
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/CLEARING-041/2021

Date : November 16, 2021

Subject : Format for Allocation of Collateral

This is with reference to SEBI circular no. SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021.

1. The circular inter-alia stipulates that for forms of collateral (other than securities placed through margin pledge mechanism) placed with the Clearing Corporation (CC), the CCs shall provide a facility to Clearing Members (CMs) for upfront allocation of collateral to a Trading Member (TM)/ client or CM's own account. The CCs shall use such collateral allocation information to ensure that the collateral allocated to a client is used towards the margin obligation of that client only.

Accordingly, NCCL shall provide a facility through web extranet portal to CMs for uploading Client level allocation. The details of file format are provided in **Annexure 1**.

2. As per Paragraph 18 and Annexure 3 of the above mentioned SEBI Circular, for the purpose of monitoring of at least 50% cash-equivalent collateral at the level of CM, the excess cash-equivalent collateral of a client shall not be considered for other client or for proprietary account of TM/CM. However, the excess cash-equivalent collateral of proprietary account of TM/CM can be considered for clients trading/clearing through them, for the purpose of monitoring minimum 50% cash-equivalent requirement.

NCCL shall provide a facility through web extranet portal to CMs for uploading Client level non-cash limit. The limit provided by the CM in this file shall be used to determine the amount and order in which Clients/Custodial Participant will receive the benefit of the excess cash-equivalent collateral of proprietary account of TM/CM. The details of the file format are provided in **Annexure 2**.

Other changes with respect to above-mentioned SEBI Circular shall be informed through a separate circular.

Members and their Clients are requested to take note of the same.

For and on behalf of
National Commodity Clearing Limited

Vidyadar Bangera
Vice President

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.in
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ANNEXURE 1

File Format for Allocation

1. Upload file

- **Naming Convention:** NCCL_ALLOC_<Primary Member Code>_DDMMYYYY_T<BATCHNO>.csv
 Primary member Code – CM Primary Member Code
 DDMMYYYY – Current Business Date
 Batch Number – Batch numbers should be in a running sequence having valid values from 0001 to 9999
- **File Format:** CSV (Comma Separated)
- **File Size:** Max 50MB
- **File Structure:** The file structure for the same is as given below:

Sr. No.	Field Name	Data Type	Remarks
1	Current Date	Char (11)	Format: - DD-MMM-YYYY. Date should be the Current Business date. It should match with the date mentioned in file nomenclature.
2	Segment Indicator	Char (03)	CO - Commodity Derivative Segment
3	Clearing Member Code	VarChar (6)	NCCL CM Code
4	Trading Member Code	VarChar (5)	TM Code. Value should be 5 digit. Eg. If the TMID is 12, the record populated should be '00012'
5	CP Code	VarChar (12)	CP Code. Value should be Blank when Client code is populated, or Account type is 'P'
6	Client Code	VarChar (10)	Client Code. Value should be Blank when CP code is populated, or Account type is 'P'
7	Account Type	Char (1)	P - Prop, C - Client
8	Amount	Number (15,2)	Value in Rs. (Cash + Bank Guarantee + Fixed Deposit Receipts)
9	Filler 1		Reserved for future
10	Filler 2		Reserved for future
11	Filler 3		Reserved for future

Sr. No.	Field Name	Data Type	Remarks
12	Filler 4		Reserved for future
13	Filler 5		Reserved for future
14	Filler 6		Reserved for future
15	Filler 7		Reserved for future

Notes

1. The amount mentioned in the file would be the final allocation requested amount for the mentioned combination. Accordingly, the value provided in the file shall replace the previous values for the mentioned combination. After upload of the first full allocation file, all subsequent files uploaded by CMs would be incremental changes for adding collateral allocation for any new TM/Client/CP or for change in the allocated collateral amounts of existing TM/Client/CP.
2. In case of allocation to CM Prop, values in CP Code, Client Code shall be blank. CM Primary Mem Code should be reflected in TM Code Column
3. In case of allocation to TM Prop, values in CP Code, Client Code shall be blank.
4. In case of allocation to CP Code, values in TM Code, Client Code shall be blank.
5. In case of allocation to Client, value in CP code shall be blank.
6. Any values in the field no. 9 to 15 will be ignored for the purpose of processing.
7. Input fields for each Client/Proprietary type: -

