

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

Department : CAPITAL MARKET SEGMENT

Download Ref No: NCL/CMPT/45942

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All Members and Custodians

Sub: Launch of Steady state model for OTR allocation and Confirmation in Cash market

The draft operating guidelines for interoperability among clearing corporations were jointly issued by NSE Clearing Ltd., Indian Clearing Corporation Ltd. and Metropolitan Clearing Corporation Ltd. vide circular NCL/CMPT/40744 on April 15 2019.

The draft operating guidelines provided detailed procedure of allocation and confirmation as per interim model and Steady state model. Currently interim model is in force. It has now been decided to move to steady state model for allocation and confirmation in cash segment.

This circular is issued in partial modification of consolidated circular NCL/CMPT/43078 dated 01st January 2020, for implementation of steady state model. The detailed operational guidelines for steady state model are as follows.

1. OTR and Allocation by Trading MembersOTR generation

Trading members (TMs) can trade in generic custodian participant (CP) code 'INST' at any of the exchanges. Such trades are received by designated CC of the clearing member of the trading member. Designated CC shall generate OTR and provide the same for allocation to Trading members. The OTR are aggregation of trades at Trading Member code-Exchange-settlement type-settlement number-Symbol-series-Buy/Sell level. Additional field of Exchange shall be introduced in OTRs.

Allocation by Trading members

The facility of allocation shall be provided on NCMS-CM interface to Trading members of clearing members linked with NCL. Such Trading members shall do allocation of OTR only on NCMS-CM system of NCL, irrespective of exchange (either NSE, BSE or MSEI) they have traded on. Additional field of Exchange is being introduced in OTRs in both screen based and file based OTR allocation.

The trading member appearing in the OTR shall be applicable TM code as per C_TM_mapping_ddmmyyyy.csv file provided by NCL in Common/clearing folder on Extranet on daily basis. Similarly the settlement number in OTR shall be applicable settlement number of NCL. The applicable settlement number in OTR shall be as provided in settlement_mapping_monthyyyy.csv file downloaded in Common/clearing folder on Extranet for members. The applicable symbol and series appearing in the

OTR shall be as per NCL_Applicable_symbol_ddmmyyyy.csv file and BSE_script_series_mapping-ddmmyyyy.csv file downloaded by NCL in Common/clearing folder on Extranet. A sample file is provided with the circular.

Refer **Annexure A** for procedure in NCMS interface.

2. Confirmation by Custodian

Post CP code modification window NCL shall aggregate trades of such CPs that have chosen NCL as designated CC. Aggregation shall be done at Trade date-Trading member code-Exchange-CP code-Symbol-series-Buy/Sell level. Such aggregated CP orders shall be provided to Custodians for confirmation. Similarly OTR orders allocated by trading members, to CPs that have chosen NCL as designated CC, shall be provided to Custodians by NCL.

The TM code appearing in orders shall be TM code of the trading member on respective exchange where trade is executed. The settlement number in orders shall be applicable settlement number of NCL. The applicable settlement number shall be as provided in settlement_mapping_monthyyyy.csv file downloaded in NCIS/download folder. The applicable symbol and series appearing in the orders shall be as per NCL_Applicable_symbol_ddmmyyyy.csv file and BSE_script_series_mapping-ddmmyyyy.csv file downloaded by NCL in NCIS/download. A sample file is provided with the circular.

3. Non Settlement payment

NCL provides a facility for non-settlement payments (NSP) to Custodians and Trading Members. The Custodian provides the information with respect to TMs and CPs for creation of transactions for non-settlement payment. The TMs receive the information by way of file download giving details of Custodial Participants (CPs) for which non settlement payment is provided by Custodian.

The format of the NSP file to be provide by Custodians to CC and that provided by CC to TMs is revised. Refer **Annexure B** for procedure and revised formats for NSP. Sample file is provided with the circular.

There shall be no changes in any other procedure or report structure for members and Custodian.

For and on behalf of NSE Clearing Limited

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