

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

TRIPARTY REPO (DEALING) SEGMENT REGULATIONS

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CHAPTER I: INTRODUCTION

These Regulations shall be known as Clearcorp Dealing Systems (India) Limited Triparty Repo (Dealing) Segment Regulations and shall relate to the following activities-

- i. Dealing in Triparty Repo Dealing System with anonymity; and/or
- ii. Reporting of bilateral Triparty Repo trades in eligible collateral concluded by Members outside the anonymous Triparty Repo Dealing System on its introduction;
- iii. Trades received as per above (i) and (ii) shall be for clearing and settlement through the Clearing Corporation.

CHAPTER II: APPLICABILITY AND DEFINITIONS

These Regulations shall be applicable to all Members/ Associate Members admitted to the Triparty Repo (Dealing) Segment of Clearcorp.

DEFINITIONS:

- (a). **TREPS:** “TREPS” means and includes Triparty Repo Dealing System;
- (b). **TRIPARTY AGENT:** “Triparty Agent” shall have the same meaning as assigned to it under Repurchase Transactions (Repo) (Reserve Bank) Directions 2018 and as amended by Reserve Bank of India from time to time.
- (c). **TRIPARTY REPO:** “Triparty Repo” shall have the same meaning as assigned to it under Repurchase Transactions (Repo) (Reserve Bank) Directions 2018 and as amended by Reserve Bank of India (RBI) from time to time.

Note: Unless explicitly stated otherwise, all capitalized terms used herein but not defined, and defined in the Bye-Laws of Clearcorp, shall have the same meanings as assigned to them therein.

Words and expressions used herein but not defined in these Bye-Laws of Clearcorp in respect of activities connected with Clearing Corporation shall have the meaning assigned to them in the Bye-Laws, Rules and Regulations of Clearing Corporation.

CHAPTER III: MEMBERSHIP

1. General

- i. Membership to Triparty Repo (Dealing) Segment of Clearcorp shall comprise of Subsidiary General Ledger (SGL) account holder at RBI and such other Members who are holding GILT Account with its custodian and can undertake Triparty Repo transactions as permitted by RBI;
- ii. Entities fulfilling the membership as in Regulation 1(i) above and having access to INFINET network of RBI and maintaining an SGL account with RBI, shall be eligible for admission as Members;
- iii. Entities fulfilling the membership as in Regulation 1 (i) above and not having access to INFINET network of RBI shall be eligible for admission as Associate Members;
- iv. Membership to Triparty Repo (Dealing) Segment of Clearcorp shall be subject to such terms and conditions as may be stipulated by Clearcorp from time to time;
- v. Clearcorp may suspend and/or withdraw the Triparty Repo (Dealing) Segment membership of a Member if, in the opinion of Clearcorp, the Member has violated any of the terms and/or conditions governing such membership. Such suspension shall continue until Clearcorp decides to withdraw the same;

2. Application for Membership

- i. An existing Member of Securities Segment of Clearing Corporation seeking membership to Clearcorp's Triparty Repo (Dealing) Segment may approach Clearcorp to be admitted as a Member;
- ii. Every entity seeking membership to Triparty Repo (Dealing) Segment Regulations who is not a Member of Securities Segment of Clearing Corporation shall simultaneously seek membership of Securities Segment of Clearing Corporation;
- iii. An entity holding a GILT Account with its custodian who is a member of Clearing Corporation and eligible to undertake Triparty Repo transaction may approach Clearcorp to be admitted as an Associate Member.

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- iv. The entities as above shall submit an application in the prescribed format to Clearcorp, which shall be complete in all respects together with all enclosures, as required to be submitted in terms of the application form;
- v. The application form shall be submitted along with the fees prescribed by Clearcorp for membership to its Triparty Repo (Dealing) Segment;

3. Processing of Applications

- i. Every such application received in terms of Regulation 2 of this Chapter shall be forwarded by Clearcorp Membership Approval Committee (MAC) to the Approving Authority for consideration;
- ii. Clarifications and/or additional information sought by MAC and/ or the Approving Authority shall be conveyed to the concerned applicant. Such applications shall be processed further only upon receipt of complete particulars called for by the Approving Authority;
- iii. Mere submission of completed application forms and/or additional information sought by MAC/ the Approving Authority does not by itself confer any right on any applicant to claim grant of such membership to Clearcorp's Triparty Repo (Dealing) Segment;
- iv. Upon receipt of approval from the Approving Authority, Clearcorp shall communicate such approval to the applicant with a request to complete other formalities as required for admission;
- v. Every applicant upon receipt of approval for membership shall execute required documentation, in such form and manner as may be prescribed by Clearcorp and submit the same to Clearcorp. Such execution shall be carried out by duly authorized signatory(ies) and shall bear the official seal of the Member;
- vi. A Member can commence operations in Clearcorp's Triparty Repo (Dealing) Segment only upon activation of its membership, which shall be subject to completion of such formalities as may be stipulated by Clearcorp in its Bye- Laws, Rules and Regulations and various communications to the said Member as part of its admission process;

