

FIMCIR/2010-11/53

November 12, 2010

To,

All Members

Dear Sir/Madam,

i) Margining system for Corporate Bond Repos

ii) Settlements on T+ 0 basis

Please refer to our Circular FIMCIR/2009-10/45 dated February 25, 2010 .

In this connection we have to advise that **effective December 1, 2010**, the instructions contained in the circular are replaced with the Directions (Repo in Corporate Debt Securities (Amendment) Directions 2010) issued vide RBI Circular IDMD.PCD.21/11.08.38/2010-11 dated November 9, 2010.

Accordingly,

- (a) All repo trades in corporate debt securities shall settle on a T + 0 or T+ 1 or T+2 basis under DvP 1 (gross basis) framework.
- (b) A rating based haircut as under (or higher as maybe decided by the participants depending on the term of the repo and the remargining frequency) shall be applicable on the market value of the corporate debt security prevailing on the date of trade of 1st leg :

Rating	AAA	AA +	AA
Minimum haircut	10 %	12 %	15 %

Our software developers have been advised suitably to make the Corporate Bond Repo Reporting platform ready to accept the above modifications with effect from December 01, 2010.

With regards,

Yours truly,

C.E.S.Azariah
Chief Executive Officer