Sr. No.	Particulars	Clearing Member	Trading Member	CP Code	Client Code	Account Type
1	CM Prop Allocation	CM Code	CM Primary mem Code	Blank	Blank	P
2	TM Prop allocation	CM Code	TM Code	Blank	Blank	P
3	CP Allocation	CM Code	Blank	CP Code	Blank	C
4	Client Allocation	CM Code	TM Code	Blank	Client Code	C

8. Examples of various records are as under: -

Sr. No.	Particulars	Record Format
1	CM Prop Allocation	01-DEC-2021,CO,M50001,00001,,,P,1000,,,,,,,,
2	TM Prop allocation	01-DEC-2021,CO,M50001,00022,,,P,1000,,,,,,,,
3	CP Allocation	01-DEC-2021,CO,M50001,,0124TAA01,,C,1000,,,,,,,,
4	Client Allocation	01-DEC-2021,CO,M50001,00001,,XYZ,C,1000,,,,,,,,
5	First time allocation of client 'XYZ' of Rs. 1000	01-DEC-2021,CO,M50001,00001,,XYZ,C,1000,,,,,,,,
6	Increasing allocation of Client 'XYZ' to Rs. 2000	01-DEC-2021,CO,M50001,00001,,XYZ,C,2000,,,,,,,,
7	Reducing allocation of Client 'XYZ' to Rs, 500	01-DEC-2021,CO,M50001,00001,,XYZ,C,500,,,,,,,,
8	Reducing allocation of Client 'XYZ' to Rs. 0	01-DEC-2021,CO,M50001,00001,,XYZ,C,0,,,,,,,,

2. Response file

- **Naming Convention:** NCCL_ALLOC_<Primary Member Code>_DDMMYYYY_S<BATCHNO>.csv
- **File Format:** CSV (Comma Separated)
- **File Structure:** The file structure for the same is as given below:

Sr. No.	Field Name	Data Type	Remarks
1	Current Date	Char (11)	Format: - DD-MMM-YYYY
2	Segment Indicator	Char (03)	CO - Commodity Derivative Segment
3	Clearing Member Code	VarChar (6)	NCCL CM Code
4	Trading Member Code	VarChar (5)	TM Code Value should be 5 digit. Eg. If the TMID is 12, the record populated should be '00012'
5	CP Code	VarChar (12)	CP Code. Value should be Blank when Client code is populated, or Account type is 'P'
6	Client Code	VarChar (10)	Client Code. Value should be Blank when CP code is populated, or Account type is 'P'
7	Account Type	Char (1)	P - Prop, C - Client
8	Amount	Number (15,2)	Value in Rs. (Cash + Bank Guarantee + Fixed Deposit Receipts)
9	Filler 1		Reserved for future
10	Filler 2		Reserved for future
11	Filler 3		Reserved for future
12	Filler 4		Reserved for future
13	Filler 5		Reserved for future
14	Filler 6		Reserved for future

Sr. No.	Field Name	Data Type	Remarks
15	Filler 7		Reserved for future
16	Response Code	VarChar (100)	<p>Appropriate code for success or error will be displayed.</p> <p>In case of multiple error codes for a single record, all codes will be shown pipe separated</p> <p>Example 1 :</p> <p>If a record has failed due to Invalid CM Code, the reason code will be populated as 207</p> <p>Example 2 :</p> <p>If a record has failed due to Invalid CM Code, Invalid TM Code and Invalid Account type the reason code will be populated as 207 208 212</p>

Notes

1. On receiving the return file, member would be able to view the final status of each record. Member will get the return file with same batch no with extension 'S' as a response in the Web Extranet login.
2. Rejection of the entire file

The entire file will be rejected in following cases: -

Response Code	Response Description
100	File Name mismatch
101	Incorrect file type
102	Incorrect date in the File Name
103	Incorrect Primary Member Code
104	Incorrect Batch Number Format
105	Batch Number repeated, or Batch Number not in sequence

	For eg. If the user has uploaded with Batch number 'T0004' and subsequently uploads File with Batch Number 'T0003'. The entire file with Batch Number 'T0003' will be rejected and the member will have to upload the file with Batch Number 'T0005'
106	Blank File cannot be uploaded

In case of rejection of entire file, the response file will contain only the Response Code without any records.

