भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/MRD/DRMNP/CIR/P/2019/33 February 21, 2019

All recognized Clearing Corporations (excluding in IFSC)

Dear Sir / Madam

Revision in Haircut on Central Government Securities (G-Sec) accepted as Collateral

SEBI, vide circular MRD/DoP/SE/Cir-7/2005 dated February 23, 2005, captioned 'Comprehensive Risk Management Framework for the cash market', has, *inter alia*, specified the applicable haircuts for the acceptable liquid assets deposited by members with the exchange/clearing corporation for various requirements.

2. Based on the feedback received from the Clearing Corporations and the recommendations of the Risk Management Review Committee (RMRC) of SEBI, it has been decided to revise the minimum haircuts applicable to the Central Government securities deposited by clearing members. Accordingly, Para 2 of Annexure – I to the Circular stands modified as far as it relates to the haircut on Central Government Securities, as under:

S.No.	Type and Tenor of Securities	Haircut
A	Treasury Bills, and Liquid* Government of India Dated Securities having residual maturity of less than 3 years	2%
B	Liquid* Government of India Dated Securities having residual maturity of more than 3 years	5%
C	For all other Semi-liquid* and Illiquid* Government of India Dated Securities	10%

**As jointly decided by clearing corporations*

3. The classification of the Government of India Dated Securities, as above, shall be reviewed on 15th of every month. The revision in classification, if any, shall be implemented with effect from 1st of the next month.

4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

(Sanjay Purao)
General Manager
Email: sanjayp@sebi.gov.in