4. Membership ID

- i. Every applicant, who is already a Member of any of the existing segments of Clearing Corporation, shall upon admission as a Member of Triparty Repo

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- (Dealing) Segment, use the existing Member ID that has already been allotted to him unless specifically advised otherwise by Clearcorp;
- ii. Every applicant, upon admission as a Member of Triparty Repo (Dealing) Segment shall be allotted a unique Member number and user name. The Member number and user name allotted to the said Member are unique with their usage restricted to Triparty Repo (Dealing) Segment of Clearcorp;
 - iii. Every Member shall incorporate the Member number in all its communications to Clearcorp;
 - iv. Non-incorporation of Member number as may be required by Clearcorp as part of its operations shall absolve Clearcorp of all liabilities or consequences of non-action by Clearcorp;
 - v. A Member shall ensure that use of its Member number and user name is restricted to its authorized personnel only;
 - vi. Clearcorp does not recognize as parties to any deal, any persons other than its own Members;
 - vii. Every Member is directly and wholly liable, in accordance with the Bye- Laws, Rules and Regulations of Clearcorp, to every other Member with whom such Member effects any Deal on the Triparty Repo Dealing System for due fulfillment of the Deal;
 - viii. Members shall at all times ensure that they as well as the users permitted by them to operate on the Triparty Repo Dealing System subscribe to the internal code of conduct as also those prescribed, if any, by RBI and/or any other regulatory agency authorized to do so, Clearcorp, Clearing Corporation and/or any other industry body/ association such as FIMMDA, PDAI, AMFI etc; as directed by Clearcorp from time to time;
 - ix. Clearcorp and/or any of its officials shall not in any way be liable for any loss or consequences that may arise on account of unauthorized and/or wrongful use of member ID and/ or Member number and/or user name by any person acting in the name of or on behalf of a Member;

5. **CONSTITUENT IDs:**

- i. Constituent ID shall be allotted by Clearcorp and / or Clearing Corporation to the constituent of the Trading Member.
- ii. Constituent ID shall be created for a Trading Member only on receipt of an advice from Clearing Corporation.

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- iii. Constituent ID created by Clearcorp shall be terminated either on its own or on receipt of an advice from Clearing Corporation.
- iv. Constituent ID created and activated for TREPS may provide trading access to TREPS at the specific request from the Trading Member and shall operate subject to operational controls that may be stipulated by Clearcorp and/ or Clearing Corporation.

CHAPTER IV: LIMITS AND MARGINS

1. **General:**

All deals concluded/reported on Triparty Repo Dealing System would flow to Clearing Corporation for clearing and settlement and would be subject to the Bye-Laws, Rules and Regulations prescribed by Clearing Corporation for the purpose from time to time;

2. **Exposure (Borrowing/ Lending) Limit:**

- i. Clearcorp shall record the exposure limit on its dealing system as per the information received from Clearing Corporation. Clearcorp shall also administer the utilization of the limits by the Member and/or its Constituents. Such exposure limit may be a common limit or separate limits for borrowing and lending;
- ii. A Member shall at all times ensure that utilization towards borrowing limit is fully covered by depositing adequate eligible collaterals on its own behalf and that of its each Constituent.;

3. **Margins:**

- i. A Member shall not put any borrow or lend order on Triparty Repo Dealing System before it has deposited with the Clearing Corporation the requisite initial margin for its Proprietary and/or Constituent trades;
- ii. Based on the advice received from Clearing Corporation, the Dealing System provided by Clearcorp shall carry out exposure check on pre-order basis for orders placed by the Member and / or its Constituents. The exposure check on a pre-order basis shall ensure that the order may be placed only if the Member has sufficient initial margin and/ or borrowing limit to support its Proprietary and /or Constituent order/s;
- iii. Clearcorp shall, upon failure of the Member to ensure adequacy of initial margin and/ or borrowing limit for its Proprietary and/or Constituent trades, cancel all outstanding order(s) of the Member and / or its Constituent(s) in the dealing system;
- iv. Further, Clearcorp is also authorized upon intimation from Clearing Corporation, of the failure of the Members to honour its settlement obligations, to deposit mark to market margin shortage and/ or volatility margin and/ or, maintain default fund contributions as notified by Clearing Corporation from time to time

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on its Proprietary and its Constituents Trades, to deactivate the Member and/ or its related Constituent in the Triparty Repo Dealing System, until such settlement shortage and / or Margin shortage is fully met by the Member and default fund contributions are received from the Member, through deposit of additional collateral including securities and/or cash;

- v. On deactivation of the member by Clearcorp all its Constituents shall also stand deactivated on TREPS;
- vi. The deactivation of a Member and/or its Constituents, may be revoked by Clearcorp at its sole discretion on receipt of intimation from Clearing Corporation of fulfillment of Margin obligations and/or replenishment of a shortage and/or receipt of contributions to default fund, by the concerned Member;
- vii. Clearcorp, shall at any time, be authorized to impose such limits as it may consider necessary in consultation with Clearing Corporation so as to determine the extent of dealing operations that a Member may be permitted to undertake on Clearcorp's Triparty Repo (Dealing) Segment for its Proprietary Trades and / or for each of its Constituent Trades;

