

DEPARTMENT: LEGAL & SECRETARIAL

Download Ref No: NCL/SD/46379

Date: November 19, 2020

Circular Ref. No: 02/2020

All Clearing Members

Sub: Amendments to Rules and Byelaws of NCL

NCL Rules and Byelaws (Capital Market, Futures & Options, Currency Derivatives and Commodity segment) are amended as under:

1. The name of SEBI is excluded by amending the definition of term Relevant Authority in Chapter 1 of the Byelaws and Rules of all segments of NCL as under: -

Quote

“Relevant Authority” means the Board, or such other authority as specified by the Board from time to time as relevant for a specified purpose.

Unquote

2. (i) the existing clause (3) of Byelaw 7 of Chapter XII of the Byelaws of all segments of NCL are amended as under:

Quote

In the event of usage of Core SGF during a calendar month, contributors shall, as per usage of their individual contribution, immediately replenish the Core SGF to MRC. However, such contribution towards replenishment of Core SGF by the members would be restricted to only once during a period of 30 calendar days regardless of the number of defaults during the period. The period of 30 calendar days shall commence from the date of notice of default by Clearing Corporation to market participants.

Unquote

(ii) the Explanation 2 to Byelaw 8 of Chapter XII of the Byelaws of all segments of NCL are amended as under: -

Quote

(i) Clearing Corporation shall call for the capped additional contribution only once during a period of 30 calendar days regardless of the number of defaults during the period. The period of 30 calendar days shall commence from the date of notice of default by Clearing Corporation to market participants.

(ii) Clearing Corporation shall have relevant regulations/provisions for non - defaulting members to resign un-conditionally within the abovementioned period of 30 calendar days, subject to member closing out/settling any outstanding positions, paying the capped

additional contribution and any outstanding dues to SEBI. No further contribution shall be called from such resigned members.

(iii) The maximum capped additional contribution by non - defaulting members shall be lower of 2 times of their primary contribution to Core SGF or 10% of the Core SGF of the segment on the date of default in case of equity / debt segments.

(iv) The maximum capped additional contribution by non - defaulting members shall be lower of 2 times of their primary contribution to Core SGF or 20% of the Core SGF of the segment on the date of default in case of derivatives segment.

(v) In case of shortfall in recovery of assessed amounts from non –defaulting members, further loss can be allocated to layer 'f' with approval of SEBI.

Unquote

3. The clause (5) of Byelaw 14 of Chapter VI of NCL Byelaws for Commodity Derivatives segment is amended as under: -

Quote

Notwithstanding anything contained in the Bye-laws, the Clearing Corporation shall ensure guarantee for settlement of trades including good delivery.

Explanation: For the purpose of this clause, good delivery shall mean the delivery of goods that is in proper form to transfer title and is of the quality and quantity as per the contract specifications of the Specified Exchange.

Unquote

The above amendments have come into force with effect from November 18, 2020 being the date of notification in the Gazette of Maharashtra.

Note: For clarification, the signatory may be contacted on 022-2659 8100.

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

**Chirag S Nagda
Company Secretary**

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