3. Record Level Response

Response code will be populated in the field of "Response Code". The types of codes are as follows:

Response Code	Response Description
200	Processed Successfully
201	Allocation Unsuccessful - Non availability of unallocated collateral
202	Allocation Partially Successful - Non availability of sufficient unallocated collateral Note : Partially Accepted amount will be shown in the amount field (Sr. no. 8)
203	Allocation Unsuccessful - Insufficient Collateral to cover Margin Utilization
204	Allocation Partially Successful - Insufficient Collateral to cover Margin Utilization Note : Partially Accepted amount will be shown in the amount field (Sr. no. 8)
205	Date in record does not match with file date
206	Invalid Segment Indicator - Value Other than "CO"
207	Invalid CM Code – CM Code not matching with the Linked Primary Member Code in the file name
208	Invalid TM Code – TM Code not linked with the CM Code

Response Code	Response Description
209	Invalid CP Code - CP Code not linked with the CM Code
210	In Case of Value in CP Code, TMID or/and Client Code should be blank
211	Invalid Account Type <ol style="list-style-type: none"> 1. Value Other than "P" or "C" 2. "P" Populated in case where UCC/CP Code should be blank 3. "C" Populated in case where UCC/CP Code should be available
212	Negative Value in Amount Field, or Incorrect Amount Format
213	Duplicate Record
214	Incorrect Record format

ANNEXURE 2
File Format for Non-Cash Limit
1. Upload file

- **Naming Convention:** NCCL_NCASHLMT_< Primary Member Code>_DDMMYYYY_T< BATCHNO>.csv
 Primary member Code – CM Primary Member Code
 DDMMYYYY – Current Business Date
 Batch Number – Batch numbers should be in a running sequence having valid values from 0001 to 9999
- **File Format:** CSV (Comma Separated)
- **File Size:** Max 50MB
- **File Structure:** The file structure for the same is as given below:

Sr. No.	Field Name	Data Type	Remarks
1	Current Date	Char (11)	Format: - DD-MMM-YYYY. Date should be the Current Business date. It should match with the date mentioned in file nomenclature.
2	Clearing Member Code	VarChar (6)	NCCL CM Code
3	Trading Member Code	VarChar (5)	TM Code. Value should be 5 digit. Eg. If the TMID is 12, the record populated should be '00012'
4	CP Code	VarChar (12)	CP Code. Value should be Blank when Client code is populated, or Account type is 'P'
5	Client Code	VarChar (10)	Client Code. Value should be Blank when CP code is populated, or Account type is 'P'
6	Account Type	Char (1)	P - Prop, C - Client
7	Amount	Number (15,2)	Value in Rs. (Limit to be provided to the client)

Notes

1. The limit provided by the CM in this limit file shall be used to allocate the excess cash-equivalent collateral of proprietary account of both TM and CM towards Non-Cash collateral of Clients/Custodial Participant clearing with the CM and Clients trading through the TM who in turn is clearing through the CM.
2. The excess cash-equivalent collateral of proprietary account of TM will be allocated to the Non-Cash collateral of Clients trading through the TM in the sequence provided in this limit file provided by the CM.
3. Excess cash-equivalent collateral of proprietary account of CM can be allocated towards proprietary account of the TM clearing through the CM, and/or account of the clients (including Custodial Participants (CPs)) clearing through the CM, and/or of the clients trading through the TM who in turn is clearing through the CM. The same will be done in the sequence provided in the limit file by the CM.
4. The amount mentioned in the limit file would be the final limit for the mentioned combination. Accordingly, the value provided in the file shall replace the previous values for the mentioned combination.
5. CM shall provide a full file every time it is uploaded. In case the CM has not uploaded the Limit of any of the Client in the subsequent files, the limit will be changed to "0"
6. The sequence of the Clients appearing in the file will determine the order in which the clients will be receiving benefit of the excess cash-equivalent collateral of proprietary account of TM/CM.
7. Example

Entity	Cash-equivalent (A)	Non-cash (B)	Excess cash-eq. If (A>B ,A-B,0)	Excess noncash If (B>A ,B-A,0)	Excess Cash Allocation of TM Prop towards excess Non-cash of it's Client	Excess Cash Allocation of CM Prop towards excess Non-cash of it's TM Prop/Client
CM Prop	100	30	70	0	0	0
TM-1 Prop	100	40	60	0	0	0
TM-1 Cli-1	200	220	0	20	20	0

