NATIONAL SECURITIES CLEARING CORPORATION LIMITED

DEPARTMENT : CURRENCY DERIVATIVES SEGMENT	
Download Ref No : NSCCL/CD/36843	Date : January 29, 2018
Circular Ref. No : 08/2018	

All Members/Custodians/PCM

Sub: Revision in Limits of Mutual Fund Units as Collaterals

This is in continuation and partial modification to point 7.3.7 of Part B of our consolidated circular no. 787/2017 (Download Ref No: NSCCL/CD/34654) dated April 17, 2017.

Currently, total value of mutual funds units provided as non-cash portion of the liquid assets cannot exceed 25% of the total liquid assets of the respective member.

Based on the feedback from market participant the following changes are being implemented

- The total value of mutual fund debt schemes provided as non-cash portion of the liquid assets shall not exceed 35% of the total liquid assets of the respective member.
- The total value of other mutual fund schemes (non-debt) provided as non-cash portion of the liquid assets shall not exceed 25% of the total liquid assets of the respective member.
- At all point of time the cash component shall be at least 50% of liquid assets. Accordingly, noncash component in excess of the total cash component would not be regarded as part of total liquid assets

This circular shall be effective from February 01, 2018.

For and on behalf of
National Securities Clearing Corporation Limited

Huzefa Mahuvawala
Asst. Vice President

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