CHAPTER V: DEALING SYSTEM

1. A Member shall be granted access to Triparty Repo Dealing System after activation of their membership to Clearcorp Triparty Repo (Dealing) Segment;
2. A Constituent of a Member may be provided trading access to Triparty Repo Dealing System, at the specific request of the Member.
3. The Trading Member shall be given the rights to trade on Triparty Repo Dealing System on behalf of its Constituents as prescribed by Clearcorp from time to time.
4. Constituents provided with dealing access to Triparty Repo Dealing Systems shall be subject to operational controls stipulated by Clearcorp and/ or the Member.
5. Triparty Repo Dealing System facilitates dealing/trading on an anonymous basis (where the identity of the original counterparties to a trade will not be disclosed at any time either on a pre-trade and/ or a post-trade basis), inter alia, borrowing and/or lending under Triparty Repo against eligible collateral as notified by Clearing Corporation from time to time;
6. Access to Triparty Repo Dealing System shall be made available to a Member as per connectivity mode decided by Clearcorp from time to time. A Member having access to INFINET network of RBI shall be provided access through INFINET and Associate Members shall be provided access through INTERNET. However, Clearcorp may change the connectivity mode of a Member after notifying the Members. The Triparty Repo Dealing system access provided to the Constituents at the behest of the Trading Members shall be through INTERNET connectivity;
7. Each Member shall be responsible for maintaining at all times, necessary information technology infrastructure, staff, communication facilities, business continuity arrangements and records at his own premises and the premises of its Constituents having trading access in order to have orderly participation in Triparty Repo Dealing Segment related activities and as per the Bye-Laws, Rules and Regulations of Clearcorp;
8. All operations on the Triparty Repo Dealing System shall be carried out only from the authorized premises of the Member where its treasury front office/ back office/ mid offices are located as its primary/ alternate location and/ or disaster recovery site, with access to the Triparty Repo Dealing System restricted to its

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duly authorized personnel only. Trading Member shall ensure that all operations of the Triparty Repo Dealing System shall be carried out from the authorized premises of the Constituent having access to the trading system. Trading Member should ensure that the trading access on the Triparty Repo Dealing System is restricted by its Constituent to their duly authorized personnel only;

9. All activities on the Triparty Repo Dealing System shall be conducted from a single Member location. Trading Member shall ensure that its Constituents to whom it has allowed access to trading system shall conduct all its activities from a single location for such Constituent;
10. Each Member shall have a unique Member number and user name provided by Clearcorp and the same shall be used to log on to the Dealing System;
11. A Member may have more than one user. The Member in such cases, shall request for additional user name along with the details of the user to Clearcorp. However, allocation of multiple users shall be at the sole discretion of Clearcorp;
12. All users in Triparty Repo Dealing System are required to be created/ approved by Clearcorp. Upon creation/ approval, the user name/ID shall get activated with rights, roles and privileges available to the user category that has been assigned to the concerned user. The various user categories and the roles, rights and privileges assigned to them shall be as notified by Clearcorp from time to time.
13. Clearcorp shall, at its sole discretion, be authorized at any time to add/delete and/or modify any/ all rights and/ or privileges of any of the categories of users of the Triparty Repo Dealing System;
14. A user for a Member/Constituent (having trading access) shall be given access to the Triparty Repo Dealing System through a "password" provided by Clearcorp and the user shall ensure to change the password from time to time;
15. Every user shall ensure compliance with the password policy as implemented in the Triparty Repo Dealing System as applicable from time to time;
16. A Member/Constituent (having trading access), besides password, shall use the digital signature to access the Triparty Repo Dealing System as directed by Clearcorp;
17. Every user shall maintain complete secrecy of his/ her user name, login password and digital signature password;
18. Clearcorp and/or any of its officials shall not in any way be liable for any loss or consequences that may arise on account of unauthorized and/or wrongful use of the user name/ ID and/or password;

