Exchange Transaction <u>excluding IDS transaction</u> , shall not be allowed on trades executed in the NDM Reporting Interface for T+0 settlement cycle.
Provided that Non Exchange Transaction shall not be allowed on trades executed in the NDM Reporting Interface for T+0 settlement cycle.	Provided further that Non Exchange Transactions shall also not be allowed on trades executed in Securities placed at the Defaulters' Segment on T+0 settlement cycle as per relevant regulations of Exchange.		Provided further that Non Exchange Transactions shall also not be allowed on trades executed in Securities placed at the Defaulters' Segment on T+0 settlement cycle as per relevant regulations of
Provided further that Non Exchange Transactions shall also not be allowed on trades executed in Securities placed at the Defaulters' Segment on T+0 settlement cycle as per relevant regulations of Exchange.			Provided that the Company, through notification and subject to such term and conditions as it may deemed appropriate, may allow execution of Non-Exchange Transactions on T+0 settlement cycle
(v) NDNF Transaction, as per the Regulations and Procedures, which is not effected on a Securities Exchange and is initiated by a Clearing Member in NDNF module based on net money obligation as explained under Chapter 7F of the Regulations.	(v) NDNF Transaction, as per the Regulations and Procedures, which is not effected on a Securities Exchange and is initiated by a Clearing Member in NDNF module based on net money obligation as explained under Chapter 7F of the Regulations.		(v) NDNF Transaction, as per the Regulations and Procedures, which is not effected on a Securities Exchange and is initiated by a Clearing Member in NDNF module based on net money obligation as explained under Chapter 7F of the Regulations.

Existing Regulations	rulations Proposed Regulations Rationale		Final Regulations		
NDM Reporting Interface	NDM Reporting Interface	The term has been	Same as proposed		
		explained to			
The term NDM Reporting	The term NDM Reporting Interface shall have the	include Market			
Interface shall have the same	same meaning as set out in the relevant	(which includes all			
meaning as set out in the relevant	regulations of the Exchange with respect to the	markets and Boards			
regulations of the Exchange.	Market.	provided by the			
		Exchange such as			
		ready and NDM			
		market).			
Standing Instruction	Standing Instruction		Same as proposed		
means a Standing Instruction	means a Standing Instruction submitted by a	Further, clarity has			
submitted by a Custodian Clearing	Custodian Clearing Member to the Company in	been added that			
Member to the Company in the	the form prescribed by the Company from time	Standing			
form prescribed by the Company	to time and for the purpose of these Regulations	Instruction			
from time to time and for the	shall be considered as acceptable Collateral	Provided by CCM,			
purpose of these Regulations shall	against Margins and Marked-to-Market Losses	subject to			
be considered as acceptable	that may be required by the Company with	conditions			
Collateral against Margins and	respect to trading / open exposure of such	prescribed in these			
Marked-to-Market Losses that	Custodian Clearing Members in the Market.	Regulations, shall			
may be required by the Company.		be accepted as			
		collateral for all			
		Markets.			
Provided that a Non-Broker	Provided that a Non-Broker Clearing Member				
Clearing Member which is a bank,	which is a bank, shall be eligible to provide the				
shall be eligible to provide the	Standing Instruction as advance against bid				
Standing Instruction as advance	amount in terms of Regulation 9.16 of these		Same as proposed		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
against bid amount in terms of Regulation 9.16 of these Regulations and it shall also be considered as acceptable Collateral against Margins and Marked-to-Market Losses that may be required by the Company for trades and transactions executed in GDS Market.	Regulations and it shall also be considered as acceptable Collateral against Margins and Marked-to-Market Losses that may be required by the Company for trades and transactions executed in <a href="Debt Market and">Debt Market and</a> / or GDS Market GDS Market.		
Such Standing Instruction shall allow the Company to directly collect the net amount payable to the Company against all affirmed IDS transactions by the Custodian Clearing Member and / or a bank admitted as a Clearing Member for advance against bid amount in terms of Regulation 9.16 and all transactions in GDS Market on the respective Settlement Date in accordance with these Regulations and NCSS Procedures through the Real-Time Gross Settlement ("RTGS") mechanism as a special participant of the PRISM System.	Such Standing Instruction shall allow the Company to directly collect the net amount payable to the Company against all affirmed IDS transactions by the Custodian Clearing Member and / or a bank admitted as a Clearing Member for advance against bid amount in terms of Regulation 9.16 and all transactions in <a href="Debt Market and /or">Debt Market and /or</a> GDS Market on the respective Settlement Date in accordance with these Regulations and NCSS the Procedures, / Joint Procedures through the Real-Time Gross Settlement ("RTGS") mechanism as a special participant of the PRISM System.	Text Improvement	Same as proposed
Provided further, that development financial institutions as defined in the regulation of the	Provided further, that development financial institutions as defined in the regulation of the State Bank of Pakistan, admitted as a Non-	To add clarity with respect to applicability of	Same as proposed

