
**REPORTING
&
SETTLEMENT OF OTC CORPORATE
BONDS TRANSACTIONS UNDER
DVP 1 SYSTEM
through
Clearing Corporation of Exchanges**

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OTC Transactions in



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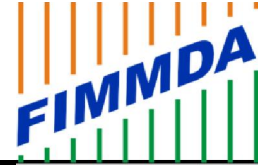
- ❑ Corporate Bonds

- ❑ Corporate Bond REPOS

- ❑ Commercial Paper (CP)

- ❑ Certificate of Deposit (CD)

Trade Reporting



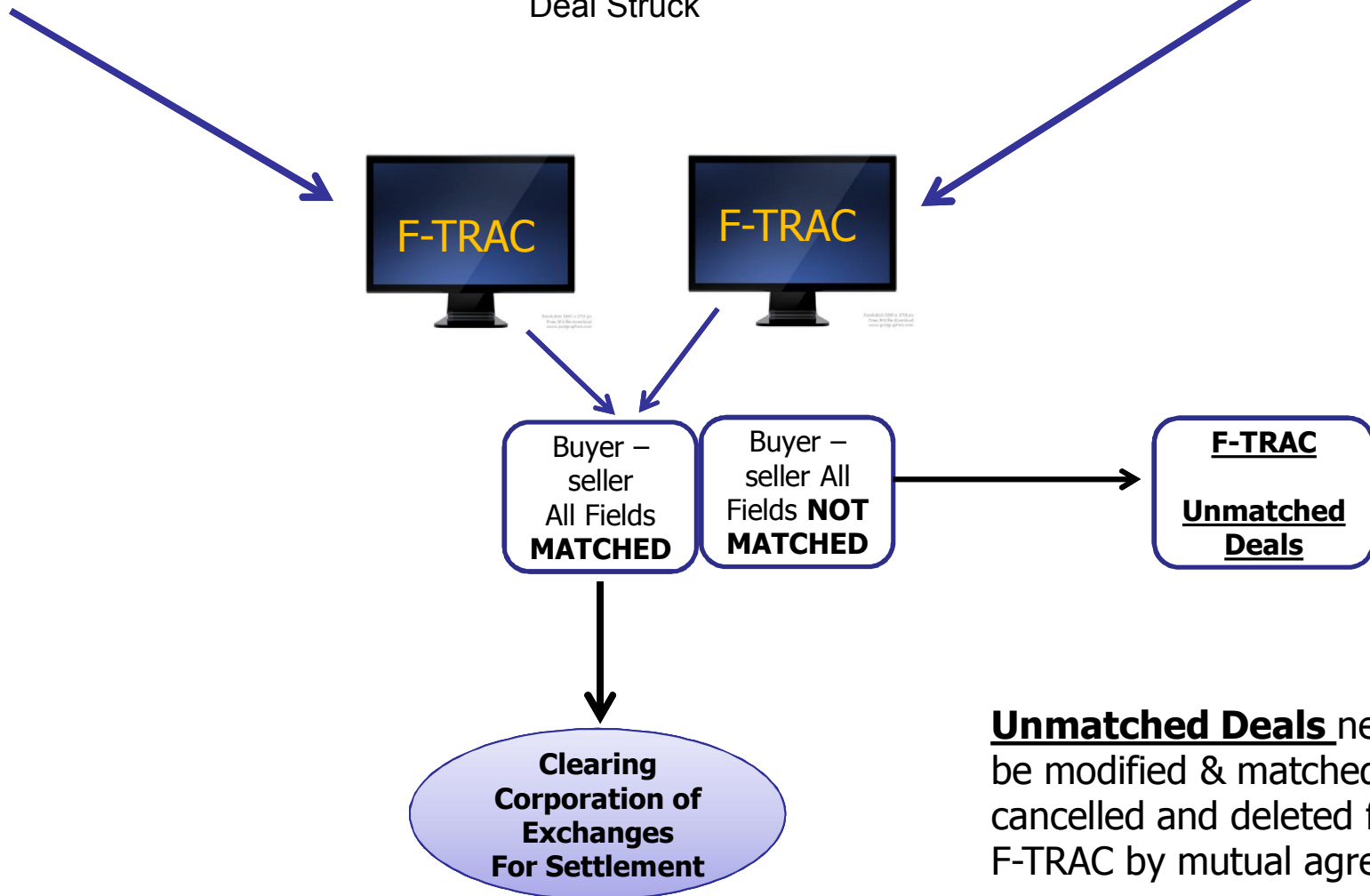
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- ❑ Along with reporting a trade, settlement attributes also reported
- ❑ Venue of settlement
- ❑ Terms of trade T0 T1 or T2
- ❑ Total consideration
- ❑ Custodian settlement
- ❑ Information passed on by the reporting platform to venue of settlement intra day.