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- 19.** A Member, Constituent and/or any user, shall not have any right, title or interest with respect to the Triparty Repo Dealing System, its facilities, software and the information provided by Clearcorp;
- 20.** The permission to use the Triparty Repo Dealing System shall be subject to the payment of such charges by the Member to Clearcorp as may be specified from time to time;
- 21.** A Member shall on its own behalf and on behalf of its Constituent (having trading access) ensure that it shall not:-
 - i. Use the software provided by Clearcorp for any purpose other than those approved and specified by Clearcorp;
 - ii. Use the software provided by Clearcorp on any equipment other than that installed in its official premises from where dealing operations are conducted;
 - iii. Copy, alter, modify or make available to any other entity or person, the software provided by Clearcorp;
 - iv. Use the software in any manner other than as specified by Clearcorp;
 - v. Make unauthorized use of the intellectual property rights of the software provided by Clearcorp. The intellectual property rights of such software shall vest with Clearcorp and any unauthorized use of the same shall be treated as infringement and dealt with accordingly;
 - vi. Publish, supply, show or make available to any other person/ entity the facilities of the dealing system or the information provided by the dealing system except with the explicit approval of Clearcorp;
 - vii. Install or operate a workstation from an unauthorized location;
 - viii. Install or operate a workstation from a personnel computer (PC) / server / laptop or any other similar device that does not meet the minimum configuration requirement specified by Clearcorp;
- 22.** Clearcorp shall provide its services on a best effort basis. However, Clearcorp shall not be liable under any circumstances for any failure of the system or otherwise or a consequence arising there from;
- 23.** Without prejudice to anything contained in Regulation 22 of this Chapter, such failure shall not reduce, alter or affect the liability of a Member in respect of any Deals (including the Constituent's Trades) to which the said Member is a party.

CHAPTER VI: DEALING SYSTEM OPERATIONS

1. A Member shall always be liable for all deals executed/reported on Triparty Repo Dealing System as also for all orders and/or activity undertaken on the system by any of its users including the users of its Constituent's who have been provided access to Triparty Repo Dealing System by such Member.;
2. The Clearing Corporation, in its capacity as the clearing and settlement agent, shall, subject to the provisions of its Bye Laws, Rules and Regulations, act as the Central Counterparty and/ or as "Triparty Agent" for all trades concluded/reported on the Triparty Repo Dealing System;
3. **Dealing Parameters**
 - i. Clearcorp may from time to time specify various operational parameters for the Triparty Repo Dealing System which may, inter-alia, include –
 - a) Different types of markets and / or order books to be maintained on the Triparty Repo Dealing System and the terms and conditions for eligible order books to be maintained in any/all of these markets;
 - b) Different forms of order books to be maintained in the various markets available on the Triparty Repo Dealing System and terms and conditions for eligible orders to be submitted on the system;
 - c) Different settlement types such as T+0, T+1 and such other settlement types for settlement of 1st leg of Triparty Repo transactions as notified by Clearcorp from time to time and/ or as permitted by Reserve Bank of India for Triparty Repos;
 - d) Minimum market lots and multiples of market lots for all and / or borrow/ lend order book/s within a market in Triparty Repo Dealing/ Reporting System;
 - e) Tenors for which Dealing would be facilitated in Triparty Repo Dealing System;
 - f) Spread between interest rate for borrow and lend orders;
 - g) Limit the variation between lend and borrow interest rates;
 - h) Fixation of maximum and/ or minimum interest rate on a Business Day over the previous day's closing interest rate / weighted average interest rate dealt in Triparty Repo Dealing System;
 - i) Determining the types of quantity, time and repo interest rate and its attributes;
 - j) The repo interest rate range in which orders shall be entered on Triparty Repo Dealing System;
 - k) Minimum disclosed quantity for orders placed;
 - l) Minimum fill quantity for order placed;

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- m) Single order limit size for a Member and/ or any or all of the order books;
- n) Determining functional details of the Triparty Repo Dealing System including system design, user infrastructure and system operation;
- o) Such other parameters as may be decided by Clearcorp from time to time;

ii. Reporting of Bilateral Triparty Repo Trades

- a) Reporting of Triparty Repo trades may be facilitated from such date as notified by Clearcorp and subject to such terms and conditions as may be notified by Clearcorp from time to time;
 - b) Reporting of such bilateral Triparty Repo trades, referred to in Regulation 3 (ii-a) above shall be carried out by only those users of a Member who have been specifically authorised to perform the same;
 - c) Reporting of bilateral Triparty Repo trades shall be permitted only when such Triparty Repo trades are between Members of Clearcorp Triparty Repo (Dealing) Segment, who are permitted to undertake Triparty Repos as per Repurchase Transactions (Repo) (Reserve Bank) Directions 2018 as amended from time to time;
 - d) Reporting of Triparty Repo bilateral trades shall be matched subject to such terms and conditions as notified by Clearcorp from time to time;
 - e) Reported Deals on reporting module of Triparty Repo Dealing System matched based on validations in the reporting system shall be valid trades only when Margins i.e borrowing limit and initial margin as required are available for both the Borrower and Lender of money. Trades wherein the requisite Margins are not available shall be deemed cancelled and Clearcorp shall not be responsible for any loss, either to the Borrower and/ or Lender or any other entity on account of such cancellation;
 - f) All deals for which the counterparty deal leg is not reported or where the counterparty deal leg details do not match with the deal details will be cancelled at the end of the time permitted for reporting and/or reporting session;
 - g) Members shall be responsible for reporting all bilateral Triparty Repo trades within the time specified by RBI and before the Triparty Repo Dealing System session closing time.
4. Trades concluded in Triparty Repo Dealing System, both anonymous and those matched on reported system after successful validation for adequacy of initial margin and borrowing limit, shall immediately flow to Clearing Corporation for clearing and settlement as per Regulation 1 of Chapter IV above;

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5. Repo Tenor

- i. The tenor for which repo shall be facilitated in Triparty Repo Dealing System shall be as permitted by RBI and as decided by Clearcorp from time to time;
- ii. A Member shall be entitled to transact only for those tenors that are facilitated in the Triparty Repo Dealing System;
- iii. Clearcorp may at its discretion, at any time suspend dealing in a particular tenor as it deems fit and such suspension shall take effect on such conditions and in such time and manner as Clearcorp may prescribe in this regard. However, Members' obligation, if any, shall be honoured by it on respective settlement dates; and
- iv. Clearcorp may, at its discretion, at any time, revoke the suspension of a particular tenor as it deems fit on such conditions and in such time and manner as may be prescribed in this regard.