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
State Bank of Pakistan, may also	Broker Clearing Member, may also be allowed	Standing	
be allowed to provide Standing	to provide Standing Instruction as an acceptable	Instructions for	
Instruction subject to such terms	form of Collateral for advance against bids	development	
and conditions and in accordance	submitted for the GDS auction, margins and	financial	
with the manner prescribed in	Mark-to-Market Loss requirements with	institutions.	
Procedures.	respect to its trades and transactions in the		
	<b><u>Debt Market and / or GDS Market</u></b> subject to		
	such terms and conditions and in accordance		
	with the manner prescribed in the Procedures.		
9.10.2 Clearing & Settlement of	9.10.2 Clearing & Settlement of Custodian	Text update to	Same as proposed
<b>Custodian Clearing Member</b>	Clearing Member	improve clarity of	
		the provisions and	
1. Institutional Delivery System	1. Institutional Delivery System (IDS) module	to include Debt and	
(IDS) module shall facilitate	shall facilitate Custodian Clearing Members for	GDS market.	
Custodian Clearing Members for	clearing and settlement of trades executed by		
clearing and settlement of trades	their clients, through respective TOSB, TSSB and		
executed by their clients, through	TCSB Clearing Members in any of the Markets,		
respective TOSB, TSSB and TCSB	through NCSS.		
Clearing Members in any of the			
Markets, through NCSS.			
5. If such initiated/re-initiated IDS	5. If such initiated/re-initiated IDS transaction is		
transaction is neither affirmed nor	neither affirmed nor rejected within the		
rejected within the specified time	specified time as per Designated Time Schedule,		
as per Designated Time Schedule,	NCSS shall automatically drop it during End of		
NCSS shall automatically drop it	Day (EOD) process from further processing.		
during End of Day (EOD) process	Accordingly, such transactions shall be settled by		
from further processing.	the initiating PCM, TOSB (keeping limited		
Accordingly, such transactions	custody), TSSB and TCSB Clearing Member		
shall be settled by the initiating	through their CDS main account in accordance		
PCM, TOSB (keeping limited	with these Regulations and NCSS—the		
custody), TSSB and TCSB Clearing	Procedures. However, in case of a TCSB and PCM		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Member through their CDS main	providing services to Associated Entities and its		
account in accordance with these	Clients which is a TOSB (keeping no custody),		
Regulations and NCSS Procedures.	such un-affirmed / rejected IDS Transaction shall		
However, in case of a TCSB and	be settled from CDS main account of PCM or		
PCM providing services to	TCSB in accordance with the manner prescribed		
Associated Entities and its Clients	in the Procedures. However, in case of IDS		
which is a TOSB (keeping no	transactions which are initiated by a PCM, TOSB		
custody), such un-affirmed /	(keeping limited custody), TSSB and TCSB		
rejected IDS Transaction shall be	Clearing Member with a client code of IBD as		
settled from CDS main account of	permitted by the Company for trading on behalf		
PCM or TCSB in accordance with	of its clients/Associated entity and its clients, IDS		
the manner prescribed in the	transactions that are neither affirmed nor		
Procedures. However, in case of	rejected within the specified time as per		
IDS transactions which are	Designated Time Schedule shall be settled by the		
initiated by a PCM, TOSB (keeping	initiating PCM, TOSB (keeping limited custody),		
limited custody), TSSB and TCSB	TSSB and TCSB Clearing Member through CDS		
Clearing Member with a client	sub-account of the respective IBD in accordance		
code of IBD as permitted by the	with these Regulations and NCSS the		
Company for trading on behalf of	Procedures.		
its clients/Associated entity and			
its clients, IDS transactions that			
are neither affirmed nor rejected			
within the specified time as per			
Designated Time Schedule shall			
be settled by the initiating PCM,			
TOSB (keeping limited custody),			
TSSB and TCSB Clearing Member			
through CDS sub-account of the			
respective IBD in accordance with			
these Regulations and NCSS			
Procedures.			
6. Custodian Clearing Members	6. Custodian Clearing Members shall not be		
shall not be allowed to edit the	allowed to edit the details of such initiated IDS		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
details of such initiated IDS	transaction posted by the initiating PCM, TOSB		
transaction posted by the	(keeping limited custody), TSSB and TCSB		
initiating PCM, TOSB (keeping	Clearing Member and shall be required to affirm		
limited custody), TSSB and TCSB	or reject such transaction within specified time		
Clearing Member and shall be	as per Designated Time Schedule. In case where		
required to affirm or reject such	IDS Transactions are initiated by a PCM, TOSB		
transaction within specified time	(keeping limited custody), TSSB and TCSB		
as per Designated Time Schedule.	Clearing Member with a client code of an IBD as		
In case where IDS Transactions	permitted by the Company for trading on behalf		
are initiated by a PCM, TOSB	of its clients, Custodian Clearing Member shall		
(keeping limited custody), TSSB	be required to provide the respective CDS sub-		
and TCSB Clearing Member with a	account numbers of IBD clients at the time of		
client code of an IBD as permitted	affirming IDS transactions. It shall be mandatory		
by the Company for trading on	that UIN of such sub-account and UIN provided		
behalf of its clients, Custodian	by PCM, TOSB (keeping limited custody), TSSB		
Clearing Member shall be	and TCSB Clearing Member at the time of		
required to provide the respective	initiation/re-initiation of such IDS Transaction		
CDS sub-account numbers of IBD	are the same and such Custodian Clearing		
clients at the time of affirming IDS	Member is maintaining such sub-account under		
transactions. It shall be	its CDS Participant account.		
mandatory that UIN of such sub-			
account and UIN provided by			
PCM, TOSB (keeping limited			
custody), TSSB and TCSB Clearing Member at the time of			
initiation/re-initiation of such IDS			
Transaction are the same and			
such Custodian Clearing Member			
is maintaining such sub-account			
under its CDS Participant account.			
ander its CDS i ai despaire account.			
All affirmed IDS transactions shall	All affirmed IDS transactions shall be settled by		
be settled by the affirming	the affirming Custodian Clearing Members in		
Custodian Clearing Members in	and animal grantenian ordering members in		
Tarata and Creaming members in			

