NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Department : CAPITAL MARKET SEGMENT	
Download Ref No: NCL/CMPT/50001	Date: October 20, 2021
Circular Ref. No: 317/2021	

All Members/Custodians/PCM

Sub: Fungibilty of securities provided as collateral

This is in continuation and partial modification to Item 9.5 of Part B of our consolidated circular no. 003/2021 (Download Ref No: NCL/CMPT/46880) dated January 01, 2021.

Currently, members are permitted to transfer collaterals placed with NSE Clearing towards margin deposit in form of Cash, FDRs and bank guarantee from one segment to another.

In addition to the existing facility, the clearing members shall be permitted to place intra-day transfer request for fungible securities which are re-pledged with NSE Clearing towards margin deposit.

- The modalities of the facility of intraday transfer of securities is provided in Annexure 1.
- A report shall be downloaded to clearing members providing details of securities transferred during the day. The format of the report is provided in Annexure 2
- The modification in the current release process of securities is provided in Annexure 3

The above changes shall be effective from October 25, 2021.

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

Huzefa Mahuvawala
Vice President

Telephone No	**Fax No**	**Email id**
1800 266 0050	022-26598243	collaterals_ops@nsccl.co.in

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Annexure 1-Modalities to accept request for transfer

- The facility for intraday transfer of securities is available only for securities pledged to NSE Clearing through margin pledge re-pledge mechanism provided by NSDL and CDSL
- Only securities re-pledged to NSE Clearing with segment indicator as ***ALL*** shall be considered as fungible and shall be eligible for transfer.
- Clearing members who wish to re-pledge securities for a particular segment shall continue to pledge the securities with respective segment indicator. Such repledge securities shall be considered as non-fungible and shall not be eligible for transfer.
- Securities re-pledged with segment indicator as ***ALL*** shall be added in the segment where the member is having active clearing membership in the priority as defined below
    1. Futures and Options Segment
    2. Capital Market Segment
    3. Currency Derivatives Segment
    4. Securities Lending and Borrowing
    5. Commodities Derivatives Segment
- If the clearing member wishes to change the priority of the segment may do so by providing the details (email to Collaterals_ops@nsccl.co.in) of the required priority segment to NSE Clearing.
- Clearing Member can put the request to transfer fungible security by way of a file upload option available in CIM→Release→File Upload. The format for transfer file upload is provided in Annexure 4
- The request to transfer shall be processed at pre-defined intervals in batches during the day
- The request to transfer shall be checked for margin sufficiency in the source segment. In case the margin is insufficient then the transfer request shall be partially accepted or get rejected
- The request shall be considered valid only if the CM/CM-TM/ CM- CP in the source segment is also valid in the target segment.
- Transfers requests with Pledge Sequence Number /BP Instruction ID specified by clearing member shall be processed for that particular Pledge Sequence Number /BP Instruction ID only for releasing from source segment

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Annexure 2 –Securities Transfer Report

Report name: C_TM CODE_SEC_TRF_DDMMYYYY.CSV
(CMFTP/C<MEMBER CODE>/REPORTS)
The file would be a CSV file with the following *columns*

- The report shall contain below annexures:
  - Additions due to successfully processed transfer requests:
    - TM CODE
    - CLIENT/ CP CODE
    - INSTRUMENT TYPE
    - SYMBOL
    - ISIN
    - SERIES
    - DEPOSIT TYPE (BC/ABC)
    - DEPOSITORY/ CUSTODY
    - PSN/ BP INSTRUCTION ID
    - QUANTITY
    - VALUATION PRICE
    - GROSS VALUE
    - HAIRCUT
    - NET VALUE
  - Release due to successfully processed transfer requests:
    - TM CODE
    - CLIENT/ CP CODE
    - INSTRUMENT TYPE
    - SYMBOL
    - ISIN
    - SERIES
    - DEPOSIT TYPE (BC/ABC)
    - DEPOSITORY/ CUSTODY
    - PSN/ BP INSTRUCTION ID
    - QUANTITY
    - VALUATION PRICE
    - GROSS VALUE
    - HAIRCUT
    - NET VALUE

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Annexure 3- Modification in the Current Release Process

- Clearing member shall be allowed to release transferred securities from target segment.
- Fungible and Non-Fungible securities shall be displayed separately under release request screen/reports available to clearing member.
- Clearing members shall be required to do necessary changes in release request file upload functionality to enable upload of release request file for fungible and non-fungible securities separately.