6. Borrowing and Lending in Triparty Repo

Clearcorp shall provide access to Members for borrowing/ lending in Triparty Repo (Dealing) Segment as advised by Clearing Corporation;

7. Dealing Days

- i. Clearcorp would normally function on all the days, excluding Sundays and those days that are declared as holidays under the Negotiable Instruments Act, 1881 in the State of Maharashtra and such other days on which dealing/ settlement may not take place as declared by RBI and/or Clearcorp / Clearing Corporation or such other authority;
- ii. At the instance of RBI or any other regulatory authority authorized to so direct, Clearcorp may choose not to operate the Triparty Repo Dealing System on days other than or in addition to scheduled holidays or may operate the same on days originally declared to be holidays above for valid reasons and such decision shall be final and binding on all Members;

8. Business Timings

- i. The Dealing hours for T+0, T+1 and such other settlement types permitted by RBI shall be as decided by RBI and/ or Clearcorp from time to time;
- ii. Clearcorp may extend, either on its own, and/ or on receipt of advice from RBI/ Clearing Corporation, advance or reduce dealing/reporting hours by notifying

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Members on the Triparty Repo Dealing System, as and when it deems fit and necessary in this regard;

- iii. Clearcorp, by Notification, may prohibit or suspend at any time dealing operations on the Triparty Repo Dealing System for such period as it may determine and at the expiration of such period, Clearcorp may permit dealing activity subject to such terms and conditions as it deems fit and necessary;

9. Markets and Order books

- i. Clearcorp may, from time to time, prescribe different types of markets viz; T+0, T+1 etc; and/ or order books, that shall be available on the Triparty Repo Dealing System and specify conditions related to each of the markets so made available;
- ii. Without prejudice to the generality of the above, the initial types of markets available on the Triparty Repo Dealing System may include:-
 - a) Borrowing, which shall be facilitated against borrowing limit made available by Clearing Corporation for all eligible Government Securities contributed by the Member;
 - b) Lenders in Triparty Repo Dealing System, shall receive any security eligible for contribution in Triparty Repos as notified by Clearing Corporation from time to time;
- iii. Clearcorp may, from time to time, prescribe different forms of markets and/ or order books viz; Central Government SLR, Central Government Non SLR, State Development Loans SLR etc; that shall be maintained on the Triparty Repo Dealing System and specify conditions for the order to be eligible to find place in those books;
- iv. Clearcorp shall, after notifying its Members:-
 - a) Segregate borrowing limit based on asset classification and its SLR eligibility and/or baskets within each such classification;
 - b) Separate order book based on segregation as in Regulation 9 (iv) (a) above;
- v. Members shall be deemed to have concurred to the segregation of order books as in Regulation 9 (iv)(b) above;
- vi. The order placement from such date as notified in Regulation 9 (iv) (a) above, shall be for such classification and/ or baskets as the case may be;
- vii. Lenders placing their orders in specific asset classifications/ baskets as the case may be, are entitled to receive only those securities which are identified by

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Clearing Corporation, as part of the respective classifications/ baskets notified by Clearing Corporation;

- viii. Clearcorp shall have discretion to decide on the number and type of asset classifications and/ or baskets within each classification, that would be made available as part of the Triparty Repo Dealing System;
- ix. Clearcorp may make available any market and/ or order book on the Triparty Repo Dealing System at any time during the day as may be decided from time to time. In case any market and/ or order book is made available during the dealing session, Clearcorp shall notify the same to all the Members through the Triparty Repo Dealing System;
- x. Clearcorp may, at its discretion, at any time, suspend dealing in a particular market/ order book as it deems fit and such suspension shall take effect on such conditions and in such time and manner as Clearcorp may prescribe in this regard. However, it shall be the responsibility of every Member to ensure fulfillment of all their obligations under any trades concluded by them in the concerned market prior to such suspension;
- xi. Clearcorp may, at its discretion, at any time, revoke the suspension of a particular market and/ or order book as it deems fit on such conditions and in such time and manner as may be prescribed in this regard;
- xii. The securities shall be received by the Lender as part of settlement process subject to fulfilment and honouring of their obligations by the respective Member;
- xiii. The securities received by the Lender under term Triparty Repo may change on a daily basis during life cycle of the triparty term repo transaction.

