

NOTIFICATION

Derivatives Department - FX Options Segment.

Notification No: CCIL/DRV/0625/25

Date: 19-June-2025

To,
Market participants
FX Options Segment

We are pleased to advise that The Clearing Corporation of India Ltd. (“CCIL”) will offer Central Counterparty (“CCP”) Clearing of USD-INR Interbank FX Option Trades (“FX Option Trades”) to the market participants for both bilateral Trades as well as Trades concluded on the FX Options Electronic Trading Platform (“FX Options Dealing System”) of CCIL’s subsidiary, Clearcorp Dealing Systems (India) Limited (“Clearcorp”). Market participants may also opt to settle their bilateral FX Option Trades on a non-guaranteed basis.

The updated Bye-Laws, Rules and Forex Settlement Segment Regulations, and the FX Options Segment Regulations pursuant to introduction of the FX Options Segment are available on our website (<https://www.ccilindia.com>) under the ‘About Us’ section.

The effective date of the amendments to the Bye-Laws, Rules and Forex Settlement Segment Regulations, and the FX Options Segment Regulations will be notified shortly.

1. Membership:

Market participants eligible to enter into FX Option transactions as per eligibility criteria specified by the Reserve Bank of India (“RBI”) for this purpose from time to time and satisfying the relevant membership eligibility criteria specified by CCIL shall be eligible to seek membership to FX Options Segment of CCIL.

2. Guaranteed Settlement of FX Option Trades:

2a) Eligible Trades for Guaranteed Settlement: The following Trades are eligible for Guaranteed Settlement:

- i. Reported (bilateral) FX Option Trades for tenor up to one year.
- ii. Reported (bilateral) Delta Hedge Forward Trades for tenor up to one year.

- iii. FX Option Trades and its corresponding Delta Hedge Forward Trades concluded on the FX Options Dealing System, up to maturity of one year.
- 2b) Bilateral Trades reported to CCIL-TR are eligible to be processed in accordance with CHAPTER IV: PROCESSING OF TRADES IN FX OPTIONS SEGMENT of the FX Options Segment Regulations. Trades with maturity greater than one year shall be considered for CCP clearing when the residual maturity becomes less than or equal to one year.
- 2c) Trades for maturity up to one year concluded on the FX Options Dealing System shall be accepted for Clearing and Settlement by CCIL. The risk management measures for Trades undertaken on the FX Options Dealing System will be notified separately.
- 2d) For all reported FX Option Trades eligible for Guaranteed Settlement and Trades concluded on FX Options Dealing System, the corresponding spot Trades generated as a result of exercise of the 'Option' (by the buyer of the FX Option Trades), shall auto flow for Settlement to the Forex Settlement Segment of CCIL as a part of Settlement of such spot Trades and shall be governed by the Forex Settlement Segment Regulations. Such Trades are not required to be reported to CCIL for settlement separately.
- 2e) Settlement of reported Delta Hedge Forward Trades – Bilateral Delta Hedge Forward Trades, wherein both the Counterparties have availed the Guaranteed Settlement of FX Options Segment, shall be reported by the Members using the existing reporting infrastructure i.e., in IFN300 notepad file format via FRS (File Routing System) Utility with '.ccil' file extension. An additional tag shall be created at the end in the IFN300 file named as 'CDE4' wherein Members can indicate a tag as 'OD' (Option Delta) in such Forward Trades.
- 2f) Resultant spot Trades arising out of the exercised FX Option Trades shall be netted Member-wise two Business Days before the Settlement Day (i.e., S-2 day). The netted positions arising out of such Trades shall be subjected to Exposure Check on S-2 day in the Forex Settlement Segment and processed for Settlement in accordance with the Forex Settlement Segment Regulations. All Delta Hedge Forward Trades once accepted for Settlement will be transferred on S-2 day to the Forex Settlement Segment for Settlement and the Margins blocked on such Trades / positions in the FX Options Segment shall be released to Forex Settlement Segment. The Settlement of netted positions arising out of such Forward Trades shall be governed by the Forex Settlement Segment Regulations.
- 2g) Settlement of cash flows shall be as per CHAPTER V: SETTLEMENT OF CASHFLOWS OF FX OPTION TRADES of the FX Options Segment Regulations.

3. Non-Guaranteed Settlement of FX Option Trades by CCIL:

3a) Bilateral Trades reported to CCIL-TR post matching shall be considered for Settlement if both the counterparties have availed the Non-Guaranteed Settlement services.