FILE FORMAT FOR REQUESTING COLLATERAL RELEASES

File name: C_RRQ_DDMMYYYY_NN.CSV

Where C is Segment indicator
RRQ is release request
DDMMYYYY is the request date which should be current date
NN is sequential file batch number

The file should be CSV file with the following *columns*
The file should be uploaded under the option CIM → Collateral Release → File Upload

Segment Indicator	C
Member Code	Member Code
Type of Collateral	BC/ABC
Instrument Type	CSH/BGN/FDP/SDP/NMF/CMF/GMF/OMF
Instrument Id	Applicable only for BGN/FDP
Custodian code	To be provided only in case of SDP/CMF/NMF/OMF/GMF
Security symbol	To be provided only in case of SDP/CMF/NMF/OMF/GMF
Requested Quantity	To be provided only in case of SDP/CMF/NMF/OMF/GMF
Requested amount	To be provided only in case of BGN/FDP/CSH in Rs. In case of SDP/CMF/NMF/OMF/GMF it should be typed as NA
ISIN Code	To be provided only in case of Corporate Bond/OMF/GMF. In case of BGN/FDP/CSH/SDP/CMF/NMF it should be typed as NA
TM Code	To be provided only in case of SDP/CMF/NMF/OMF/GMF TM prop security release / else NA

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Client / CP Code	To be provided only in case of SDP/CMF/NMF/OMF/GMF CP / TM client security release / else NA
Bank Code	Mandatory for instrument type CHQ. NA for rest.
Fungibility Flag	Y/N

Notes:

1. Member code stands for the member code (5 digit) / custodian code.
2. CSH stands for cash, BGN for bank guarantee, FDP for Fixed deposit receipt, SDP for securities, NMF for non-cash ETF, CMF for cash component ETF/SGB, GMF for gilt mutual funds and OMF for other than gilt mutual funds
3. Instrument ID stands for the NCL Ref no as is available in the latest MG05 report. For eg the instrument id for NCL.Ref no ABC/BG/39288 will be 39288
4. Non Applicable fields should be blank or as specified in table above
5. The return files giving the status of the acceptance/rejection of the release request will be available through the collateral interface for members (CIM) at the following path Collateral Release > Download Return File. The file naming convention for the same will be C_RRR_Member Code_DDMMYYYY_NN.csv.

File format for Instruction wise release request of securities as collateral
File name: C_RRT_DDMMYYYY_NN.CSV

Where C is Segment indicator
RRT is release request
DDMMYYYY is the request date which should be current date
NN is sequential file batch number

The file should be CSV file with the following *columns*
The file should be uploaded under the option CIM → Collateral Release → Instruction wise file upload

Segment Indicator	C
Member Code	Member Code
Type of Collateral	BC/ABC
Instrument Type	SDP/NMF/CMF/GMF/OMF/GSE
Instrument Id/Mode	Blank for SDP/NMF/CMF/OMF Depository for GSE
Custodian code	CDSL or NSDL, in case of SDP/CMF/NMF/OMF/GMF NSCCL in case of GSE

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Security symbol	To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE
Requested Quantity	To be provided only in case of SDP/CMF/NMF/OMF/GMF/GSE
Requested amount	To be provided only in case of GSE in Rs. In case of SDP/CMF/NMF/OMF/GMF it should be typed as NA
ISIN Code	To be provided only in case of Corporate Bond/OMF/GMF. In case of SDP/CMF/NMF it should be typed as NA
TM Code	TM Code else NA
Client / CP Code	Client Code else NA
Bank Code/Gsec Ac No	NA for SDP/NMF/CMF/OMF Custodian Code NSDL/CDSL for GSE
MPR/PSN	To be provided only in case of SDP/CMF/NMF/OMF/GMF
DP ID	To be provided only in case of SDP/CMF/NMF/OMF/GMF
Fungibility Flag	Y/N

