

CIRCULAR

CIR/MRD/DRMNP/41 /2018

February 20, 2018

To
All recognized Clearing Corporations in International
Financial Services Centre

Dear Sir / Madam,

**Sub: Acceptance of Bank Guarantees by Clearing Corporations in International
Financial Services Centre (IFSC)**

- 1) SEBI vide circular no. SEBI/HO/MRD/DSA/CIR/P/2016/125 dated November 28, 2016, specified the guidelines for functioning of Stock Exchanges and Clearing Corporations in IFSC.
- 2) Based on the feedback received from the clearing corporations, it has been decided to amend para 2.6.3 of the abovementioned SEBI circular dated November 28, 2016, to read as under -

2.6.3. Eligible collateral: Clearing corporations in IFSC shall be permitted to accept cash and cash equivalents (which shall include major foreign currencies as may be decided by the clearing corporation from time to time, term deposit receipts and bank guarantees issued by bank branches located in IFSC), Indian securities held with foreign depositories, foreign securities including units of liquid mutual funds and gold, as eligible collateral for trades in all product categories. However, cash and cash equivalents shall form at least 50% of the total liquid assets at all times.

- 3) Clearing Corporations are directed to:
 - a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
 - b) bring the provisions of this circular to the notice of their members and also disseminate the same on its website; and
 - c) communicate to SEBI, the status of implementation of the provisions of this circular in the Monthly Report.
- 4) This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of

investors in securities and to promote the development of, and to regulate, the securities market.

- 5) This circular is available on SEBI website at www.sebi.gov.in, under the category "Circulars".

Yours faithfully,

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