

**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

**DEPARTMENT : CAPITAL MARKET SEGMENT**

Download Ref No: NCL/CMPT/39601

Date : December 06, 2018

Circular Ref. No: 271/2018

To All Members,

**Sub: Clearing, Settlement and Risk Management for Government Securities (G-SEC) in Capital Market**

This is with reference to Exchange circular ref no. 114/2018 (Download Ref No. NSE/CMTR/39581) dated December 04, 2018 regarding "Trading in Government Securities (G-SEC) in Capital Market".

Members are requested to note that the clearing, settlement and risk management provisions applicable in the Capital Market segment shall apply mutatis mutandis to the clearing, settlement and risk management of Government Securities.

However, members are requested to note the following for clearing, settlement and risk management of G-Sec:

- All clearing members in CM segment shall be eligible for G-Sec settlement.
- A fixed margin of 10% shall be levied on all G-Sec.
- Trades executed in 'GS' series shall be cleared and settled on a net obligations basis. All trades shall be settled under settlement type 'N'.
- Trades executed in G-Sec shall be settled on a T+2 rolling basis.
- Settlement guarantee shall be provided for trades and settlement shall be compulsorily done in dematerialised mode.
- In case of short deliveries, unsettled positions shall be closed out on the settlement day at the highest price prevailing in the Exchange from the day of trading till the T+1 day or 5% above the closing price on the T+1 day, whichever is higher, or as declared from time to time.

**For and on behalf of  
NSE Clearing Limited  
(Formerly known as National Securities Clearing Corporation Limited)**

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