3b) Settlement of cash flows shall be as per CHAPTER V: SETTLEMENT OF CASHFLOWS OF FX OPTION TRADES of the FX Options Segment Regulations.

4. Timelines for multilateral net settlement of Funds Obligation (in Rupee) is as below:

4a) Guaranteed Settlement of Funds Obligations - CCIL will carry out the Guaranteed Settlement of Funds Obligations (pay-in and pay-out) between 12.00 p.m. (noon) and 1:00 pm, Monday to Friday, through respective Members Core Banking System (eKuber).

4b) Non-Guaranteed Settlement of Funds Obligations - CCIL will carry out the Non-Guaranteed Settlement of Funds Obligations (pay-in and pay-out) between 12.00 p.m. (noon) and 1:00 pm, Monday to Friday, through respective Members' RTGS settlement account maintained with RBI.

5. Reported FX Option Trades which are not eligible for Guaranteed / Non-Guaranteed Settlement by CCIL shall be settled bilaterally by the reported Members:

- If Members have reported 'Settlement Type (Indicator)' field as 'NET CASH'.
- If Members have reported 'Premium Currency' field other than INR (Rupee).
- If the Settlement (pay-off) date reported in the FX Option trade is not falling on the Spot date, from the Option Expiry (exercise) date.

6. Trade Reporting/ Acceptance Time /Acceptance Criteria for Guaranteed Settlement:

6a) Trade Reporting: The bilateral FX Option Trades shall be reported to CCIL-TR through the existing reporting infrastructure using CCIL Online Reporting Engine (CORE) (in FX Option Segment) or via FRS Utility in notepad format with '.optx' file extension.

6b) Trades concluded on FX Option Trading Platform: The Trades concluded on FX Option Trading Platform shall auto flow to Clearing and Settlement system of CCIL and CCIL-TR, and the same need not be reported by the Member to CCIL separately.

6c) Trade acceptance time: The Exposure Check process is carried out on an online basis till the Cut-Off Time which shall be notified separately. Trades reported after the Cut-Off Time will be taken up for Exposure Check on the next Business Day.

6d) Acceptance criteria for Guaranteed Settlement:

CCIL shall not accept the Trades for Guaranteed Settlement:

- if the Trade remains pending exposure (acceptance) for one day before the Premium Settlement date. Such Trades will be considered again for Clearing after the Premium Settlement Date.
- if the Trade is reversed (partial/full) but the reversal Trade is pending exposure till one day before the reversal Settlement Date.
- if the Trade remains pending exposure (acceptance) till one day before the Expiry (exercise) date of such Trade. (In cases where such Trades are matched in CCIL-TR and considered for Margin adequacy check post the Premium Settlement date and Members have settled the INR premium amount bilaterally.)

7. Trade information and Reports:

7a) Trade information on CORE Platform (FX Options Segment) - The real time status of Trade information shall be made available on the CORE deal query screen.

7b) Following reports shall be made available to Member on CCIL Report browser:

- 1) FCY-INR Option Deal Status Report (pdf & csv)
- 2) FCY-INR Option Alleged Deals Report (pdf)
- 3) FCY-INR Option Matched Report (pdf & csv)
- 4) FCY-INR Option Outstanding Report (pdf & csv)
- 5) FCY-INR Option Rejected Deals/Trades Report (pdf)
- 6) FCY-INR Option Interim Obligation Report (pdf & csv) on S-1 day around 3:00 pm
- 7) FCY-INR Option Final Obligation Report (pdf & csv) on S-1 day around 7:00 pm.

8. Collateral:

Members are required to contribute Securities and/or Funds towards **Member Common Collateral (“MCC”)** to cover their operations in **FX Options Segment**.

The Margin requirement for FX Option Trades shall be drawn out of MCC contributions made by the Members.

9. Margins: The Margin requirements of a Member shall be met from the balance available in its MCC. A notification detailing risk management framework will be issued separately.

10. Default Fund

Members shall be required to contribute such amounts as notified by CCIL from time to time towards the Default Fund of FX Options Segment.

The minimum Default Fund contribution from by the Member shall be Rs. One Crore.

Contributions and withdrawals of Securities, to and from Default Fund shall be processed through CCIL's CSGL Account No.52609200001 (SG020044), which shall be sourced from MCC.

A notification detailing the Default Fund methodology and related processes will be issued separately.
