

## **EXECUTION OF DEALS THROUGH CUSTODIAL PARTICIPANT (CP) CODE**

### **1. What is a CP Code?**

Custodial Participant (CP) code is a unique code allotted to a Custodian / Clearing Member for a particular Constituent like FPI / EFI etc.

### **2. How to procure CP Code?**

Any Clearing Member / Custodian who has entered into an agreement with any of the aforementioned Constituent/s, may apply in the specified application form to India International Clearing Corporation (IFSC) Limited (India ICC), for allotment and mapping of the allotted CP Code.

### **3. Where do we get a format of the agreement?**

Kindly refer to Annexure I available on website for the format of the agreement. This agreement may be entered between any Clearing Member / Custodian with any of the aforementioned Constituent/s. The agreement may be suitably modified / altered with the mutual understanding of the parties.

### **4. Where do we get the application form to seek allotment and mapping of CP Code?**

Kindly refer to Annexure II available on website for the application form. The application form is to be filled, duly stamped and signed by the authorised signatories and with the relevant documents mailed to India ICC at 'risk@indiaicc.com'.

### **5. What documents are required to be submitted with the application form?**

In addition to general details mentioned in the application form, the Constituent is required to provide proof of address (copy of utility bills / lease agreement / bank statement etc.) and proof of identify such as copies of PAN card of the company/ passport of the Directors / Shareholders etc.

## **6. How is the CP Code mapped?**

Subsequent to the application, a CP Code is allotted by India ICC to the Clearing Member/Custodian and mapped in the India ICC system against the Clearing Member/Custodian for the specified constituent. The Clearing Member / Custodian is also required to provide details of Trading Member viz., Name, Clearing Code number and Unique Client Code (UCC) which are also mapped in the India ICC system with the CP Code and Clearing Member / Custodian.

## **7. How and why is a CP Code used?**

CP Code facility is used by a Trading Member of India International Exchange (India INX) for trades executed on behalf of the Constituent. By virtue of the aforesaid mapping in the India ICC system, the trades executed through this facility and other obligations including payment of margins and settlement obligations will go to the Clearing Member / Custodian and not the Clearing Member of the Trading Member who has executed the trades.

## **8. What is auto take up facility?**

Presently, the Clearing Member / Custodian has the choice to, auto take up, by ticking the auto acceptance box in the Real Time Risk Management System (RTRMS) for the mapped CP Code and Trading Member. By doing so, all trades executed by Trading Member/s with the respective CP Code, due to the aforementioned mapping, will automatically go to the Clearing Member / Custodian for clearing of trades and to meet other obligations including availability of margins.

## **9. From when is the auto take up facility available?**

Subsequent to the CP Code allotment and mapping in the RTRMS, India ICC sends a mail confirmation to the Clearing Member / Custodian after which they may avail the auto take up and limit setting facilities. Till such time the trade is confirmed, the same is considered as the trade of the Trading Member and the responsibility of settlement of such trade vests with the Clearing Member of the Trading Member. Further, any omission by the Clearing Member / Custodian will result in non-confirmation of trades by Clearing Member / Custodian. Such unconfirmed trades will have to be settled by the Clearing Member of the Trading Member who has executed the trades on behalf of the Constituent.

## **10. Is it possible to shift CP Code?**

Kindly refer Annexure III available on website, a form, to be submitted by the New Custodian / Clearing Member who has been appointed by the Constituent / Client for Clearing and Settlement of their trades with India ICC for India INX. This form is accompanied with a no objection from the outgoing Custodian / Clearing Member, kindly refer Annexure IV available on website.

Subsequent to mapping the CP Code to the newly appointed Custodian / Clearing Member, existing positions, if any, are transferred from the outgoing Custodian / Clearing Member to the newly appointed Custodian / Clearing Member who undertakes to clear and settle the trades done for the Constituent / Client.

## **11. What is the feature of limit setting?**

The feature of limit setting in the RTRMS enables the Clearing Member / Custodian to assign/modify trading limits for clearing trades executed by a trading member for the CP.

## **12. What happens to trade that gets rejected for acceptance?**

In case a trade gets rejected due to insufficient trading limits assigned by the Clearing Member / Custodian, confirmation of such trades executed come under the obligation of the Clearing Member of the respective Trading Member through whom the trade has been executed.

## **13. What are the present time lines for auto trade confirmation?**

Presently, the timelines for auto trade confirmation is as below table:

<b>Sr. No.</b>	<b>Present Trading Session and Timings</b>	<b>Auto trade confirmation/modifications timings</b>
1	Session 1 (4:30:00 hours to 17:00:00 hours)	Session 1 (4:30:00 hours to 17:00:00 hours)
2	Session 2 (17:00:01 hours to 02:30:00 hours)	Session 2 (17:00:01 hours to 02:30:00 hours)

#### **14. General Information for Clearing Members / Custodians?**

Prior to execution of trades and availing auto take up / limit setting facility, Clearing Member / Custodian should monitor their available limits and accordingly take measures to enhance their available limits, in case required. Clearing Member / Custodian are advised to set enough limits for the Trading Member in RTRMS and to avail the auto take up facility in the RTRMS instead of manual confirmation process to enable seamless execution of trades by the Trading Member through the CP Code.