



*Nurturing Markets,
Widening Horizons*

Regd. Office: 2nd floor, The International
16, Maharshi Karve Road,
Churchgate, Mumbai – 400 020
Tel : (91-22) 22017089 / 91 / 94
Fax : (91-22) 22017095
E-mail: fimmda@fimmda.org

FIMCIR/2011-12/33 (Amended)

November 29, 2011

All FIMMDA Members

Dear Sir/Madam

Reporting and Settlement of Corporate Bond Trades

F-TRAC (New Platform) and CBRICS (Old Platform)

Please refer to our Circular Letter FIMCIR/2011-12/32 dated November 14, 2011 (copy attached for ready reference).

We thank those members who have registered on the F-TRAC (New Platform). F-TRAC will be functional from December 01, 2011, and we request the registered F-TRAC members to kindly use the same and let us know if any teething problems occur.

Please contact:

- i) sanjay@fimmda.org
- ii) mrsukumaran@fimmda.org
- iii) Phone: 022-22017089, 91.

Incase of any teething problems.

To ensure smooth transition from CBRICS to F-TRAC, we are keeping both the platforms functional and live upto December 14, 2011. From December 15, 2011, the C-BRICS platform will be disabled for those registered on F-TRAC, and no further fresh registrations will be accepted on CBRICS.

The Reserve Bank of India is in the process of finalizing their circular on the mandatory settlement of secondary market trades in CPs and CDs through the Clearing Corporation of the Exchanges (CCE). The reporting entities would have a maximum of 15 days time to start complying with this mandatory requirement. Members are therefore requested to put in place necessary exposure limits on the Clearing Corporations, so that they are ready as soon as settlements of CPs and CDs commence.

As the F-TRAC system has got in-built STP system for routing settlement instructions for CPs and CDs also, those registered on the F-TRAC will not face any difficulty in selecting the CCE of their choice for settling the CPs and CDs trades. This STP facility, however, will not be available on the CBRICS platform, and such Users would have to re-input the trade details with the concerned CCE for getting their CP/CD



*Nurturing Markets,
Widening Horizons*

Regd. Office: 2nd floor, The International
16, Maharshi Karve Road,
Churchgate, Mumbai – 400 020
Tel : (91-22) 22017089 / 91 / 94
Fax : (91-22) 22017095
E-mail: fimmda@fimmda.org

trades settled. **Members are therefore requested to complete the formalities regarding registration on F-TRAC, if not already done.**

There has been certain resistance for the settlement charges proposed by FIMMDA in the aforementioned circular letter dated 14.11.2011. After a discussion with the market participants and the CCEs, it has been decided to introduce the following “all inclusive charges “ for settlement of trades in Corporate Bonds, and Corporate Bond Repos, and also after RBI’s circular instructions for CPs and CDs, as follows :

- a) **Corporate Bond and Corporate Bond Repos :**
Rs 12.50 per crore with a minimum of Rs 25/- and a maximum of Rs 2500/- per trade (plus applicable Service Tax) payable by each counterparty.
- b) **CPs and CDs (as and when made mandatory by RBI) :**
Rs 5/- per crore with a minimum of Rs 25/- and a maximum of Rs 500/- per trade (plus applicable Service Tax) payable by each counterparty.

We re-iterate that the above charges are an “all inclusive charge” for settlements, applicable from January 01, 2012.

The following permutations and combinations may arise for settlements:

- i) **Trades reported on F-TRAC and settled through the Clearing Corporation of the Exchanges, using F-TRAC’s STP solutions,;**

The billing would be done by FIMMDA, and sent to the concerned User. The exact sharing arrangement between FIMMDA and the CCEs for the work undertaken by FIMMDA is being discussed with the CCEs.

- ii) **Trades reported to the Reporting Platforms of the Exchanges (Corporate Bonds only) and settled through the respective Clearing Corporations,;**

The billing would be done by the respective CCEs and collected from the users at the above mentioned rates. Obviously, FIMMDA would not get any share in such settlements.



*Nurturing Markets,
Widening Horizons*

Regd. Office: 2nd floor, The International
16, Maharshi Karve Road,
Churchgate, Mumbai – 400 020
Tel : (91-22) 22017089 / 91 / 94
Fax : (91-22) 22017095
E-mail: fimmda@fimmda.org

iii) **Trades in CPs and CDs, which are reported on F-TRAC, but the User does not want to use F-TRACs STP facility :**

The User may key –in the settlement details on the settlement platform of the CCEs, for which the User would be charged by the CCEs directly; FIMMDA would not get any share of the settlement charges in such settlements.

There has been some apprehension regarding the registration charges for F-TRAC for “new non-members” which has been fixed at Rs 50,000/- . We wish to clarify that:

- i) “New Non-Member “refers to those entities who are not “registered members” of CBRICs, and does not refer to not being a member of FIMMDA as an association.
- ii) Those who are already registered on CBRICs, (including Provident Funds, Pension Funds, Mutual Funds etc) a fresh registration **free of cost** is required to be done on F-TRAC to enable us to update the registration details , capture other details, and also bind them to the Rules and Regulations which were not executed at the time of CBRICs registration. The Registration forms are available on the FIMMDA website www.fimmda.org under “What’s New”.
- iii) As regards Provident Funds, and Pension Funds, who have not so far registered on CBRICs, and would be regarded as a “New Non-Member” , as far as registration on F-TRAC is concerned, and it is felt that the charges of Rs 50,000/- are too high, ***we request the concerned FIMMDA member dealing with such entities, to give us the list of names for considering reduction/waiver of registration charges for use of F-TRAC , by the FIMMDA Board . As the next FIMMDA Board is scheduled for December 14, 2011, members may please take urgent note and respond before that date.***

Please be in touch with us for any further clarifications in the matter.

Yours faithfully,

C.E.S Azariah,

Chief Executive Officer