Entity	Cash-equivalent (A)	Non-cash (B)	Excess cash-eq. If (A>B, A-B, 0)	Excess noncash If (B>A, B-A, 0)	Excess Cash Allocation of TM Prop towards excess Non-cash of it's Client	Excess Cash Allocation of CM Prop towards excess Non-cash of it's TM Prop/Client
TM-1 Cli-2	70	10	60	0	0	0
TM-1 Cli-3	100	150	0	50	40	0
TM-1 Cli-4	10	20	0	10	0	10
TM-2 Prop	50	100	0	50	0	50

Suppose the CM has uploaded the Non-cash limit in the following sequence and amount: -

Clearing Member	Trading Member	Client Code	Amount
CM	TM-2 (Prop)	-	100
CM	TM-1	Cli-3	40
CM	TM-1	Cli-2	50
CM	TM-1	Cli-1	30
CM	TM-1	Cli-4	20

- **Excess Cash of TM Prop**

- Excess Cash of TM Prop will be first allocated against excess non-cash of its client as per the sequence and limit in the limit file.
- Excess Cash (60) of TM-1 Prop will be first allocated to Cli 3. Since the limit of Cli 3 is 40, 40 will only be allocated to Cli 3 irrespective of higher Excess Non-Cash of 50.
- Remaining Excess Cash (20) of TM-1 Prop will be secondly allocated to Cli 2. Since, the excess non-cash of Cli 2 is 0, no allocation will be done to Cli 2.
- Remaining Excess Cash (20) of TM-1 Prop will be thirdly allocated to Cli 1. Since, the excess non-cash of Cli 1 is 20, 20 will be only allocated to Cli 1 irrespective of higher limit.
- As the excess cash of TM-1 Prop is exhausted, Cli-4 will not receive any allocation for TM.

- **Excess Cash of CM Prop**

- Excess Cash of CM Prop will be allocated after all allocation of excess cash of TM Prop is completed. Excess Cash of CM Prop will be allocated as per the sequence and limit in the limit file.
 - Excess Cash (70) of CM Prop will be first allocated to TM 2 Prop. Since the excess non-cash is 50 and limit is 100, 50 will only be allocated to TM 2 Prop.
 - Remaining Excess Cash (20) of CM Prop will be allocated to TM-1 Cli-4. Since the limit of Cli-4 is 20 and excess non-cash is 10, 10 will only be allocated to Cli-4.
8. CM Prop records appearing in the upload limit file will be ignored as the excess cash available with the CM is calculated after considering the Non-cash component of the CM prop.
 9. In case of TM Prop, values in CP Code, Client Code will be blank. TM prop will be eligible for excess cash-equivalent collateral of proprietary account of CM
 10. In case of CP, values in TM Code, Client Code will be blank
 11. In case of Client, value in CP Code will be blank
 12. For examples of reporting at various levels; viz. TM Prop, CP Code and Client, please refer Annexure 1

2. Response file

- **Naming Convention:** NCCL_NCASHLMT_< Primary Member Code>_DDMMYYYY_S<BATCHNO>.csv
- **File Format:** CSV (Comma Separated)
- **File Structure:** The file structure for the same is as given below:

Sr. No.	Field Name	Data Type	Remarks
1	Current Date	Char (11)	Format: - DD-MMM-YYYY
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3	Trading Member Code	VarChar (5)	TM Code. Value should be 5 digit. Eg. If the TMID is 12, the record populated should be '00012'

Sr. No.	Field Name	Data Type	Remarks
4	CP Code	VarChar (12)	CP Code. Value should be Blank when Client code is populated, or Account type is 'P'
5	Client Code	VarChar (10)	Client Code. Value should be Blank when CP code is populated, or Account type is 'P'
6	Account Type	Char (1)	P - Prop, C - Client
7	Amount	Number (15,2)	Value in Rs. (Limit to be provided to the client)
8	Response Code	VarChar (100)	Appropriate code for success or error will be displayed. In case of multiple error codes for a single record, all codes will be shown pipe separated

Notes

1. On receiving the return file, member would be able to view the final status of each record. Member will get the return file with same batch no with extension 'S' as a response in the Web Extranet login.
2. Response Codes:
Response codes will be same as of Allocation file as mentioned in Annexure 1