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
accordance with these Regulations and NCSS Procedures	accordance with these Regulations and NCSS the Procedures.  IDS Module shall also facilitate the Custodian Clearing Members for clearing and settlement of trades and transactions executed on behalf of the clients in the Debt and GDS markets in accordance with the manner and subject to such terms and conditions as are prescribed in the Procedures / Joint Procedures.		
9.10.a.2 Clearing & Settlement of trades in respect of eligible collective investment schemes of an asset management company that are also admitted as Non-Broker Clearing Member.  1. Institutional Delivery System (IDS) module shall facilitate asset management company for clearing and settlement of trades executed for its respective eligible collective investment scheme, through respective TOSB (keeping limited custody), TSSB and TCSB	respect of eligible collective investment	Text update to improve clarity of the provisions	Same as proposed

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Clearing Members in any of the			
Markets, through NCSS.			
5. If such initiated IDS transaction	5. If such initiated IDS transaction is neither		
is neither affirmed nor rejected or	affirmed nor rejected or when the same is		
when the same is rejected by the	rejected by the asset management company		
asset management company	within the specified time as per Designated Time		
within the specified time as per	Schedule, NCSS shall automatically drop it during		
Designated Time Schedule, NCSS	End of Day process from further processing.		
shall automatically drop it during	Accordingly, such transactions shall be settled by		
End of Day process from further	the initiating PCM, TOSB (keeping limited		
processing. Accordingly, such	custody), TSSB and TCSB Clearing Member		
transactions shall be settled by	through their CDS house account in accordance		
the initiating PCM, TOSB (keeping	with these Regulations and NCSS the		
limited custody), TSSB and TCSB	Procedures. However, in case of a PCM and TCSB		
Clearing Member through their	providing services to Associated Entities and its		
CDS house account in accordance	Clients which is a TOSB (keeping no custody),		
with these Regulations and NCSS	such un-affirmed / rejected IDS Transaction shall		
Procedures. However, in case of a	be settled from proprietary CDS-Sub Account of		
PCM and TCSB providing services	the respective TOSB maintained under the PCM		
to Associated Entities and its	and/or TCSB, as the case may be, in accordance		
Clients which is a TOSB (keeping	with the manner prescribed in the Procedures.		
no custody), such un-affirmed /			
rejected IDS Transaction shall be			
settled from proprietary CDS-Sub			
Account of the respective TOSB			
maintained under the PCM and/or			
TCSB, as the case may be, in accordance with the manner			
prescribed in the Procedures.			

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
7. The asset management	7. The asset management company shall		
company shall allocate, all	allocate, all affirmed IDS transaction to		
affirmed IDS transaction to	respective eligible collective investment scheme		
respective eligible collective	through NCSS IDs issued to eligible collective		
investment scheme through NCSS	investment scheme by the Company and		
IDs issued to eligible collective	accordingly, the collective investment scheme		
investment scheme by the	shall settle transaction in NCSS through CDS		
Company and accordingly, the	house account of respective collective		
collective investment scheme	investment schemes, as per the mechanism		
shall settle transaction in NCSS	prescribed under the NCSS Procedures.		
through CDS house account of			
respective collective investment			
schemes, as per the mechanism			
prescribed under the NCSS			
Procedures.			
9.16 Auction of Government	9.16 Auction of Government Debt Securities		
Debt Securities "GDS"	"GDS"	The Collective	Same as proposed
Debt securities GDS	GD3	Investment	
9.16.2 Collection of advance	9.16.2 Collection of advance against bid amount	Schemes through	
against bid amount from Auction	from Auction Participants:	its Trustee is	
Participants:	Trom raction ranticipants.	eligible to provide	
	a. The Auction Participants shall deposit with	an irrevocable	
a. The Auction Participants shall	the Company, advance against the bids	undertaking against	
deposit with the Company,	submitted with the Exchange. The amount of	the advance	
advance against the bids	advance to be deposited against the bid	required to be	
submitted with the Exchange.	amount shall be prescribed and notified by	deposited for bid	
The amount of advance to be	the Company in accordance with the manner	amount. The Scope	
deposited against the bid	prescribed in the Procedures/Joint	of this undertaking	
amount shall be prescribed	procedures.	has been proposed	
and notified by the Company		to be further	
in accordance with the		extended to cover	
in accordance with the manner prescribed in the Procedures/Joint procedures.		extended to cover the margins, mark- to-market losses	

		Existing Regulations				Final Regulations	
I	an fro as tin ca / su	The advance against the bid nount shall be collected on the Auction Participant per the notified designated ne schedule in the form of sh, Standing Instruction and or irrevocable undertaking bject to following inditions:	b.	The advance against the bid amount shall be collected from the Auction Participant as per the notified designated time schedule in the form of cash, Standing Instruction and / or irrevocable undertaking subject to following conditions:	value pe trades transacti executed Collective Investme	l by such	
	I.	Auction Participants that are Clearing Members of the Company, except for banks, development financial institution, and collective investment schemes, shall be eligible to deposit the advance in the form of Cash only.	i	Members of the Company, except for those Non-Broker Clearing Members that are banks, development financial institution, and collective investment schemes, shall be eligible to deposit the advance in the form of Cash only.			
	II.	Auction Participants that are banks or development financial institutions and admitted as Non-Broker Clearing Members of the Company, shall be eligible to deposit the advance in the form of Cash and / or Standing Instruction.	i	Auction Participants that are banks or development financial institutions and admitted as Non-Broker Clearing Members of the Company, shall be eligible to deposit the advance in the form of Cash and / or Standing Instruction.			
	III.	Auction Participants that are Collective Investment Schemes and admitted as	iii	Auction Participants that are Collective Investment Schemes and admitted as Non-Broker Clearing Members of the			