OTC Deals Strike & Reporting



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Unmatched Deals need to be modified & matched OR cancelled and deleted from F-TRAC by mutual agreement

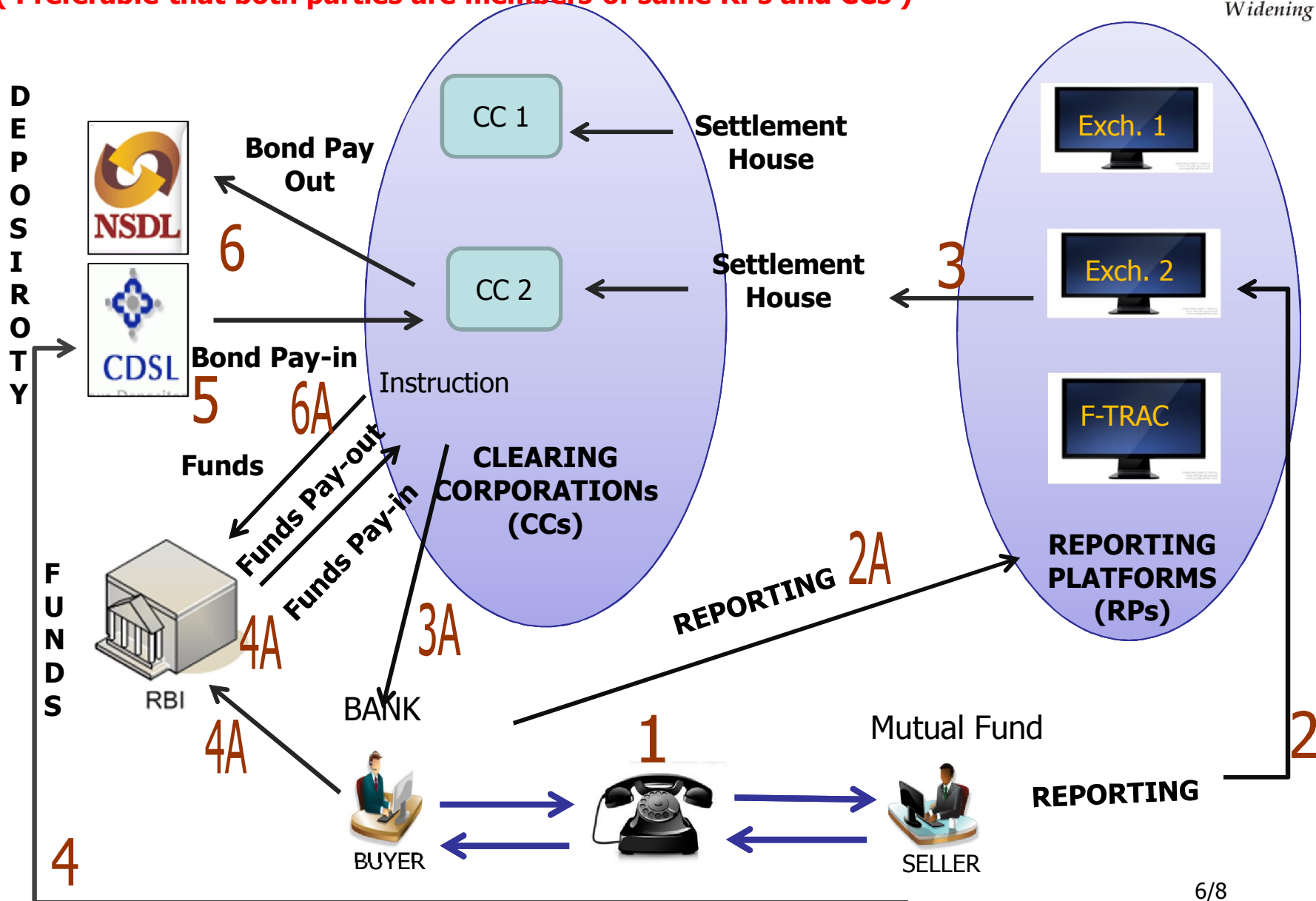
UNDER EXCEPTIONAL CIRCUMSTANCES ONLY

OTC Deals & Settlement Between FTRAC member & Non-member & Reported on different Platforms



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(Preferable that both parties are members of same RPs and CCs)



Reporting & Settlement Process for OTC Deals Between FTRAC member & Non-member reported on different Platforms



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- 1) OTC deal done over the phone or through broker
- 2) Reporting by Seller to BSE's platform
- 2A) Reporting by Buyer to F-TRAC platform
- 3) Information flow regarding seller, buyer, bond & consideration particulars from Exch. 1 to Clg. Corp. 1
- 3A) instruction from clearing Corporation (Clg. Corp. 1) to Buyer to arrange funds to Clearing Corporations Pooling A/c with RBI
- 4) Instruction from seller to Depository to transfer bonds to Pooling A/c of Clearing Corporation

Cont..

