

NATIONAL SECURITIES CLEARING CORPORATION LIMITED
CAPITAL MARKET SEGMENT
Circular No. 047

Download No: NSE/CMPT/14081

February 09, 2010

Dear Members/Custodians/PCM,

Sub: Early Pay in of Funds

This is with reference to Early Pay-in of Funds for margin exemption as mentioned in Item No 11.14 of our consolidated circular (Download Ref No: NSE/CMPT/13060) dated September 10, 2009.

The additional features introduced in the facility for making early pay-in of funds are as under:

1. The facility for making early pay-in of funds will be separate from the facility of allocation of the early pay-in of funds. Members/Custodians shall make early pay-in funds through a screen-based request in the Collateral Interface for Members (CIM). The benefit for the same shall be provided on confirmation of funds from the respective Clearing Bank.
2. Members/Custodians may provide early pay-in of funds from any of their settlement accounts.
3. Early pay in of funds may be allocated at client level or at client-security level. The allocation can be revised through a screen based request or through the file upload facility.
4. Members can make early pay-in of funds along with details of client-security allocation before execution of a trade and shall be able to avail the benefit of early pay-in of funds on execution of the trade.

The detailed procedure for making early pay-in of funds is specified in the Annexure I.

The above circular shall be effective from February 15, 2010.

You are advised to take note of the above.

For any further clarifications please contact the following officials of the Clearing Corporation:

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Yours Sincerely,

For National Securities Clearing Corporation Ltd.

Aparna Bhat

Manager

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Annexure I:

Procedure for making early pay-in of funds

1. Request for early pay-in of funds

- Members/Custodians shall provide request for early pay-in of funds in Collateral Interface for Members (CIM)' under the menu EMI- Funds EPI menu.
- Members/Custodians shall select the settlement type, settlement number and Bank and enter the amount of early pay in.
- Members/Custodians shall have the option to select the bank account from any of the settlement bank accounts of the members/custodians.
- On submission of the request the same shall be forwarded to respective bank for confirmation.
- Members/Custodians shall be able to view the status of the early pay in requests made on the same screen. On confirmation by the Bank the status of the request shall be changed to 'Accepted' and the benefit of early pay-in of funds shall be provided.

2. Allocation of early pay-in of funds at client and security level

- Members/Custodians can add, delete or modify the allocation details.
- Allocation of early pay-in of funds is optional. The allocation can be done at a client level or at a client security level if the early pay-in of funds is to be allocated against a specific client-security combination.
- In case where the member wishes to avail the early pay in of funds benefit before execution of trade (on the T day), the member shall be compulsorily required to provide client –security level allocation in such a case.
- The existing file upload facility shall also be available with added features as follows:
 - Members/Custodians can provide allocation details through the file upload mechanism. The file structure is explained in Annexure II.
 - The details provided in the file upload shall overwrite the existing allocation details stored in the system that could have got created either through an earlier file or through the screen based request. Allocations made through the file upload can be modified through the screen based request.
 - Return File will be displayed on the upload screen itself along with the reason for rejection, if any.
- It is to be noted that the file upload facility and the screen based allocation is a request for allocation only and a separate Funds EPI request has to be put for Bank confirmation for availing margin benefit.

3. Margin exemption for early pay-in of funds

- Where the members/custodians have provided client -security allocation, benefit for early pay-in of funds shall be allocated against the net buy position of the specified client-symbol combination and any residual amount after such allocation will not be utilized for other positions.
- Allocation requests made at client level shall be executed in the descending order of the security wise net buy value under that client and any residual amount after such allocation will not be utilized for other clients.
- Where the Members/Custodians has made early pay in of funds and no allocation request has been provided, the amount shall be allocated to the clients with net buy positions value in descending order.
- Benefit for early pay-in of funds shall be provided subject to confirmation of the funds from the respective clearing bank of the members/custodians.

Annexure II:

Format of files to be uploaded by the members/custodians giving allocation details of early pay-in of funds

The file shall be in CSV format.

Naming convention:

CLNTEPF_N_XXXXXXXX_YYYYMMDD.Ynn

where,

- N - Settlement type (Should be N for normal segment and W for trade for trade segment)
- XXXXXXXX - Settlement number (e.g “2010001”)
- YYYYMMDD - Date in YYYYMMDD format
- Y - The file indicator (T in this case for upload)
- nn - The batch number of file to be uploaded.

Control record:

Sr. No.	Field	Length	Mandatory/Option	Description
1.	Record Type	CHAR(2)	Mandatory	Value = 01
2.	File Type	CHAR(7)	Mandatory	Value = CLNTEPF
3.	Member Code	CHAR(5)	Mandatory	Member code for which the file is generated/received
4.	Batch Date	CHAR(8)	Mandatory	Format : YYYYMMDD Should be same as that in the file name.
5.	Batch number	Number(2)	Mandatory	The batch number of the file sent.
6.	Settlement Type	CHAR(1)	Mandatory	Settlement type for which EPI is made. Should be N for normal segment and W

				for trade for trade segment
7.	Settlement No	CHAR(7)	Mandatory	Settlement number (e.g “2010001”)
8.	Number of records	Number(7)	Mandatory	Total number of records in the file
9.	Total value of EPI	Number (15,2)	Mandatory	Total amount of early pay-in across all clients

Detail record:

Sr. No.	Field	Length	Mandatory/Option	Description
1.	Record Type	CHAR(2)	Mandatory	Value = 20
2.	Client Code	CHAR(12)	Mandatory	
3.	Amount of funds early pay-in (in Rs.)	Number (15,2)	Mandatory	
4.	Symbol	CHAR(10)	Optional	
5.	Series	CHAR(2)	Optional (Series is Mandatory where Symbol is specified)	

Return file

In case the file uploaded by the member gets rejected, then the file extension ‘Tnn’ will get replaced with ‘Rnn’ and the return file will be available under menu ‘Funds EPI -File upload-Files failed in processing’ in ‘Collateral Interface for Members (CIM).The control record in the file will have R appended.

The naming convention for return files will be:

<XXXXXX>_CLNTEPF_N_XXXXXXXX_YYYYMMDD.Rnn

In case the file is accepted (success) then the file extension ‘Tnn’ will get replaced with ‘Snn’ and the return file will be available under menu ‘Funds EPI -File upload –Files successfully processed’ in ‘Collateral Interface for Members (CIM).

The return file with extension ‘Snn’ will have S appended for successful records and R appended for rejected records.

The naming convention for return files will be:

<XXXXXX>_CLNTEPF_N_XXXXXXXX_YYYYMMDD.Snn