

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

Department: CURRENCY DERIVATIVES SEGMENT

Download Ref No: NCL/CD/44428

Date: May 20, 2020

Circular Ref. No: 028/2020

All Members,

Sub: Facility to Clearing Members to monitor Intraday Uncrystallised Mark to Market losses

With a view to enhance risk management capabilities of Clearing members, a facility shall be provided to clearing members for monitoring trading member level intraday uncrystallised mark to market losses. This shall be in addition to current facility to monitor the margins of trading member against the limit set by clearing members. The details of the facility shall be as under:

1. An optional facility in NMASS shall be available for clearing members to set MTM limits for their trading members. Detailed procedure for setting limits is enclosed as Annexure
2. The MTM limits set at trading member level shall be considered only for monitoring intraday uncrystallised mark to market losses of such trading member.
3. The monitoring of intraday uncrystallised MTM losses against MTM limits and monitoring of margins against margin limits at trading member level shall be separate and mutually exclusive.
4. Setting of MTM limits shall be optional for clearing member. Default value of MTM limit shall be set at zero for all trading members
5. In case no limit is set by Clearing member or is set at zero then there shall be no monitoring of intraday uncrystallised MTM losses for such trading members
6. Intraday uncrystallised MTM profits/losses shall be computed on a real time basis at trading member level for open positions in futures contracts only based on the latest available price of the respective futures contract.
7. Intraday Uncrystallised MTM profits/losses shall be computed across all clients/proprietary positions in futures contracts and only net loss at trading member level shall be considered for the purpose of monitoring
8. The trading member shall be disabled and placed in close out mode when intraday uncrystallised MTM losses for a trading member breaches 100% of the MTM limit set by the Clearing member.

The above facility shall be available from May 26, 2020.

Members are requested to take note of above.

For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)

Huzefa Mahuvawala
Vice President

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