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Non-Broker Clearing	Company, shall be eligible to deposit the		
Members of the	advance in the form of Cash and / or		
Company, shall be eligible	irrevocable undertaking.		
to deposit the advance in			
the form of Cash and / or	"irrevocable undertaking" for the		
irrevocable undertaking.	purpose of Regulation 9.16 shall mean		
	an undertaking provided by the Trustee		
"irrevocable undertaking"	of the Collective Investment Scheme in		
for the purpose of	the prescribed form to the Company		
Regulation 9.16 shall	confirming the availability of the bid		
mean an undertaking	amount and the amount payable to the		
provided by the Trustee	Company against the exposure		
of the Collective	margins, mark-to market losses and		
Investment Scheme in the	Settlement Value with respect to trades		
prescribed form	and transactions executed in the Debt		
confirming the availability	Market and GDS Market by such		
of the bid amount to the	Collective Investment Scheme. <u>to the</u>		
Company	<u>Company</u>		
9B.10 IDS and IDSC Transactions:	9B.10 IDS and IDSC Transactions:	Enabling provisions	Same as proposed
		have been added to	
a) The PCM shall be allowed for	a) The PCM shall be allowed for initiation of	prescribe	
initiation of IDSC transactions.	IDS/IDSC transactions for all Markets, as	operational details	
Where the IDSC transaction is	applicable. Where the IDSC transaction is	relating to PCM's	
affirmed by the CCM, settlement	affirmed by the CCM, settlement obligation will	IDS transactions in	
obligation will shift to the CCM,	shift to the CCM. However, the margins	the Debt	
however, the margins deposited	deposited by the PCM shall not be released till	Market/GDS	
by the PCM shall not be released	the Settlement Date. However, where such IDSC	Market through	
till the Settlement Date. However,	transactions remained un-affirmed or are	addition of Joint	
where such IDSC transactions	rejected by the CCM, Balance Order will be	Procedures.	
remained un-affirmed or are	generated in the CDS main account of PCM.	Further, the	

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
rejected by the CCM, Balance		provision	
Order will be generated in the CDS		prohibiting release	
main account of PCM.		of margins	
		deposited by PCM	
c) All provisions stipulated under	c) All provisions stipulated under these	with respect to	
these Regulations pertaining to	Regulations pertaining to clearing and	affirmed IDS	
clearing and settlement of IDS and	settlement of IDS and IDSC transactions shall	Transactions is	
IDSC transactions shall remain	remain applicable to the PCM subject to such	proposed to be	
applicable to the PCM subject to	terms and conditions, if any, as may be	removed.	
such terms and conditions, if any,	prescribed by the Company in the Procedures /		
as may be prescribed by the	Joint Procedures.		
Company in the Procedures.			
CHAPTER 10 BALANCE ORDER SYST	ΓΕΜ		
10.11 Non-delivery Charges	10.11 Non-delivery Charges		Same as proposed
10.11.1 Without prejudices to or	10.11.1 Without prejudices to or in any manner	Since Margins	
in any manner limiting the	limiting the obligations of a delivering Clearing	requirements are	
obligations of a delivering Clearing	Member as set out in these Regulations and/or	reduced, the penal	
Member as set out in these	the Procedures arising from his failure to deliver	charges on	
Regulations and/or the	any Securities by the Designated Time on a	transaction failure	
Procedures arising from his failure	Settlement Date pursuant to a Security delivery	are proposed to be	
to deliver any Securities by the	order (Balance Order Settlement) or pursuant to	increased to ensure	
Designated Time on a Settlement	squaring-up process, the Clearing Member shall	trading discipline	
Date pursuant to a Security	pay to the Company (in addition to his above		
delivery order (Balance Order	referred obligations) non-delivery charges for		
Settlement) or pursuant to	each non-delivery per Security at the rate of		
squaring-up process, the Clearing	0.5% of the System Price established on		
Member shall pay to the Company	Settlement Date of the undelivered securities,		
(in addition to his above referred	subject to a minimum of Rs. 2,000/- (Rupees:		
obligations) non-delivery charges	Two thousand only).		
for each non-delivery per Security			
at the rate of 0.5% of the System	Whereas such delivery default occurs in Debt		
Price established on Settlement	Market Securities, non-delivery charges for each		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Date of the undelivered securities,	non-delivery per Security at the rate of 1% of the		
subject to a minimum of Rs.	System Price established on Settlement Date of		
2,000/- (Rupees: Two thousand	the undelivered Security, subject to a minimum		
only).	of Rs. 10,000/ (Rupees: Ten thousand only).		
Whereas such delivery default occurs in Debt Market Securities, non-delivery charges for each non-delivery per Security at the rate of 1% of the System Price established on Settlement Date of the undelivered Security, subject to a minimum of Rs. 10,000/-(Rupees: Ten thousand only).	Market and / or GDS Market (excluding trades relating to NDM Reporting Interface), non-delivery charges for each non-delivery per Security, at the rate of 1% of the System Price established on Settlement Date of the		
In addition to non-delivery charges prescribed under Regulation 10.11.1 above, TOSB (keeping limited custody), TSSB and TCSB Clearing Member acting as Designated Market Maker shall be liable to pay enhanced delivery default charges on monthly basis subject to following conditions:	In addition to non–delivery charges prescribed under Regulation 10.11.1 above, TOSB (keeping limited custody), TSSB and TCSB Clearing Member acting as Designated Market Maker and / or Market Maker for Listed Debt Securities including GDS shall be liable to pay enhanced delivery default charges on monthly basis subject to following conditions:	Clearing Members acting as Market Maker for GDS have also been included.	
<ul> <li>where delivery failure of one specific Exchange Traded Fund 'ETF' exceeds 3% of total shares bought or sold during the month, whichever is lower by the Designated</li> </ul>	Exchange Traded Fund 'ETF' / Listed <u>Debt Securities including GDS</u> exceeds  3% of total shares / debt securities		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Market Maker, non-delivery	Market Maker and / or Market Maker		
charges at the rate of 1% of	for Listed Debt Securities including GDS,		
the System Price established	non-delivery charges at the rate of 1% of		
on Settlement Date of the	the System Price established on		
undelivered ETF, subject to a	Settlement Date of the undelivered ETF		
minimum of Rs. 4,000/-	/ Listed Debt Securities including GDS,		
(Rupees: Four thousand only)	subject to a minimum of Rs. 4,000/-		
shall be imposed. These	(Rupees: Four thousand only) shall be		
enhanced charges shall be	imposed. These enhanced charges shall		
applied for a period of six	be applied for a period of six months.		
months.			
where delivery failure of one	where delivery failure of one specific ETF		
specific ETF exceeds 3% of	/ Listed Debt Securities including GDS		
total shares bought or sold for	exceeds 3% of total shares / debt		
two consecutive months by	<u>securities</u> bought or sold for two		
the Designated Market	consecutive months by the Designated		
Maker, non-delivery charges	Market Maker and / or Market Maker		
at the rate of 2% of the	for Listed Debt Securities including GDS,		
System Price established on	non-delivery charges at the rate of 2% of		
Settlement Date of the	the System Price established on		
undelivered ETF Securities,	Settlement Date of the undelivered ETF		
subject to a minimum of Rs.	Securities / Listed Debt Securities including		
8,000/- (Rupees: eight	GDS, subject to a minimum of Rs. 8,000/-		
thousand only) shall be	(Rupees: eight thousand only) shall be		
imposed. These enhanced	imposed. These enhanced charges shall		
charges shall be applied for a	be applied for a period of twelve		
period of twelve months.	months.		
	STEM FOR TRADE-FOR TRADE SETTLEMENT		
10A.1 Deliver Security balance	10A.1 Deliver Security balance order and	Text Improvement	Same as proposed
order and receive Security	receive Security balance order under Balance	and including	
balance order under Balance	Order Accounting Operation for Trade-for-	provisions relating	
Order Accounting Operation for	Trade Settlement	to T+0 settlement	
Trade-for-Trade Settlement		in case of NDM	
		Reporting Interface	