10. Order Lots

- i. Clearcorp may, from time to time, notify the order lot size like minimum and multiple order lots;
- ii. Such minimum and multiple order lot size might be different for markets and/ or order books made available in Triparty Repo Dealing System.

11. Single Order Limit

Clearcorp shall, on receipt of advice and/ or direction from Clearing Corporation, set single order limit for borrow and/ or lend order under advice to the Member. The borrow and/ or lend order placed by the user within the Member shall not exceed such single order limit set in the system.

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12. Order Attributes

- i. Clearcorp may notify, from time to time, various order attributes that may be made available in the Triparty Repo Dealing System;
- ii. The various types of order attributes that may be made available shall be subject to restrictions as prescribed by Clearcorp from time to time;
- iii. Without prejudice to the generality of the above, the initial set of order attributes available in Triparty Repo Dealing System may include –
 - a) Quantity conditions such as normal, all or none, disclosed quantity, minimum fill etc;
 - b) Time conditions such as day order, immediate or cancel (ioc), good till time (gtt) etc;
- iv. The scope, meaning and/ or implications of invoking any of the order attributes shall be as notified by Clearcorp from time to time;
- v. Clearcorp may at its discretion, add, delete, modify, supplement or alter any or all of the order attributes made available in the Triparty Repo Dealing System as it may deem necessary from time to time;
- vi. Borrowers / Lenders can square off a trade, provided the 2nd leg date of the new transaction exactly matches the 2nd leg of original Triparty Repo borrow/lend trade being squared off;

13. Order Validation and Matching Rules

- i. Orders entered on the Triparty Repo Dealing System by a Member shall be subject to such validations as may be prescribed by Clearcorp from time to time, including order conditions and other dealing parameters and such other orders that do not meet the validation requirement shall be rejected;
- ii. All orders shall be accepted by the Triparty Repo Dealing System subject to availability of sufficient borrowing limit and / or Margins.
- iii. An order placed in one market/ order book will match only with another order in a same market/ order book;
- iv. Clearcorp shall specify, from time to time, the kinds of orders that can be placed on the Triparty Repo Dealing System, the order matching algorithms, the matching rules and other parameters;
- v. Order shall match only if validation of all the attributes required for matching of order within that market/ order are successful;
- vi. Without prejudice to the generality of the above, the initial set of rules and parameters in this regard shall be as under –

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- a) Order matching shall be based on repo interest rate time priority;
- b) Borrow orders with the highest repo interest rate in the same market/ order book shall be the best order to match;
- c) Lend orders with the lowest repo interest rate in the same market/ order book shall be the best order to match;
- d) In case there is more than one order eligible for matching at the same repo interest rate, then the order that has entered the system first based on time registered at the Triparty Repo Dealing System central server shall be first order eligible for matching;
- e) The best borrow order shall match with the best lend order;
- f) An order shall become an active order at the time of its entry into the Triparty Repo Dealing System. If such an order not being (ioc) order, on entry into the Triparty Repo Dealing System, does not find a matching order, it would become passive order and remain in the dealing system till it get matched or cancelled;
- g) All outstanding orders remaining unmatched in the Triparty Repo Dealing System at the end of dealing hours of the respective settlement type applicable to concerned category of the Member, shall get cancelled automatically at the end of dealing hours prescribed for such settlement type for that Member category on the concerned Business Day;
- vii. Clearcorp may at its discretion, modify or change such rules, parameters and/or matching algorithms from time to time; and
- viii. When Clearcorp is of the view that it is in the interest of the market to do so, and/ or to meet any statutory or regulatory or tax obligations/ orders/ directive, it may at any time make unavailable any particular order book or form of matching for a particular tenor or for the market as a whole order matching rules for different markets / order books and the parameters for the same;

14. Order Modification and Cancellation

- i. Clearcorp shall allow the Member to modify or cancel their orders placed and not matched on the dealing system;
- ii. The order may be modified by effecting changes in the input parameters in the manner and on such conditions as specified by Clearcorp;
- iii. The modified order shall lose or retain time priority as per the dealing parameter set by Clearcorp from time to time;
- iv. In the event of failure of connectivity (not attributable to any act or omission of the Member), Clearcorp may at its discretion undertake on behalf of such

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Member to cancel all its outstanding orders and such other activities, subject to conditions stated as per above sub-clauses; provided such Member shall send a valid and clear written request to Clearcorp in a manner as prescribed by Clearcorp and the said Member shall be accountable for the activity carried out by Clearcorp on its behalf and shall indemnify Clearcorp against any losses or cost arising out of the above situation;

- v. Orders placed in the system shall be cancelled by Clearcorp in the event of the outstanding orders not supported by sufficient initial margin/ borrowing limit, pursuant to revised borrowing limit advised by Clearing Corporation during the day.