- 4A) Funds Pay-in : RTGS transfer of funds from Buyer to Clearing Corporation pooling A/c at RBI
- 5) Bonds Pay-in by Sellers Depository to Clearing Corporation Pooling A/c
- 6) Bonds Pay-out form Clearing Corporation pooling A/c to Depository A/c of Buyer
- 6A) funds pay-out from Clearing Corporation's Pooling A/c at RBI to Seller's A/c at RBI through RTGS

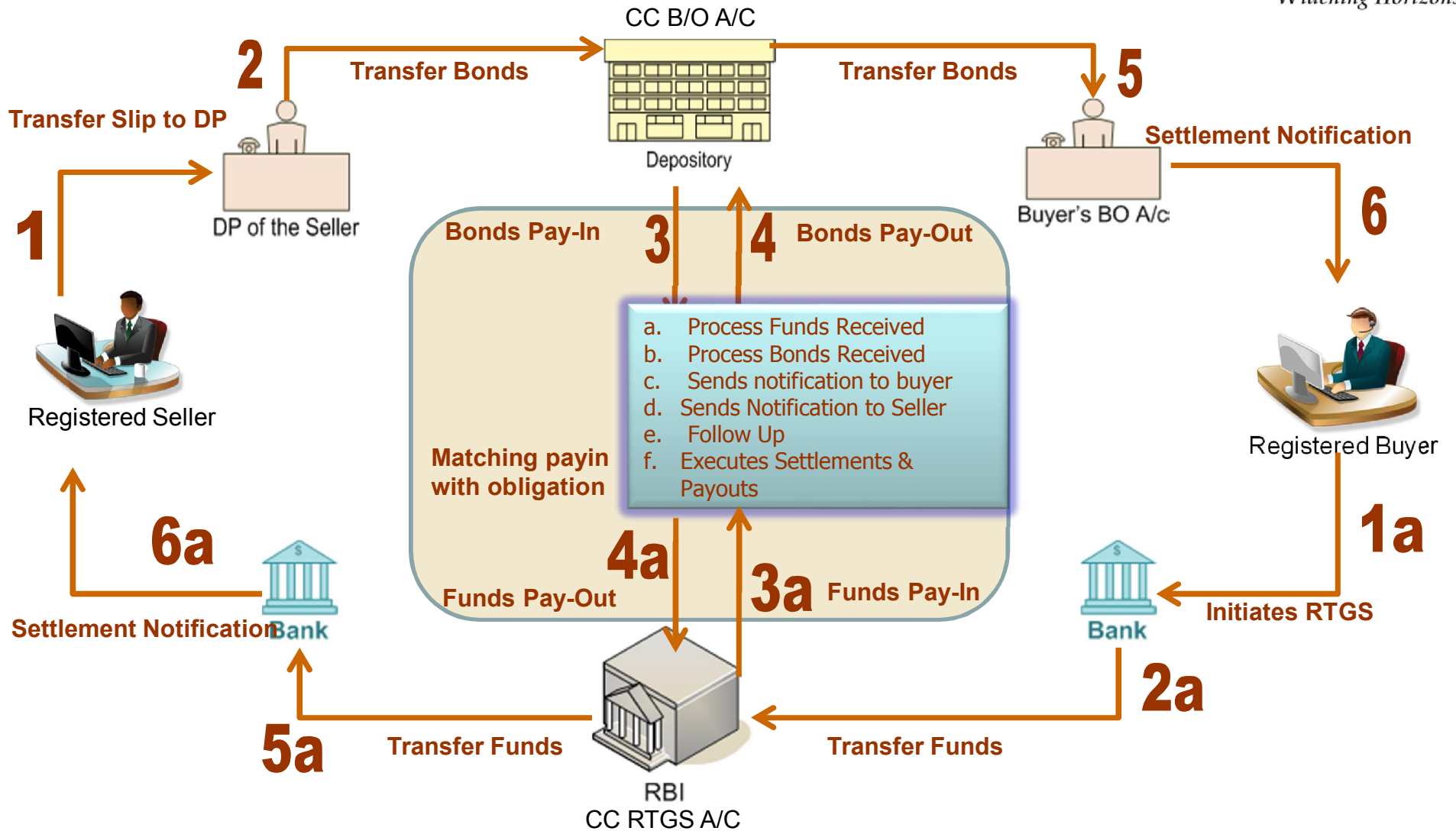
Settlement



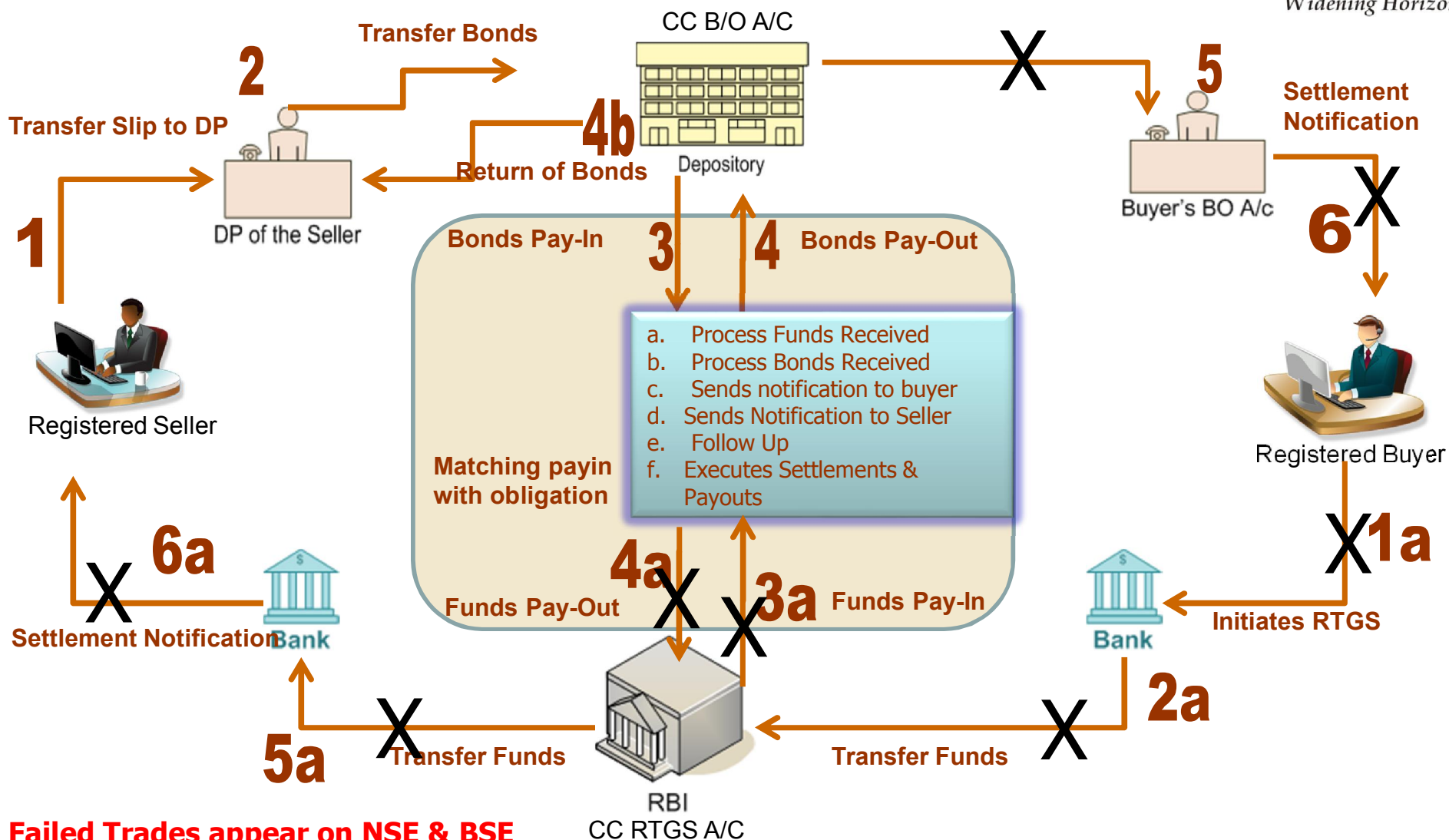
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- ❑ Securities (Bonds CP CD) settled in depositories
- ❑ Existing demat account of participants
- ❑ Funds settled through RBI RTGS
- ❑ Participants who have RBI RTGS account
 - Buyers transfer funds to Settlement account
 - Sellers receive funds from Settlement account
- ❑ Participants who do not have RBI RTGS account
 - Buyers avail their bankers facility to transfer funds to settlement account
 - Sellers receive funds through bankers RTGS facility