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
<b>10A.1.1</b> The Company will	10A.1.1 The Company will conduct a Balance	for GDS.	
conduct a Balance Order	Order Accounting Operation based upon Balance		
Accounting Operation based upon	Order Contracts pursuant to which the Company		
Balance Order Contracts pursuant	will determine the gross deliver and receive		
to which the Company will	Security obligations of every Debt Market trade,		
determine the gross deliver and	GDS Market trade and NDM Reporting Interface		
receive Security obligations of	Trade of each CDS main, temporary account,		
every Debt Market trade, GDS	investor account, house and/or sub-account		
Market trade and NDM Reporting	maintained with a Clearing Member and prepare		
Interface Trade of each CDS main,	Balance Order and Transmit to CDS and Clearing		
temporary account, investor	Members accordingly at Designated Time by		
account, house and/or sub-	Settlement Date as per the following		
account maintained with a	mechanism:		
Clearing Member and prepare			
Balance Order and Transmit to			
CDS and Clearing Members			
accordingly at Designated Time by			
Settlement Date as per the following mechanism:			
Tollowing mechanism:			
h) However, in case of partial	h) However, in case of partial payment and		
payment and partial delivery,	partial delivery, settlement shall be processed on		
settlement shall be processed on	the basis of written request by both Clearing		
the lbasis of written request by	Members, identifying the defaulted UIN(s) and		
both Clearing Members,	consent of Clearing Member in respect of		
identifying the defaulted UIN(s)	acceptance of partial delivery or payment, within		
and consent of Clearing Member	the Designated Time Schedule, the Company		
in respect of acceptance of partial	shall initiate settlement process proportionately		
delivery or payment, within the	for such partial payment and partial delivery. In	Text Improvement.	
Designated Time Schedule to the	case of non-submission of said written request		
Company shall initiate settlement	by the concerned Clearing Member, within the		
process proportionately for such	Designated Time Schedule, the Company shall		
partial payment and partial	initiate settlement process proportionately for		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
delivery In case of non-submission	such partial payment and partial delivery		
of said written request by the	subject to consent of concerned Clearing		
concerned Clearing Member,	Member. in such case the Company shall initiate		
within the Designated Time	following closed-out proceedings:		
Schedule, the Company shall			
initiate settlement process			
proportionately for such partial			
payment and partial delivery			
subject to consent of concerned			
Clearing Member. In such case the			
Company shall initiate following			
closed-out proceedings:			
		Provision added to	
ii. for trades pertaining to	ii. for trades pertaining to the NDM, the	refer Procedures /	
the NDM the relevant trade(s)	relevant trade(s) shall be closed-out at the trade	Joint Procedures	
shall be closed-out at the trade	price of such trade(s). However, in case where	for operational	
price of such trade(s). However, in	the partial delivery or payment is not acceptable	details relating to	
case where the partial delivery or	to counter Clearing Member, the partial delivery	GDS related NDM	
payment is not acceptable to	or payment shall be returned to defaulting	transactions to be	
counter Clearing Member, the	Clearing Member.	settled on T+0	
partial delivery or payment shall			
be returned to defaulting Clearing		Provisions	
Member.		restricting	
		settlement of	
New Insertion	Provided that the Company shall settle NDM	trades in Market on	
	Reporting Interface related trades for GDS on	T+0 are removed	
	T+0 settlement cycle in accordance with the		
	manner and subject to terms and conditions as		
	may be prescribed by the Company in the		
	Procedures / Joint Procedures.		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Provided that the Company shall	Provided that the Company shall not conduct a		
not conduct a Balance Order	Balance Order Accounting Operation on the		
Accounting Operation on the	trades executed between two Securities		
trades executed between two	Brokers in the NDM Reporting Interface for T+0		
Securities Brokers in the NDM	settlement sycle except under such		
Reporting Interface for T+0	circumstances as may be prescribed by the		
settlement cycle except under	Company in the Procedures / Joint Procedures.		
such circumstances as may be			
prescribed by the Company in the			
Procedures.			
CHAPTER 12 RISK MANAGEMENT	BY THE COMPANY		
12.4 EXPOSURE AND NETTING:	12.4 EXPOSURE AND NETTING:	Amendments	Same as proposed
		proposed for text	
12.4.1 Determination of	12.4.1 Determination of Exposure:	improvement and	
Exposure:	-	clarity.	
	(b) the Non-Broker Clearing Members shall be		
(b) the Non-Broker Clearing	required to affirm their auto-initiated		
Members shall be required to	institutional delivery system (IDS) transaction(s)	The provisions have	
affirm their auto-initiated	which are executed by the TOSB (keeping limited	been added to clarify that similar to Non-	
institutional delivery system (IDS)	custody), TSSB & TCSB Clearing Member as per	Broker Clearing	
transaction(s) which are executed	their instructions in terms of these Regulations	Members, in case an	
by the TOSB (keeping limited	and Procedures. Further, the Non-Broker	eligible entity which is	
custody), TSSB & TCSB Clearing	Clearing shall be required to affirm the IDS	a Non-Broker Debt	
Member as per their instructions	transaction(s) initiated by PCM and/or TCSB	Market Clearing	
in terms of these Regulations and	Clearing Member on behalf of its Associated	Member, fails to	
Procedures. Further, the Non-	Entities and its Clients and per the terms and	affirm the auto	
Broker Clearing shall be required	conditions prescribed in the Procedures. The	initiated IDS	
to affirm the IDS transaction(s)	Custodian Clearing Members shall be required to	transaction in a debt	
initiated by PCM and/or TCSB	affirm their initiated IDS transaction(s) on behalf	security or rejects such IDS transactions.	
Clearing Member on behalf of its	of their clients after successful pre-matching	it shall also be liable	
Associated Entities and its Clients	which are executed by the respective TOSB	to pay a penalty for	
and per the terms and conditions	(keeping limited custody), TSSB & TCSB Clearing	such failure to affirm	