15. Rejection of Orders/Deals

- i. Clearcorp shall have discretion to reject the orders/ deals for the following conditions:
 - a) When the orders are not adequately covered by borrowing limits/initial margin;
 - b) When orders/deals are not as per the terms and conditions as applicable to such orders/deals;
 - c) When order placed exceed single order limit applicable for such Member/s;
 - d) Deals/ orders which are fraudulent;
 - e) On receipt of such advice from Regulator;
 - f) In the event, the participant is declared as insolvent/ defaulter;
 - g) In the event of declaration of unscheduled holiday or sudden development whereby dealing, operations for a particular settlement date have been temporarily suspended;
 - h) In the event of Force Majeure.

16. Clearing and Settlement

- i. All trades from Triparty Repo Dealing System including valid trades from reporting module of Triparty Repo Dealing System shall flow to Clearing Corporation for settlement as per the provisions of its Bye-Laws, Rules and Regulations;

CHAPTER VII: SUDDEN EVENT HANDLING

1. Due to occurrence of any unforeseen event or circumstances beyond the control of Clearcorp, it may suspend the dealing in Triparty Repo Dealing System by declaration of an unscheduled holiday;
2. In such an eventuality, all deals concluded by the Members;
 - a) With the 1st leg settlement date on such unscheduled holiday shall be cancelled by Clearcorp and any decision of Clearcorp in this regard shall be final and binding on all the Members;
 - b) All deals done by Members wherein the 2nd leg settlement is on such unscheduled holiday and obligations determined therefrom shall be governed by the provisions of Chapter “Sudden Event Handling” of Securities Segment Regulation of the Clearing Corporation of India;
 - c) Decision of the Clearing Corporation shall be deemed to be the decision of Clearcorp in this regard and shall be final and binding on all Members;
3. Clearcorp shall in no way be held liable in the event of:
 - a) Failure of the communication systems or failure of payments caused directly or indirectly by equipment or system failure; or
 - b) Any other cause beyond the control of Clearcorp.
4. Clearcorp shall not be held liable in the event of Force Majeure
5. Clearcorp shall also not be liable in case of any other unavoidable event that prevents Clearcorp from carrying out its duties pursuant to judicial orders, regulatory provisions, war (declared or undeclared), riots, civil commotion, terrorist acts, general mobilization, earthquakes or any other natural disaster and strikes.

CHAPTER VIII: REPORTS

1. Clearcorp shall, at its discretion, decide the mode and manner of delivery/receipt of reports to/from its Members;
2. Clearcorp shall, at daily/monthly intervals, generate such reports as are required and place the same on its report server to facilitate the Members to download the same;
3. Clearcorp shall have the discretion to make changes in the report formats as it may consider necessary from time to time;

CHAPTER IX: MISCELLANEOUS

1. Clearcorp is entitled in its discretion to amend or supplement from time to time the provisions of its Bye Laws, Rules and Regulations or any communications/notifications/circulars/instructions issued thereunder to the extent necessitated by market conditions and/or regulatory requirements. The same shall be binding on the Members;
2. Members shall normally be notified of any change with due advance notice prior to the effective date thereof, unless any emergency action of Clearcorp becomes necessary due to any sudden development making such advance notification impossible;
3. Suspension of a Member/Constituent from the Triparty Repo (Dealing) Segment by Clearcorp:
 - a) Clearcorp may deactivate / suspend a Members/ Constituents as specified in the Regulations;
 - b) Managing director (MD) of Clearcorp or a committee of not less than two officials nominated by the MD may disable a Member/Constituent from accessing the facilities of Clearcorp, if in the opinion of the MD or the committee of officials, circumstances exist warranting disablement pending suspension and Clearcorp shall communicate the reason for disablement to the Member. Provided that, within reasonable period after such disablement, the MD or the committee of officials, as the case may be, shall record in writing, the reasons for such disablement provided however that the same shall be reported at the next Board or the committee meeting whichever is earlier. After such disablement, no claim, suit or any other legal proceeding shall lie against Clearcorp ;
 - c) No claim, suit or any other legal proceeding shall lie against Clearcorp or any of its officials for anything with respect to the Triparty Repo Dealing System, which is done or intended to be done in good faith.
4. **Dispute Resolution:**

All disputes of any nature between Members and Clearcorp shall be resolved by the procedure prescribed by Clearcorp for the purpose;

 1. Clearcorp/ Clearing Corporation shall not be made a party to any dispute between the Member and its Constituent. Any such dispute shall be addressed in accordance with the Rules of Clearcorp.

5. Jurisdiction

- a) Any Deal entered into through the Triparty Repo Dealing System shall be deemed to have been entered at the computerized processing unit of Clearcorp at Mumbai and the place of contracting shall also be reckoned to be Mumbai;
- b) The record/s of Clearcorp as maintained by its central processing unit or a cluster of processing units or computer processing units, whether maintained in any register, magnetic storage units, electronic storage units, optical storage units or in any other manner, shall constitute the agreed and authentic record in relation to any transaction entered into through the Triparty Repo Dealing System. For the purposes of any dispute, the records as maintained by the computer processing units of Clearcorp shall be conclusive evidence;
- c) All disputes shall be subject to exclusive jurisdiction of the Civil Courts in Mumbai and no courts other than those in Mumbai shall have jurisdiction to deal with any disputes arising under these Regulations.

