Approved Amendments in NCCPL Regulations- Risk Management of Debt Market Instruments

<table>
<tr><td>12.B.3.i</td><td>Rule Based Margin Slabs</td><td>Rule Based Margin Slabs</td></tr>
<tr><td></td><td>
Margin requirements shall be calculated on the following rule based margin slabs:
<table>
<tr><th>Description</th><th>Exposure Margin</th><th>Par Premium Margin</th><th>Total Margin</th></tr>
<tr><td>TFC (having minimum credit rating of A) > par premium</td><td>2.5% of the Exposure amount</td><td>50% amount of the excess market value</td><td>2.5% of the Exposure amount + 50% amount of the excess market value</td></tr>
<tr><td>TFC (having minimum short term credit rating of A) < par (discount)</td><td>2.5% of the Exposure amount</td><td>25% of the amount of discount with par value</td><td>2.5% of the Exposure amount</td></tr>
<tr><td>TFC (having minimum short term credit rating below of A) > par premium</td><td>5% of the Exposure amount</td><td>100% amount of the excess market value</td><td>5% of the Exposure amount + 100% amount of the excess market value</td></tr>
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<tr><th>Description</th><th>Exposure Margin</th><th>Par Premium Margin</th><th>Total Margin</th></tr>
<tr><td colspan="4">Corporate Debt Securities</td></tr>
<tr><td>TFC (having minimum credit rating of A) > par premium</td><td>2.5% of the Exposure amount</td><td>50% amount of the excess market value</td><td>2.5% of the Exposure amount + 50% amount of the excess market value</td></tr>
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<tr><td colspan="4">Government Debt Securities</td></tr>
<tr><td>National Saving Bonds > par (premium)</td><td>2.5% of the Exposure amount</td><td>25% amount of the excess market value</td><td>2.5% of the Exposure amount + 25% amount of the excess market value</td></tr>
<tr><td>National Saving Bonds < par (discount)</td><td>2.5% of the Exposure amount</td><td>12.5% of the amount of discount with par value</td><td>2.5% of the Exposure amount + 12.5% of the amount of discount with par value</td></tr>
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<td>12.B.8.3</td>
<td>Capital Adequacy</td>
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<td></td>
<td>The Debt Market Clearing Members acting as Broker Clearing Members shall be allowed to participate in the Debt Market with minimum net capital balance of Rs. 25 million shall be allowed to participate in the Debt market for listed TFCs only. The aggregate Exposure of such Broker Clearing Members shall not exceed 10 times of its net capital balance. However, the Debt Market Clearing Members acting as Non-Broker Clearing Members shall be exempted from such net capital balance requirement. Accordingly, the Debt Market Clearing Members acting as Broker Clearing Members shall submit the certificate of net capital balance to the Company from a practicing Chartered Accountant along-with the amount of net capital balance to be allocated to the Debt market. Any revision to this</td>
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	assigned portion shall also be intimated to the Company in writing by such Broker Clearing Member. The Company shall monitor the net capital balance of each Debt Market Clearing Member acting as Broker Clearing Member. Such Broker Clearing Member is not allowed to enhance its Exposure over and above the prescribed capital adequacy limit.	writing by such Broker Clearing Member. The Company shall monitor the net capital balance of each Debt Market Clearing Member acting as Broker Clearing Member. Such Broker Clearing Member is not allowed to enhance its Exposure over and above the prescribed capital adequacy limit.