

**NATIONAL COMMODITY CLEARING LIMITED**

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/CLEARING/038/2024

Date : July 19, 2024

Subject : Acceptance of Bank Guarantee in electronic form

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This is in partial modification to Exhibit No. 2.2 of the Master circular ref. NCCL/CLEARING-017/2024 dated April 08, 2024, clearing members are hereby intimated that National Commodity Clearing Ltd. (NCCL) in collaboration with National E-Governance Service Limited (NeSL) has started the facility for accepting Electronic Bank Guarantees(E-BG).

NeSL's Digital Document Execution (DDE) platform is a mode for paperless execution and storage of financial contracts. It enables e stamping and affix e-signing. It makes the contract execution process seamless, online, and in real-time provides multiple benefits to all stakeholders. The introduction E-BG shall reduce the time taken for the process of bank guarantee acceptance and will eliminate issues related to paper-based documents.

The process of acceptance E-BG shall be as follows:

**Issuance of New E-BG**

1. Members can approach banks empaneled by NCCL for issuance of E-BG. (The list of Banks eligible for issuance of E-BG is provided in Annexure 1)
2. The bank guarantee shall be strictly in the format prescribed by NCCL. (Existing format for BG in physical form shall continue for E-BG)
3. Members shall ensure that SFMS message is sent by the issuing bank before the new/renewal BG is submitted to NCCL.
4. On successful acceptance of E-BG the same shall be added towards collaterals of clearing members and the amount of bank guarantee shall be available for allocation.
5. Members shall submit undertaking prescribed in **Format 17** (Declaration to be given while submitting the Bank guarantees (BG's), towards base capital / additional base capital) of Master circular ref. NCCL/CLEARING-017/2024 dated April 08, 2024

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### **Renewal of E-BG**

1. Members can request the banks for renewal of E-BG.
2. Members can also request the bank for renewal of existing BG in Physical form in EBG mechanism.
3. The bank shall amend the original E-BG on NeSL platform and/or update the renewal BG in the format specified by NCCL.
4. Members shall ensure that SFMS message is sent by the issuing bank before the renewal BG is submitted to NCCL.
5. Members shall submit undertaking prescribed in **Format 17** (Declaration to be given while submitting the Bank guarantees (BG's), towards base capital / additional base capital) of Master circular ref. NCCL/CLEARING-017/2024 dated April 08, 2024

### **Release of E-BG**

1. There shall be no change in process for release of BG.
2. For release of E-BG, members shall be handed over the release letter only.
3. For release of E-BG where the original BG is in physical form, the members can collect the release letter along with original BG in physical form.

There is no change in the process of acceptance, renewal and release of BG in physical form.

The circular shall be effective from August 01, 2024.

For and on behalf of

**National Commodity Clearing Limited**

Sweedin Satav

Senior Vice President

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For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 6007
2. Customer Service Group by E-mail to: [contactus@nccl.co](mailto:contactus@nccl.co).

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**Annexure 1**

<b>Sr. no.</b>	<b>Bank Name</b>
1	AXIS BANK LTD
2	ICICI BANK LTD