6. Regulatory Limits

It shall be the sole responsibility of the Members to adhere to the borrowing and/or lending limits, if any, stipulated by their and / or their Constituent's respective regulator(s). Clearcorp shall not be responsible in any manner for the breach of such regulatory limits by the Member for itself and / or its Constituent(s) in Triparty Repo (Dealing) Segment.

CHAPTER X: FEES AND CHARGES

1. Schedule of Fees and Charges

- i. The permission to use Triparty Repo Dealing System, shall be subject to payment of such charges, to Clearcorp as may be specified from time to time.
- ii. The Board or any other committee appointed by the Board or official(s) of Clearcorp authorized by the Board in that behalf may prescribe the scale of fees, charges and/or additional charges payable by Members from time to time;
- iii. The Board or any other committee appointed by the Board or official(s) of Clearcorp authorized by the Board in that behalf shall be empowered to review the various fees, charges and/or additional charges and effect such changes in the same as it considers necessary;
- iv. The revised fees and charges, as and when made effective, shall be payable by the Member;
- v. Notwithstanding anything contained above, the charges payable by the Member shall be notified by Clearcorp from time to time.

2. Bills for Fees and Charges

- i. Clearcorp shall forward to its Member, the monthly bills relating to usual fees and charges in respect of the transactions in Triparty Repo (Dealing) Segment, as and when bills are generated and due for payment;
- ii. The Member shall verify their monthly billings and notify Clearcorp of discrepancies, if any, with all necessary details, not later than two business days from the date of notification of the relative bill.

3. Recovery of Fees and Charges

- i. The Members shall effect payment of the transaction charges payable by them to Clearcorp in terms of their monthly bills(as per Chapter XI Regulation (2)B above) in the manner specified by the Clearcorp from time to time by the 10th calendar day of every business month failing which Members shall be liable to pay penalty on delayed payment of charges as per the notification issued by the Clearcorp from time to time;

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- ii. The payment of fines, penalties and/or other levies shall be payable by the Members separately as and when such a demand has been made on those Members by Clearcorp.
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GLOSSARY OF CHANGES TO TRIPARTY REPO (DEALING) SEGMENT REGULATIONS

<u>S. No.</u>	<u>Chapter and Clause</u>	<u>Existing Clause</u>	<u>Revised Clause</u>	<u>Rationale</u>
<u>1.</u>	<u>CHAPTE R VIII: SURVEIL LANCE</u>	<p>1. Clearcorp will operate a surveillance system and initiate such actions, share such information with the Regulator and/ or such entities as required by the Regulator or any other statutory authority;</p> <p>2. Clearcorp shall monitor the functionality of the Triparty Repo Dealing System during dealing hours and compliance with all provisions of the terms and conditions.</p> <p>Clearcorp shall take all measures necessary for the smooth operations of functions and orderly dealing;</p> <p>3. In order to ensure</p>	<p>1. Clearcorp will operate a surveillance system and initiate such actions, share such information with the Regulator and/ or such entities as required by the Regulator or any other statutory authority;</p> <p>2. Clearcorp shall monitor the functionality of the Triparty Repo Dealing System during dealing hours and compliance with all provisions of the terms and conditions.</p> <p>Clearcorp shall take all measures</p>	<p>Deletion of existing chapters on- ‘Surveillance’ under Clearcorp Regulations post addition of new chapter on ‘Surveillance’ under Rules</p>

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		<p>orderly system functionality, the commencement of dealing may be postponed and/ or dealing hours may be extended;</p> <p>4. In the event of technical problems, Clearcorp may temporarily suspend access to Triparty Repo Dealing System for a Member or all the Members;</p> <p>5. In the event of respective measures which considerably affect the operation of the Triparty Repo Dealing System, the Members affected thereby shall, to the extent possible, be notified thereof via the Triparty Repo Dealing System, or in the case of a system failure, by other suitable means;</p> <p>6. If participation in dealing on Triparty Repo Dealing</p>	<p>necessary for the smooth-operations of functions and orderly dealing;</p> <p>3. In order to ensure orderly system- functionality, the commencement of dealing may be postponed and/ or dealing hours may be extended;</p> <p>4. In the event of technical- problems, Clearcorp may temporarily suspend access to Triparty Repo Dealing System for a Member or all the Members;</p> <p>5. In the event of respective measures which considerably affect the operation of the Triparty Repo Dealing System, the Members affected thereby shall, to the</p>	
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		<p>System is not possible to any or group of any individual Members due to technical disruptions, the Triparty Repo Dealing System shall continue to be available to other Members;</p>	<p>extent possible, be notified thereof via the Triparty Repo Dealing System, or in the case of a system failure, by other suitable means;</p> <p>6. If participation in dealing on Triparty Repo Dealing System is not possible to any or group of any individual Members due to technical disruptions, the Triparty Repo Dealing System shall continue to be available to other Members;</p>	
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