NSE Clearing

Circular

NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)

DEPARTMENT : CAPITAL MARKET SEGMENT	
Download Ref No : NCL/CMPT/ 43806	Date : March 09, 2020
Circular Ref. No : 120/2020	

All Members/Custodians/PCMs

Sub: Guidelines on Interoperability among Clearing Corporations for Offer for Sale (OFS)

This is further to circular NCL/CMPT/40855 dated April 27, 2019 and circular NSE/CMPT/22650 dated January 31, 2013. The Offer for Sale (OFS) will be under interoperability framework with effect from **April 01, 2020**.

Members and Custodians are requested to note the revised guidelines for risk management, clearing and settlement and files applicable under interoperability framework. Clearing members and custodians in capital market segment may continue to maintain the designated clearing corporation for OFS and will be permitted to change the designated clearing corporation for OFS as per process set out by the Clearing Corporations.

1. Risk Management:

Trading Cum Clearing Members and Professional Clearing Members will be required to set trading member wise limits. Based on the type of the bid, margins shall be blocked from the limits of the trading member set by clearing member. In respect of Self Clearing Member and Custodian the margins shall be blocked from the collateral provided by the clearing member/custodian as done currently.

The procedure for providing early pay-in of funds through Collateral Interface for Member (CIM) and collaterals blocking for OFS shall remain same as done currently. Subsequently clearing members shall set trading member-wise limits through facility provided in CIM system as given below:

- Trading member wise limits can be set based on early pay-in of funds provided by the clearing member and that shall not exceed the total early pay-in of funds for a settlement type and settlement number
- Trading member wise limits can be set based on collateral provided by clearing member and that shall not exceed the total collateral
- Only upward revision of trading member wise early pay-in of funds and collateral limits will be allowed

2. Clearing and Settlement:

2.1. Confirmation of custodial participant trades:

Custodians and members will have the existing interface ‘NSCCL Clearing Management System (NCMS)-OFS’ to facilitate online order inquiry and confirmation. This interface would enable custodians associated with NSE Clearing Ltd. to carry out confirmations of bids placed across Exchanges. Members associated with NSE Clearing Ltd. would be able to view the confirmation status of CP orders which are marked for confirmation by Custodians.

In case of rejection / non confirmation of institutional bids by the Custodians for upfront margin bids, such bids shall not be considered towards allocation. In case of rejection / non confirmation of institutional bids by the custodians where no upfront margin is paid, the obligation to fulfill the settlement will fall on the clearing member of the trading member who will settle the same through the respective Clearing Corporation selected by them for OFS.

2.2. Obligation of clearing members:

Obligation shall be computed at trading member/CP level across Exchanges and grossed up at clearing member/custodian level. The obligation shall be computed considering the allotment of bids provided by the Designated Stock Exchange for the OFS. The funds pay-in and securities pay-out shall happen through the settlement account and pool account of the clearing member/custodian.

3. List of Files:

The list of files which will be applicable for Trading Members and Clearing Members are provided in Annexure I.

For and on behalf of
NSE Clearing Limited

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Annexure I

The list of reports to be provided for OFS will be as under.

The format for following reports will remain same for OFS as currently being provided in capital market segment:

1. **Trade Report:**

Naming convention:

For Trading Member: OFS_T_TRD _DDMMYYYY_<Member Code>_<Exchange code>.txt

For Clearing Member: OFS_TRD_DDMMYYYY_<Member Code>_<Exchange code>.txt

2. **Provisional obligation Report:**

Naming convention:

For Trading Member: <Member Code>_T_DOBG_<Settlement type settlement number>_<DDMMYYYY>.csv

For Clearing Member: <Member Code>_DOBG_<Settlement type settlement number>_<DDMMYYYY>.csv

3. **Final Obligation Report:**

Naming convention:

For Trading Member: <Member Code>_T_FOBG_<Settlement type settlement number>_<DDMMYYYY>.csv

For Clearing Member: <Member Code>_FOBG_<Settlement type settlement number>_<DDMMYYYY>.csv

4. **STT Report:**

For Trading Member: OFS_T_STT_<Member code>_DDMMYYYY.csv

For Clearing Member: OFS_STT_<Member code>_DDMMYYYY.csv

The format for following reports is given in Annexure II:

5. **Stamp Duty Report:**

Revised Naming convention:

For Trading Member: OFS_T_SD_<Member code>_DDMMYYYY.csv

For Clearing Member: OFS_SD_<Member code>_DDMMYYYY.csv

Annexure II

Stamp Duty File for Trading Member:

File Name – OFS_T_SD_<Member code>_DDMMYYYY.csv

File Location- Members Folder/Reports

Header Record (Member level Stamp Duty information)
Record Type (10)
Stamp Duty date
Due date of payment
Member Type
Member Code
Total Stamp Duty
Detailed Record (Client level Stamp Duty information)
Record type (20)
Stamp Duty date
Trading Member code
Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Securities level Stamp Duty information)
Record Type (30)
Stamp Duty date
Trading Member Code
Trading Client code
Settlement Type
Settlement Number
Security Symbol
Security Series
Total Allotted Quantity
Total Allotted Value
Total Stamp Duty

Stamp Duty File for Clearing Member:

File Name – OFS_SD _<Member code>_DDMMYYYY.csv

File Location- Members Folder/Reports

Header Record (Member level Stamp Duty information)
Record Type (10)
Stamp Duty date
Due date of payment
Member Type
Member Code
Total Stamp Duty
Detailed Record (Trading Member level Stamp Duty information)
Record type (20)
Stamp Duty date
Trading Member code
Total Stamp Duty
Detailed Record (Client level Stamp Duty information)
Record type (30)
Stamp Duty date
Trading Member code
Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Securities level Stamp Duty information)
Record Type (40)
Stamp Duty date
Trading Member Code
Trading Client code
Settlement Type
Settlement Number
Security Symbol
Security Series
Total Allotted Quantity
Total Allotted Value
Total Stamp Duty