Notes:

1. The file format is only applicable for instruction wise release of securities pledged as collateral
2. Member code stands for the member code (5 digit) / custodian code.
3. NMF for non-cash ETF, CMF for cash component ETF/SGB, GMF for gilt mutual funds, OMF for other than gilt mutual funds and GSE for Government Securities
4. Non-Applicable fields should be blank or as specified in table above
5. The return files giving the status of the acceptance/rejection of the release request will be available through the collateral interface for members (CIM) at the following path Collateral Release > Download Return File. The file naming convention for the same will be C_RTR_Member Code_DDMMYYYY_NN.csv.

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Annexure 4-File Upload Format for transfer of securities

File Nomenclature: C_TRG_ddmmyyyy_xx.csv
Where C is Segment indicator
TRG is transfer request
DDMMYYYY is the request date which should be current date
XX is sequential file batch number

Segment Indicator	C
Member Code	5 digit primary member code for CM/Trading Member/custodian participant code for SLB/ CMID for F&O, CD, Debt and Commodity
Type of Collateral	ABC
Instrument Type	SDP/INM/NMF/CMF/OMF/GMF/GSE
Instrument Id/**Mode**	Mode is applicable for GSE.
Custodian code	To be provided only in case of SDP/INM/NMF/CMF/OMF/GMF/GSE Value shall be NSDL or CDSL
Symbol	To be provided only in case of SDP/INM/NMF/CMF/OMF/GMF/GSE
Available Quantity	To be provided only in case of SDP/INM/NMF/CMF/OMF/GMF/GSE
Amount	To be provided only in case of GSE in Rs. In case of SDP/INM/NMF/CMF/OMF/GMF it should be NA.
ISIN	Mandatory in case of SDP, OMF,GMF,GSE.NA for rest.
TM Code	Applicable for SDP/NMF/INM/CMF/OMF/GMF/GSE
Client Code	Applicable for SDP/NMF/INM/CMF/OMF/GMF/GSE
Bank Code/**GSE ACC No**	GSE ACC No. is applicable for GSE NA for rest
Fungible Flag	Y Applicable for SDP/INM/NMF/CMF/OMF/GMF/GSE.
Destination segment	C/F/X/O//D/S. To be provided for Destination segment transfer

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File format for Instruction wise transfer request of securities as collateral

File Nomenclature: C_TRT_ddmmyyyy_xx.csv
Where C is Segment indicator
TRT is transfer request
DDMMYYYY is the request date which should be current date
XX is sequential file batch number

Segment Indicator	C
Member Code	5 digit member code for CM/Trading Member/custodian participant code for SLB/ CMID for F&O
Type of Collateral	ABC
Instrument Type	SDP/NMF/INM/CMF/OMF/GMF/GSE
Instrument Id/Mode	Mode is applicable for GSE.
Custodian code	To be provided only in case of SDP/NMF/INM/CMF/OMF/GMF/GSE
Symbol	To be provided only in case of SDP/NMF/INM/CMF/OMF/GMF/GSE
Available Quantity	To be provided only in case of SDP/NMF/INM/CMF/OMF/GMF
Amount	To be provided only in case of GSE In case of SDP/NMF/INM/CMF/OMF/GMF it should be NA.
ISIN	Mandatory in case of SDP, OMF,GMF,GSE.NA for rest.
TM Code	Applicable for SDP/NMF/INM/CMF/OMF/GMF/GSE
Client Code	Applicable for SDP/NMF/INM/CMF/OMF/GMF/GSE
Bank Code/GSE ACC No	GSE ACC No. is applicable for GSE NA for rest
BP ID	Applicable for SDP/NMF/INM/CMF/OMF/GMF/GSE
DP ID	Applicable for SDP/NMF/INM/CMF/OMF/GMF/GSE
Fungible Flag	Y Applicable for SDP/INM/NMF/CMF/OMF/GMF/GSE.
Destination segment	C/F/X/O//D/S. To be provided for Destination segment transfer