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
prescribed in the Procedures. The	Members as per the instructions of clients in	or rejection of IDS	
Custodian Clearing Members shall	terms of these Regulations and Procedures.	transactions in	
be required to affirm their	Whereas, CDC, being a Non-Broker Clearing	accordance with the	
initiated IDS transaction(s) on	Member, shall also be required to affirm auto-	Procedures.	
behalf of their clients after	initiated IDS transaction(s) of its clients which		
successful pre-matching which	are executed by the TOSB (keeping limited		
are executed by the respective	custody), TSSB & TCSB Clearing Member in terms		
TOSB (keeping limited custody),	of these Regulations and Procedures made there		
TSSB & TCSB Clearing Members as	under. Further, asset management companies,		
per the instructions of clients in	being a Non-Broker Clearing Member, shall also		
terms of these Regulations and	be required to affirm auto-initiated IDS		
Procedures. Whereas, CDC, being	transaction(s) of its eligible collective investment		
a Non-Broker Clearing Member,	schemes which are executed by the TOSB		
shall also be required to affirm	(keeping limited custody), TSSB & TCSB Clearing		
auto-initiated IDS transaction(s)	Member in terms of these Regulations and		
of its clients which are executed	Procedures. Accordingly, the Company shall		
by the TOSB (keeping limited	manage the risk of its Non-Broker Clearing		
custody), TSSB & TCSB Clearing	Members in terms of this Chapter in respect of		
Member in terms of these	the IDS transactions affirmed by such Clearing		
Regulations and Procedures made	Members in order to monitor and mitigate the		
there under. Further, asset	risks arising out of such affirmed IDS		
management companies, being a	transactions. In case an auto-initiated IDS		
Non-Broker Clearing Member,	transaction is not affirmed or is rejected by the		
shall also be required to affirm	Non-Broker Clearing Member and / or Non-		
auto-initiated IDS transaction(s)	Broker Debt Market Clearing Member, the		
of its eligible collective	Company shall impose a penalty, as provided in		
investment schemes which are	Fee, Charges and Deposits Schedule on the		
executed by the TOSB (keeping	concerned Non- Broker Clearing Member and /		
limited custody), TSSB & TCSB	or Non-Broker Debt Market Clearing Member		
Clearing Member in terms of	or the PCM, TOSB (keeping limited custody),		
these Regulations and	TSSB & TCSB Clearing Member as the case may		
Procedures. Accordingly, the	be in accordance with the Procedures.		
Company shall manage the risk of			
its Non-Broker Clearing Members			

