FAQS for Client Model

1. **What is client model in triparty repo?**

Client Model facilitates participation by the eligible entities in the tri party repo transaction by the following entities:

a. Entities which are not eligible to take direct membership of the exchange / clearing corporation viz. corporates, NBFCs etc. to participate in triparty repo in corporate debt securities as a client of a trading member / clearing member.

b. Entities which are eligible to take membership of the exchange / clearing corporation which do not want to take membership on stock exchanges/clearing corporation.

2. **What is an eligible entity?**

An eligible entity means entities which are eligible to participate in repo transactions under Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025 as amended from time to time.

3. **How does an eligible entity participate in triparty repo as a client?**

There are two categories of clients namely "Participant" i.e. Direct Clients and "Constituents" i.e. indirect clients.

Currently, Tri-party repo will be allowed only for Participants. Tri-party repo for "Constituents' will be made available subsequently.

4. **Who are eligible to register as Participants?**

Eligible entities as specified RBI, who satisfy the eligibility criteria specified by ARCL from time to time will be eligible to registered as Participant. The eligibility criteria for participant is available at:

https://www.arclindia.com/spages/Downloads/MembershipCriteria.pdf

5. **What are the documents required to be submitted for registration as a Participant?**

This category of clients will take registration through the trading member/ clearing member for participating in repo transactions. The documents required to be submitted for registration as "Participant" with AMC repo are provided in the following link: https://www.arclindia.com/clientsdocumentation/participants

6. **What is responsibility of Participant?**

the Participant shall be responsible for collateral/margin and settlement. Participant will manage collateral and/or margin (i.e., deposit and withdrawal) directly with the clearing corporation from its demat account and bank account respectively without routing through the clearing member; and carry out settlement of funds directly with the clearing corporation in its own settlement bank account without routing through its clearing member's account.

7. **What is the mechanism for collateral transfer in depository?**

The Participant/ is required to transfer collateral from its demat account (currently with NSDL only) to the ARCL NSDL pool account. The transfer must be executed as an **on-market transaction**, using the **settlement number specified by ARCL** in its monthly settlement calendar.

8. **Can Participant transfer securities from multiple accounts?**

No, transfers from multiple demat accounts are not permitted. Participant can transfer securities only from one demat (NSDL) account to the ARCL pool account. The demat account details needs to be provided as part of registration. The NSDL demat account must be in the name of the entity (not in an individual's or third party's name).

9. **What is the mechanism in respect of cash margin transfer in clearing bank ?**

Participants shall provide a cash margin at the rate 0.50% (for repo tenor up to 7 days) of lending value by transferring the amount to the settlement bank account maintained with the clearing banks and simultaneously provide instruction for addition of Cash margin through interface provided by ARCL.

For other operational details please refer FAQS on the direct membership (link).
http://www.arclindia.com/faq

10. **How is the fund settlement carried out for the participant/client?**

The fund settlement will be done in the settlement account of participant opened with the Clearing Bank. The responsibility of settlement lies with the individual Participant.