

Annexure 4

Change of allocation

1. Examples for checking for change in allocation

Suppose a SCM has following collateral:

Entity	Cash
SCM Prop	200
Cli-1	200
Cli-2	200

Out of the total available cash of \$ 600, suppose the SCM has provided an FDR of 400 to the CC (with 200 cash remaining with the member). Suppose, the FDR provided to the CC is allocated by the SCM as follows. Here, the SCM has chosen not to allocate any collateral to Cli-2 in the total collateral placed with the CC:

Entity	Collateral Allocated
SCM Prop	200
Cli-1	200

Suppose the margin requirement is as follows:

Entity	Collateral	Margin Blocked
SCM Prop	200	160
Cli-1	200	150

Change in allocation: Example 1

The member shall be permitted to change the allocation as follows (i.e. the member chooses to consider the cash retained with it to be as \$ 50 belonging to Cli-1 and \$ 150 belonging to Cli-2):

Entity	Collateral
SCM Prop	200
Cli-1	150
Cli-2	50

Change in allocation: Example 2

The member shall not be permitted to change the allocation as follows (i.e. the member chooses to consider the cash retained with it to be as \$ 100 belonging to each client):

Entity	Collateral
SCM Prop	200
Cli-1	100
Cli-2	100

This allocation shall not be permitted since Cli-1 has a margin requirement of \$ 150.

2. Examples for change in allocation for release of Collateral

Current		Proposed	
Entity	Amount	Entity	Amount
CM 1 Prop	1,30,00,000	CM 1 Prop	1,10,00,000
TM XYZ Prop	40,00,000	TM XYZ Prop	20,00,000
TM XYZ Cli ABC	0	TM XYZ Cli ABC	20,00,000
TM XYZ Cli DEF	5,00,000	TM XYZ Cli DEF	5,00,000
TM 123 Prop	50,00,000	TM 123 Prop	25,00,000
TM 123 Cli 456	5,00,000	TM 123 Cli 456	0
Unallocated		Unallocated (For release)	50,00,000
Total	2,30,00,000		2,30,00,000

Records to be uploaded in file shall be

Current Date	Seg	CM Code	TM Code	CP Code	Cli Code	Acc Type	Amount	Fill er1	Fill er2	Fill er3	Fill er4	Fill er5	Fill er6	Action
01-Mar-24	CO	CM1				P	1,10,00,000							D
01-Mar-24	CO	CM1	XYZ			P	20,00,000							D
01-Mar-24	CO	CM1	123			P	25,00,000							D
01-Mar-24	CO	CM1	123		456	C	0							D
01-Mar-24	CO	CM1	XYZ		ABC	C	20,00,000							U

All downward allocation records to be kept before the upward allocation records.