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
in terms of this Chapter in respect of the IDS transactions affirmed by such Clearing Members in order to monitor and mitigate the risks arising out of such affirmed IDS transactions. In case an autoinitiated IDS transaction is not affirmed or is rejected by the Non-Broker Clearing Member, the Company shall impose a penalty, as provided in Fee, Charges and Deposits Schedule, on the concerned Non- Broker Clearing Member or the PCM, TOSB (keeping limited custody), TSSB & TCSB Clearing Member as the case may be in accordance with the Procedures.	. 0	Notice that the second	
12.5 EXPOSURE MARGINS: 12.5.1 Margin requirements:  (f) In case of Debt Market, the Exposure Margins shall be calculated on the following rule	12.5 EXPOSURE MARGINS: 12.5.1 Margin requirements:  (f) In case of Debt Market, the Exposur Margins shall be calculated on the following rul based Margin slabs:		(f) In case of Debt Market, the Exposure
based Margin slabs:	Issue Size of Listed Debt Margin% on Market Securities Exposure	2. Further, to remove the	10000 0100 01 01000 0 0 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 1000 0 10
Issue Size of Listed Debt on Exposure Securities  Up to Rs.1 billion 1%	Up to Rs.1 billion 1% Between Rs.1 billion and Rs.3 1.5% billion Above Rs. 3 billion 2%	requirement for collecting exposure margins from the brokers Debt Market Clearing	Between Rs.1 billion and Rs.3 billion Above Rs. 3 billion 2%

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
	Provided further, that if such transactions are	prescribed in	Provided further, that if such transactions are
	either rejected or remain un-affirmed by the	the Procedures.	either rejected or remain un-affirmed by the
	concerned Non-Broker Debt Market Clearing		concerned Non-Broker Debt Market Clearing
	Member, under such circumstances the trades		Member, under such circumstances the trades
	shall be reverted back to the initiating Broker		shall be reverted back to the initiating Broker
	Debt Market Clearing Member and it shall be		Debt Market Clearing Member and it shall be
	liable to deposit the exposure margin and mark-		liable to deposit the exposure margin and mark-
	to-market losses with respect to such trades		to-market losses with respect to such trades
	within the time specified in Designated Time		within the time specified in Designated Time
	Schedule.		Schedule.
	On failure of the Broker Debt Market Clearing		On failure of the Broker Debt Market Clearing
	Member to deposit the exposure margin and		Member to deposit the exposure margin and
	mark-to market losses against the rejected or		mark-to market losses against the rejected or
	un-affirmed IDS Transactions in GDS, the		un-affirmed IDS Transactions in GDS, the
	Company shall take appropriate action in		Company shall take appropriate action in
	accordance with Chapter 12 of these		accordance with Chapter 12 of these
	Regulations. Additionally, such initiating Broker		Regulations. Additionally, such initiating Broker
	<u>Debt Market Clearing Member shall be liable to</u>		<u>Debt Market Clearing Member shall be liable to</u>
	pay affirmation failure charges at the rates		pay affirmation failure charges at the rates
	prescribed by the Company in the Procedures.		prescribed by the Company in the Procedures.
	Any failure or delay in depositing the		Any failure or delay in depositing the
	affirmation failure charges shall be dealt with in		affirmation failure charges shall be dealt with in
	accordance with the manner prescribed in the		accordance with the manner prescribed in the
	Procedures / Joint Procedures.		Procedures / Joint Procedures.
<b>12.7.19</b> On the occurrence of a	<b>12.7.19</b> On the occurrence of a failure by a Debt	4. To include	Same as proposed
failure by a Debt Market Clearing	Market Clearing Member to fulfill his Margin	measures to	
Member to fulfill his Margin	and/or Mark to-Market Losses requirements	discipline	
and/or Mark to-Market Losses	within the period stipulated for this purpose in	trading activity	
requirements within the period	this Chapter, the Company may issue a notice to	by imposing	
stipulated for this purpose in this	such Debt Market Clearing Member and take	affirmation	
Chapter, the Company may issue	action in the following manner:	failure charges.	
a notice to such Debt Market			

