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NSE Clearing

Circular

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

Department : CURRENCY DERIVATIVES SEGMENT	
Download Ref No: NCL/CD/47584	Date : March 09, 2021
Circular Ref. No:007/2021	

All Members,

Sub: Computation of Margin Utilisation

NSE Clearing levies Initial margin, Extreme Loss Margin (ELM), Margin on consolidated crystallized obligation (COBG) in the Currency Derivatives segment and are monitored against the effective deposit/limit of the clearing/trading members. The margin utilization percentage is used for the calculation of point of entry/exit in the risk reduction mode.

The formula used for computation of margin utilisation shall be revised as under:

For Clearing Members:

$$\text{Margin Utilisation \%} = \frac{\text{(Initial Margin + ELM +COBG)}}{\text{Effective Deposit- Minimum liquid net worth}}$$

For Trading Members:

$$\text{Margin Utilisation \%} = \frac{\text{(Initial Margin + ELM +COBG)}}{\text{Applicable Limit}}$$

The effective date for implementation of the revised formula shall be communicated separately

Members are requested to take note of the 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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