
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/CLEARING-044/2024

Date : August 01, 2024

Subject : Segregation and Monitoring of Collateral at Client Level

This is in partial modification to our Master Circular No. NCCL/CLEARING-017/2024 dated April 08, 2024 on Collateral Formats.

Clearing Members are required to take note of the following:

Currently, while processing the deallocation request and release of cash equivalent collateral provided through pledge / re-pledge mechanism, system validates real-time margin requirement of the respective client/CP. This validation is discontinued to enable members to submit deallocation requests against reduction in client/CP collaterals. Accordingly, members are required to take note of the following while submitting deallocation requests:

1. Deallocation request shall not exceed the value of allocation done for the client/CP.
2. Members shall take into consideration the impact of deallocation / release on the eligible value of non-cash collaterals pledged / re-pledged with NCCL and the resultant change in effective deposit of the client on account of the cash and cash equivalent to non-cash ratio.
3. Any margin shortfall pursuant to deallocation request or release of cash equivalent collaterals through pledge / re-pledge mechanism shall be blocked from TM Proprietary effective deposit of the TM of such client.
4. Similarly, in case of CP, the residual margin utilisation shall be blocked from CM Proprietary effective deposit of the CM of such CP.
5. Other provisions of the above-mentioned circular shall continue to prevail and there shall be no change in the file formats and validations related to other error codes.
6. Clearing Member and Trading Member requests for collateral release shall continue to be validated against the real time margin utilisation.

The changes shall be effective from trade date August 5, 2024.

For and on behalf of
National Commodity Clearing Limited

Sweedin Satav
Senior Vice President

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 6007
 2. Customer Service Group by e-mail to : contactus@nccl.co.in
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