DVP 1 Settlement (Normal)



Failed Trades (Funds not Received from Buyer) Bonds returned to Seller if Seller delivers bonds

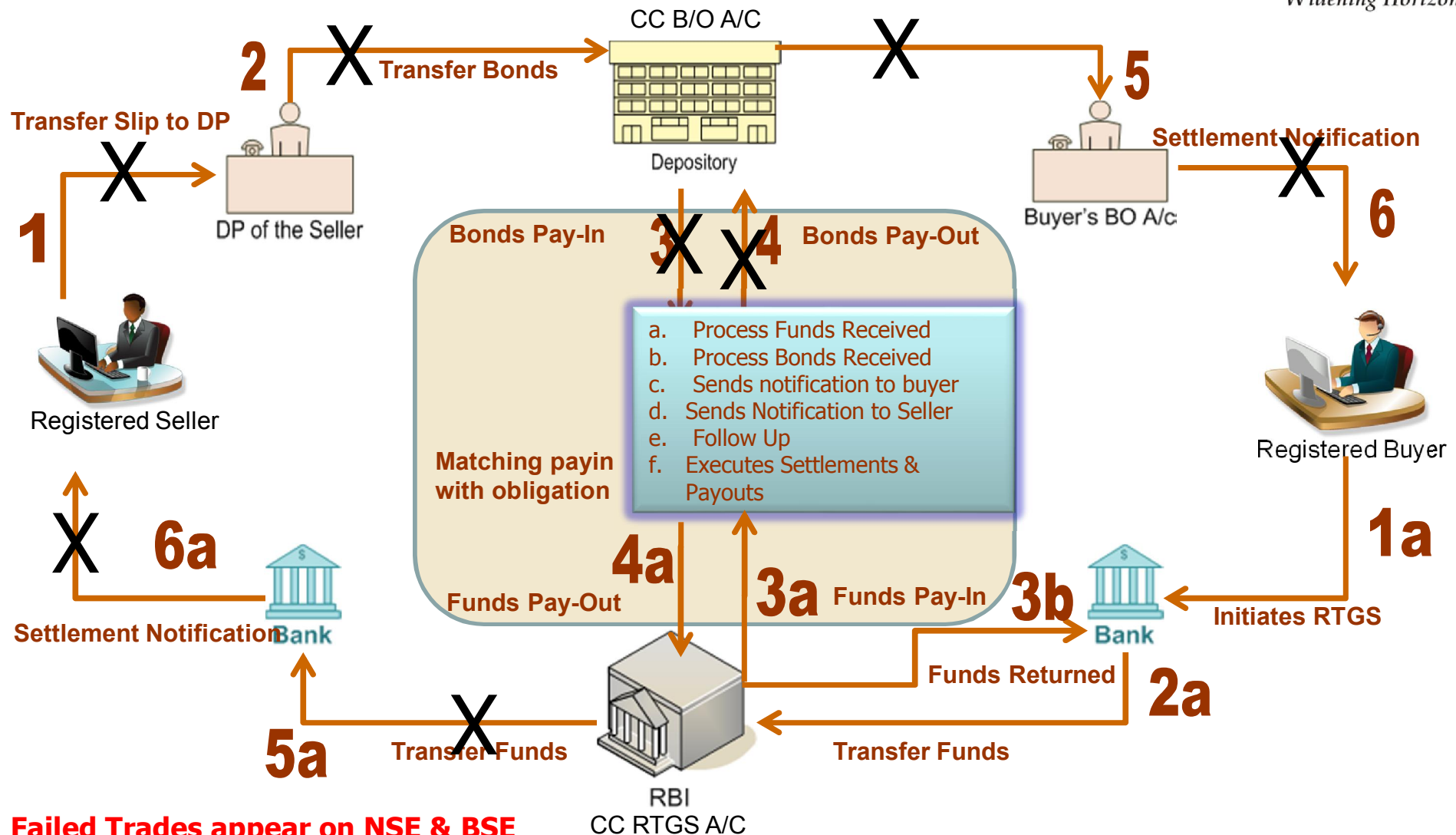


Failed Trades appear on NSE & BSE Websites

PPT Courtesy NSE

Failed Trades (Bonds not received from seller)

Funds returned to buyer if buyer transfers funds



Failed Trades appear on NSE & BSE Websites

PPT Courtesy NSE

Thank You