



## NATIONAL SECURITIES CLEARING CORPORATION LIMITED

### SEGMENT: MUTUAL FUND SERVICE SYSTEM

Download Ref No : NSCCL/MFSS/35231

Date : Jun 29, 2017

Circular Ref. No : 112/2017

### All Participants,

### Sub: Revised procedure for subscription orders settlement in MFSS Segment

With reference to circular no. NSE/CMTR/16499 dated December 9, 2010 and SEBI circular CIR/IMD/DF/17/2010 dated November 09, 2010, and in partial modification of circular NSE/CMPT/ 16506 dated December 10, 2010 relating to Mutual Funds Service System, the Participants of the MFSS are requested to please note the revised procedure for subscription orders settlement in MFSS w.e.f. July 03, 2017.

Existing facility of uploading Payment confirmation file (COBG) shall be discontinued.

### Revised Fund Settlement Procedure

#### T day

- Subscription obligation files (SOBG) as per existing file format (Annexure 5.1 of circular NSE/CMPT/ 16506 dated December 10, 2010) will be downloaded to Participants on the T day for all valid subscription orders of mutual fund units.
- All the valid subscription orders shall be posted on Collateral Interface for Members (CIM) for participants after Final order report on T day.
- Participants can cancel the orders before 07:45 AM on T+1 Day.
- Participants shall be provided a facility to cancel order through frontend as well as through file upload as per existing file format (Annexure 5.2 of circular NSE/CMPT/ 16506 dated December 10, 2010) only upto the cut off time of 07:45 AM on T+1 day.
- The procedure of order cancellation through CIM is provided in **Annexure 1**
- Participants can upload multiple files for cancellation. However, participants are requested to note the following with respect to Multiple file upload:
  - Participants may upload the COBG for orders to be cancelled and orders to be accepted, or only for orders to be cancelled.
  - Confirmation flag should be mentioned as 'N' if the participant wishes to cancel the order. Confirmation flag should be mentioned as 'Y' if the participant wishes to accept the order.
  - Records not uploaded/failed records or records against which no confirmation flag 'Y' or 'N' is provided shall be treated as 'Y' i.e. accepted for the purpose of funds allocation.



## NATIONAL SECURITIES CLEARING CORPORATION LIMITED

- If the participant wants to change the confirmation flag once uploaded, the same need to be provided in the next file with revised confirmation flags and the old flags will be updated with the revised flags.
- Return files for Participants will be generated immediately with status of records as accepted / rejected and reason for rejection. The format of return files is same as existing file format (Annexure 5.3 of circular NSE/CMPT/ 16506 dated December 10, 2010)
- Files can be uploaded only till cut off time of 07:45 MA on T+1 day.

### T+1 day

- The Clearing Corporation of the Exchange shall debit the designated clearing bank account of the Participants on T+1 morning by 8:30 AM. Participants are required to provide the payin to the extent of non- cancelled order amount. (Payin amount = Total obligation amount provided in SOBG – Total amount of orders successfully cancelled.)
- In case of partial funds payin, all subscription orders of the participant shall be cancelled.
- Wherever the partial funds are collected from the bank account the same shall be returned to the designated bank account of the Participant.
- Appropriate action as declared by Clearing Corporation from time to time, including levy of penalty, shall be taken on Participants who fail to fulfil their funds obligation.
- Daily Funds report will be downloaded to Participants after completion of funds settlement. There is no change in the format for Daily Funds report.

### Unit Settlement

There will be no change in procedure and reports for Subscription unit settlement.

### Limitation of Liability

NSCCL is only a facilitator and not a counter party for the Initial offer/sale/repurchase/redemption of units. NSCCL will not guarantee the fulfillment of the settlement obligations. NSCCL shall not be liable for obligations arising out of InitialOffer/sale/repurchase/redemption of units by Participants and to any losses in connection therefrom.

For and on behalf of

**National Securities Clearing Corporation Ltd,**

Archana Upadhye  
Senior Manager

| Toll Free No  | Fax No       | Email id                                                               |
|---------------|--------------|------------------------------------------------------------------------|
| 1800 266 0057 | 022-26598269 | <a href="mailto:mfss_clearing@nscl.co.in">mfss_clearing@nscl.co.in</a> |