NOTICES

Notice No.	20230126-1	**Notice Date**	26 Jan 2023
Category	Settlement/RMS	**Segment**	General
Subject	Segregation and Monitoring of Collateral at Client Level - Penalty mechanism for Short Allocation		

Content

To
All Members/Participants,

In continuation to ICCL Circular No. 20220429-14 dated April 29, 2022, members may please note that implementation of penalty for short allocation (on maximum amount of short allocation based on EOD well as intraday basis) would be implemented from trade date **February 13, 2023** instead of February 01, 2023.

Further, in continuation to ICCL Circular No. 20220819-5 dated August 19, 2022, regarding Segregation and Monitoring of Collateral at Client Level - Penalty mechanism for EOD Short Allocation, wherein it was specified that members shall have an opportunity to report amount of client collateral available against segment wise short allocation. Now, in view of implementation of penalty for short allocation (on maximum amount of short allocation based on EOD well as intraday basis), the file formats to be considered for uploading the reporting to the clearing corporation is amended as below.

The file shall be provided on a T+1 basis, the reporting shall be done by T+5 working days from the trade date. For example, file for February 13, 2023, shall be provided on February 14, 2023, and reporting for the same shall be accepted till EOD of February 20, 2023.

1. Short allocation report for Clearing / Trading Members
Clearing Members/ Trading Members will be provided with files for reporting of reasons for short allocation. The files will contain the following details:

Trade Date	DD-MM-YYYY
Clearing Member code	
Trading Member Code	
Client Code	
CP Code	
Allocated Collateral (I)	
Margin Required (J)	
Short Allocation (K= J - I)	
Indicator	E for EOD and respective snapshot number for intraday

Note: The Short Allocation figures in K will be after adjustment of excess collateral lying in other segments.

File format: CSV files
File Name:

File name	Member type
SHORTALLOCATION_CM_CLGNO_DDMMYYYY.CSV	CM
SHORTALLOCATION_TM_CLGNO_DDMMYYYY.CSV	TM

2. Reporting to be done by Clearing / Trading member for short allocation:
The Clearing / Trading Members will be required to report the files to ICCL in the following format:

Trade Date	As provided in short allocation report (in point 1 above)
Clearing Member code	As provided in short allocation report (in point 1 above)
Trading Member Code	As provided in short allocation report (in point 1 above)
Client Code	As provided in short allocation report (in point 1 above)
CP Code	As provided in short allocation report (in point 1 above)
Allocated Collateral (I)	As provided in short allocation report (in point 1 above)
Margin Required (J)	As provided in short allocation report (in point 1 above)
Short Allocation (K= I-J)	As provided in short allocation report (in point 1 above)
Indicator	As provided in short allocation report (in point 1 above)
Reason Code*	To be reported by Member
Excess Collateral with NCL	To be reported by Member
Excess Collateral with MCCIL	To be reported by Member
Excess Collateral with MCXCCL	To be reported by Member
Excess Collateral with NCCL	To be reported by Member

If reason code is updated as '01' then the clearing member will also update the amount in the column pertaining to the respective CC.
Reason Codes
01 – Excess Collateral with other CC
02 – Value of securities sold for which EPI has been done by end of day to CC
03 – Trades done on behalf of NRI clients
04 – Trades executed for CP clients by trading members awaiting custodian acceptance (available only for TM's)
05 – Trades executed in wrong client code codes (Only available for Indicator other than "E")
06 – Allocation request submitted to ICCL however allocation request accepted later (Only available for Indicator other than "E")

File format: CSV files
File Name:

File name	Member type
SHORTALLOCATION_CM_CLGNO_DDMMYYYY_NN.CSV	CM
SHORTALLOCATION_TM_CLGNO_DDMMYYYY_NN.CSV	TM

Note :

- Latest incremental no (NN) file to be considered for the respective member.
- Each batch should contain entire records with reason code, wherever applicable

3.   Response file to Clearing / Trading member for short allocation:
Response to member will be provided in the following format:

Date	As provided in short allocation report (in point 1 above)
Clearing Member code	As provided in short allocation report (in point 1 above)
Trading Member Code	As provided in short allocation report (in point 1 above)
Client Code	As provided in short allocation report (in point 1 above)
CP Code	As provided in short allocation report (in point 1 above)
Allocated Collateral (I)	As provided in short allocation report (in point 1 above)
Margin Required (J)	As provided in short allocation report (in point 1 above)
Short Allocation (K= I-J)	As provided in short allocation report (in point 1 above)
Indicator	As provided in short allocation report (in point 1 above)
Reason Code	As uploaded by Member in Short allocation report (in point 2 above)
Excess Collateral with NCL	As uploaded by Member in Short allocation report (in point 2 above)
Excess Collateral with MCCIL	As uploaded by Member in Short allocation report (in point 2 above)
Excess Collateral with MCXCCL	As uploaded by Member in Short allocation report (in point 2 above)
Excess Collateral with NCCL	As uploaded by Member in Short allocation report (in point 2 above)
Response*	S/R
Reason*	Reason will be given for rejected record

*ICCL remarks as per reason code provided by member
- S stands for Successful import of record in the system
- R stands for Rejection of record
  – Reason to be populated as below:
    ▪ Incorrect reason code
    ▪ Invalid file details
    ▪ Invalid file format
    ▪ Negative amount in file
File format: CSV files
File Name:

File name	Member type
SHORTALLOCATION_CM_R_CLGNO_DDMMYYYY_NN.CSV	CM
SHORTALLOCATION_TM_R_CLGNO_DDMMYYYY_NN.CSV	TM

4.   Penalty file to Clearing / Trading member for EOD short allocation:
File format for penalty on End of day short allocation report:

Trade Date	
Clearing Member code	
Trading Member Code	
Client Code	
CP Code	
Allocated Collateral (I)	
Margin Required (J)	
Highest intraday peak margin short reported (K)	
End of day short margin reporting (L)	
End of day short allocation of amount (M= J-I)	
Intraday short allocation amount	Highest intraday short allocation amount
Final Shortfall (O = Max (K,L,M,N))	
Penalty amount excluding GST (P=O*Penalty %)	

File format: CSV files
File Name:

File name	Member type
SHORTALLOCATION_PNLCM_CLGNO_DDMMYYYY.CSV	CM
SHORTALLOCATION_PNLTM_CLGNO_DDMMYYYY.CSV	TM

In case of any clarifications, members may contact their respective Relationship Managers or below mentioned contacts:

Membership & Inspection Dept. for compliance aspect	+91-22-22728365/8788/5075/5744	iccl.membership@icclindia.com

For and on behalf of Indian Clearing Corporation Ltd.

Roanna Lewis
Sr. Manager
Membership & Inspection