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
Clearing Member and take action		5. Text	
in the following manner:	(c) In case of Professional Clearing Member	improvement	
	"PCM":		
In case of PCM:			
	(c) The notice, as mentioned above, shall also be		
(c) The notice, as mentioned	sent to the Exchange. Upon receipt of such		
above, shall also be sent to the	notice, such <b>PCM</b> Clearing Member shall be		
Exchange. Upon receipt of such	required to deposit required Market Collateral		
notice, such Clearing Member	within the time specified in the said notice. In		
shall be required to deposit	case where such <b>PCM</b> Clearing Member fails to		
required Market Collateral within	deposit required Market Collateral within the		
the time specified in the said	time specified in the said notice, such Clearing		
notice. In case where such	Member shall be required to identify the		
Clearing Member fails to deposit	defaulted UIN. Accordingly, the Company shall		
required Market Collateral within	restrict such UIN's access and ability to take any		
the time specified in the said	further Position in the Debt Market and / or GDS		
notice, such Clearing Member	Market.		
shall be required to identify the			
defaulted UIN. Accordingly, the			
Company shall restrict such UIN's			
access and ability to take any			
further Position in the Debt			
Market and / or GDS Market.			
12.7.20 Failure by a Debt Market	12.7.20 Failure by a Debt Market Clearing		
Clearing Member to meet Trade-	Member to meet Trade-for-Trade settlement		
for-Trade settlement obligation	obligation		
101-11aue settlement obligation	Obligation		
(a) In case where Debt Market	(a) In case where Debt Market Clearing Member		
Clearing Member fails to settle its	fails to settle its money obligation, the relevant		
money obligation, the relevant	trade (s) shall be closed-out at the Trade Price of		
trade (s) shall be closed-out at the	such trade(s). However, in case of partial		
Trade Price of such trade(s).	payment, close-out process shall only be		
However, in case of partial	applicable on the basis <u>and</u> on conditions		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
payment, close-out process shall only be applicable on the basis on	explained in Regulation 10A.1.1(h) of Chapter 10A of these Regulations; and		
conditions explained in	10/10/ these negalations, and		
Regulation 10A.1.1(h) of Chapter			
10A of these Regulations; and			
<b>3</b>			
<b>12.7.21</b> The above mentioned close-out proceedings shall be executed in the following manner:	<b>12.7.21</b> The above mentioned close-out proceedings shall be executed in the following manner:		
(a) In case where Exposure Margins are deposited by the defaulting Debt Market Clearing Member, the relevant trade(s) shall be closed-out at the Trade Price of defaulted trade along with the said Exposure Margins with the Company;	(a) In case where Exposure Margins are deposited by the defaulting Debt Market Clearing Member, the relevant trade(s) shall be closed-out at the Trade Price of defaulted trade along with the said Exposure Margins with the Company;		
(b) In case where partial Exposure Margins are deposited by the defaulting Debt Market Clearing Member, the relevant trade(s) shall be closed-out at the Trade Price of defaulted trade(s) along with the proportionate allocation of such partial Exposure Margins; and	(b) In case where partial Exposure Margins are deposited by the defaulting Debt Market Clearing Member, the relevant trade(s) shall be closed-out at the Trade Price of defaulted trade(s) along with the proportionate allocation of such partial Exposure Margins; and		
(c) In case where no Exposure Margins are deposited by the defaulting Debt Market Clearing Member, the relevant trade(s)	(c) In case where no Exposure Margins are deposited by the defaulting Debt Market Clearing Member, the relevant trade(s) shall be closed-out at the Trade Price of defaulted trade(s) only.		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
shall be closed-out at the Trade			
Price of defaulted trade(s) only.			
Provided that for GDS, the	· ,		
Company shall prescribe the	prescribe the proportionate allocation of		
proportionate allocation of	Exposure Margin, where applicable, in		
Exposure Margin in accordance	accordance with the manner and subject to		
with the manner and subject to Terms and Conditions as are	Terms and Conditions as are prescribed in the Procedures.		
prescribed in the Procedures.	Procedures.		
prescribed in the Procedures.	Provided further, that the Company shall		
New Insertion	impose a settlement obligation failure charges		
New Insertion	on all such Debt Market Clearing Members at		
	the rate and subject to terms and conditions as		
	defined in the Procedure / Joint Procedures.		
<b>12.7.22</b> The following penalties	12.7.22 The following penalties, in addition to		
shall be imposed by the Company	the charges prescribed in Regulations 12.7.21		
in case of default of a Debt Market	above, shall be imposed by the Company in case		
Clearing Member:	of default of a Debt Market Clearing Member:		
(a) The defaulted UIN, as	(a) The defaulted UIN, as identified by the Debt		
identified by the Debt Market	Market Clearing Member in Regulation 10A.1.1		
Clearing Member in Regulation	(h) of Chapter 10A of these Regulations, shall be		
10A.1.1 (h) of Chapter 10A of	restricted from taking any new Position in the		
these Regulations, shall be	Debt Market and / or GDS Market for a period of		
restricted from taking any new Position in the Debt Market and /	six months.		
or GDS Market for a period of six			
months.			
months.			
(b) In case of more than one	(b) In case of more than one default by the same		
default by the same UIN with the	UIN with the same Debt Market Clearing		
same Debt Market Clearing	Member, such Debt Market Clearing Member		

Existing Regulations	Proposed Regulations	Rationale	Final Regulations
*	·		

Schedule-II 
FORM OF EXPOSURE MARGINS, MARK-TO-MARKET LOSSES, SPECIAL MARGINS, CONCENTRATION MARGINS, LIQUIDITY MARGINS AND ADDITIONAL MARGINS DEPOSITS

SR NO.	MARKET	EXPOSURE MARGINS	MARK-TO- MARKET LOSSES	SPECIAL MARGIN	CONCENTRA TION MARGINS	LIQUIDITY MARGINS	ADDITIONAL MARGINS
9	Debt Market and GDS Market)	Cash, Near Cash Instruments and/or Bank Guarantee/and/ or Standing Instructions (refer note 3) /irrevocable undertaking (refer note 3a)	Cash and / Standing Instructions (refer note 3) / irrevocable undertaking (refer note 3a)	Not applicable	Not applicable	Not applicable	Not applicable

#### Note:

#### A. General:

- 3. Standing Instruction shall be an acceptable form of collateral only from following Clearing Members:
  - a. Custodian Clearing Member(s) that are clearing and settling trades and transactions of its clients that are foreign investors and meeting any other terms and conditions as may be prescribed by the Company from time to time. The Company shall have absolute discretion to determine the Custodian Clearing Members eligible for providing Standing Instructions and may impose any condition, considered expedient, before accepting Standing Instruction from a Custodian Clearing Member.
  - b. Banks and development financial institutions admitted as <u>Debt Market</u> Clearing Members <del>only</del> with respect to trades and transactions carried out in <u>Debt Market</u> / GDS Market.

3a. The irrevocable undertaking shall be an acceptable form of collateral from the collective investment schemes that have been admitted as a Non-Broker Debt Market Clearing Member only with respect to trades and transactions carried out in Debt Market / GDS Market.

3b. No margin or MTM loss shall be collected with respect to trades carried out in the Debt / GDS Marked based on T+0 settlement cycle.