

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

DEPARTMENT: LEGAL & SECRETARIAL	
Download Ref No : NCL/SD/43288	Date : January 22, 2020
Circular Ref. No : 01/2020	

To the clearing members of Capital Market, Futures & Options, Currency Derivatives and Commodity Derivatives segments

Sub: Amendments to Rules, Byelaws and Regulations

The provisions contained in the Rules, Byelaws and Regulations (Capital Market, Futures & Options, Currency Derivatives and Commodity Derivatives segment) of NSE Clearing Limited are amended to the extent given hereunder:

(1) The words 'Defaulters' Committee and SGF Utilization Committee are replaced wherever it / they appears / appear in the Rules, Byelaws and Regulations of the respective segments of NSE Clearing Limited with 'Relevant Committee' and the same is defined and inserted in the Definitions Chapter of the Byelaws of the respective segments as under:-

Quote

'Relevant Committee' shall mean the Member and Core Settlement Guarantee Fund Committee or such other committee as stipulated by SEBI from time to time.

Unquote

(2) Regulation 2.3 of both Futures & Options segment Regulations and Capital Market segment Regulations of NSE Clearing Limited are amended to reflect the same categories of membership under new uniform membership structure across cash and equity derivative segments as under:-

(i) Regulation 2.3 of Futures & Options segment Regulations of NSE Clearing Limited is amended as under:-

Quote

"Categories of F&O Clearing Members

The following categories of F&O Clearing Members are specified as under:

Self-Clearing Member

Self-Clearing Member means a member of a Specified Exchange who is admitted by the relevant authority on the Clearing Corporation as a F&O Clearing Member who may clear and settle deals executed on its own account or on account of its clients.

Clearing Member

Clearing Member means a member of a Specified Exchange who is admitted by the relevant authority on the Clearing Corporation as a F&O Clearing Member who may clear and settle the following deals:

- (a) Deals executed on its own account or on account of its clients.*
- (b) Deals executed by other members of a Specified Exchange on their own account or on account of their clients*

Professional Clearing Member

Professional Clearing Member means a Clearing Member who is admitted by the relevant authority and who may clear and settle deals executed by its constituents.

Unquote

2 (ii) Regulation 2.3 of Capital Market segment Regulations of NSE Clearing Limited is proposed to be amended as under:-

Quote

“Categories of CM Clearing Members

The following categories of CM Clearing Members are specified as under:

Self-Clearing Member

Self-Clearing Member means a member of a Specified Exchange who is admitted by the relevant authority on the Clearing Corporation as a CM Clearing Member who may clear and settle deals executed on its own account or on account of its clients.

Clearing Member

Clearing Member means a member of a Specified Exchange who is admitted by the relevant authority on the Clearing Corporation as a CM Clearing Member who may clear and settle the following deals:

- (a) Deals executed on its own account or on account of its clients.
- (b) Deals executed by other members of a Specified Exchange on their own account or on account of their clients

Professional Clearing Member

Professional Clearing Member means a Clearing Member who is admitted by the relevant authority and who may clear and settle deals executed by its constituents.

Custodian Clearing Member

Custodian Clearing Member means and includes Custodians, Banks, Trust Companies and other firms admitted by the relevant authority as CM clearing members who may act for self-clearing members and their constituents in giving and taking delivery of securities, transfer deeds and any other documents by effecting delivery and in making and receiving payment for the same in the manner prescribed in these Regulations herein after called Custodian Clearing Members.”

Unquote

2(iii) As a consequence of the above amendment,

(a) the consequential changes to reflect the above membership categories are carried out in the Rules, Byelaws and Regulations of the respective segments to replace the old categorization with the new categorization of the membership including re-numbering wherever required; and

(b) references to Participant Clearing Member category and the relevant provisions pertaining to the said category are deleted throughout the Rules, Byelaws and Regulations of the respective segments since such category is not applicable.

3. Regulation 10.10 of Chapter 10 of Capital Market segment Regulations of NSE Clearing Limited is modified to remove the restriction on clearing members to offer in auction securities in which they have short delivered :-

Quote

10.10 Bids and Offers

Unless otherwise specified by the relevant authority, CM clearing members may make a bid or offer during closing out. The relevant authority shall be at liberty at its discretion to refuse any bid or offer given.

Unquote

4. (i) NSE Clearing (Commodity Derivatives segment) Regulations, 2018 are amended to facilitate dematerialized settlement of Agriculture and Agri-processed commodities through approved repositories as under:-

Quote

The amendments proposed to NSE Clearing (Commodity Derivatives segment) Regulations, 2018 are given in **Annexure**.

Unquote

The above amendments have come into force with effect from January 11, 2020, being the date of notification in the Gazette of India.

Note: For clarification, the signatory may be contacted on 022-2659 8222.

**For and on behalf of
NSE Clearing Limited**

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