1. What is Repo?

"Repo" means an instrument for borrowing funds by selling securities with an agreement to repurchase the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed.

2. What is Tri-party Repo?

Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody, and management during the life of the transaction**.**

3. Who is eligible to participate in Tri-Party Repo in corporate debt securities?

The eligible entities (as prescribed by Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025, who are allowed to participate in repo as well as satisfy the eligibility criteria specified by ARCL will be eligible to participate in Tri-Party Repo in corporate debt securities.

4. How can I Participate in Tri Party Repo?

Those who wish to participate in Tri-Party Repo need to take trading membership of NSE and become clearing member of ARCL. Entities which are not permitted to take membership on stock exchanges/clearing corporation and those eligible entities which do not want to take membership on stock exchanges/clearing corporation may participate in repo transactions as clients of trading member(s)/clearing member(s). Such clients need to register with ARCL as “Participant”.

5. What is trading membership?

The members who wish to participate in the tri-party repo segment, needs to take trading membership with National Stock Exchange (NSE). For obtaining trading membership, the applicant will be required to complete the necessary documentation with the NSE from where they will execute the trades.

6. What is clearing membership?

The members who wish to participate in the tri-party repo segment, need to become a clearing member of ARCL for clearing and settlement for its own trades. Clearing members will be governed by the bye-laws, rules and regulations of ARCL.

7. What is procedure to obtain clearing membership?

For Clearing Membership with ARCL, necessary documents are required to be submitted to ARCL for registration as well as for enablement along with ARCL admission fee, SEBI Annual fees and interest free deposits. The documentation required along with the procedure for registration and enablement of clearing membership is provided on the ARCL website and is accessible via the given link: http://arclindia.com/documentation.

8. What are the documents required for clearing membership?

The documents required for obtaining the clearing membership of AMC Repo is provided in the link http://arclindia.com/documentation.

9. Can I participate in Tri-Party Repo as Client?

The eligible entities (as prescribed by RBI) which are not permitted to take membership on stock exchanges/clearing corporation and those eligible entities which do not want to take membership on stock exchanges/clearing corporation may participate in repo transactions as clients of trading member(s)/clearing member(s). Such client must registered with ARCL as "Participant".

10. How to register as Participant?

Clients will register as "Participant" through the trading member / clearing member for participating in repo transactions. To register as "Participant", the necessary documents are required to be submitted to AMC Repo Clearing Limited through clearing member along with admission fee and interest free deposits. The details of the document along with the procedure for registration is provided on ARCL website in the link:

http://www.arclindia.com/clientsdocumentation/participants.

The eligibility criteria for participant are provided ARCL website
https://www.arclindia.com/spages/Downloads/MembershipCriteria.pdf

11. What are Eligible Securities?

Eligible securities will be the listed corporate bond and debentures (Non-Convertible Debt securities), Commercial Paper and Certificate of Deposits and any other instrument as specified by AMC Repo from time to time. The eligible instruments details are available on ARCL website. Link for eligible instruments

(https://www.arclindia.com/spages/Collateral/TypesofInstruments.pdf)

ARCL on daily basis provides the list of eligible securities. Link for eligible securities (https://www.arclindia.com/collateral)

12. What are the pre-requisites for trading?

Borrow: A Clearing member/Participant desirous of borrowing shall transfer corporate debt securities (from the eligible list as published by ARCL) from its demat account with depository to the below ARCL Settlement Pool Account with the depository

DP ID	IN001192
Client ID	10000012
Market Type	TR (TRI PARTY REPO CORP BOND)
CM Name	AMC Repo Clearing Limited
Settlement number*	As per settlement Calendar

Lend: A clearing member/Participant shall transfer cash margin at the rate 0.50% of their lend value to the margin account of ARCL with clearing bank or any other procedure provided by ARCL from time to time.

13. What is Haircut for Securities?

Haircut is a percentage rate applied on the market value of collateral placed by members for arriving at the borrowing limit. Haircut is a flat percentage applicable on the market value (clean price + accrued interest) of the securities based on rating and residual maturity of securities (for repo tenor of 7 days). Haircut is deducted from market value to arrive at borrowing limit. Hair-cut for eligible collateral as given below:

Instrument	Rating equivalent	Residual Maturity <= 1 Year	Residual Maturity > 1 Year <= 5 Years	Residual Maturity > 5 years <= 10 Years	Residual Maturity > 10 Years
NCD and FRB	AAA	5%	7.50%	10%	15%
NCD and FRB	AA+	7.50%	10%	15%	20%
NCD and FRB	AA	15%	15%	20%	25%
Subordinate Bonds (Other than Tier I)	AAA	10%	10%	15%	20%
Commercial Paper	A1+	5%			
Certificate of Deposits	A1+	5%			

14. How is the valuation of securities done?

The valuation of the securities that have been provided as collaterals, will be carried out using the information viz. clean price, accrued interest and haircut for arriving at the borrowing value for the members. This valuation process will be carried out on a daily basis at the EOD.

An example is given below:
Face Value of the Security: A = 100000
Market Price of the Security: B = 101
Market Value of the Security: C = A X B = 100000 X 101/100 =
101000 Accrued Interest of the Security: D = 1000
Hair-cut % applicable for the security: E% = 10%
Hair-cut Value of the Security: F = (C+D) X E% = (101000 + 1000) X 10% = 10200
Eligible Borrow Value of the security: G = C + D - F = (101000 + 1000 – 10200) = 91800

15. What is procedure for deposits of cash collaterals?

Members desirous of lending in repo transaction 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 or any other procedure provided by ARCL from time to time. Also send the request to ARCL through interface provided for the same.

16. It is possible to the deposits the collateral intraday and borrow?

Yes, it is possible to deposit collateral intra-day and can be utilized for borrowing subject to the exposure limit availability for the member.

17. It is possible to withdraw the collateral intra-day?

Yes, it is possible to deposit or withdraw collateral intra-day. Members wishing to withdraw their bond collaterals will need to put the request in interface provided by ARCL. However, in the case of withdrawal of collateral, a validation will be performed to ensure that the collateral is not blocked for the outstanding borrowing position, if any, of the respective member. If there is an outstanding position and collateral is blocked, then the collateral will not be released to the member else will be released.

18. How is the coupon handled?

Clearing Corporation will make eligible securities in-eligible based on parameters like corporate action, change in rating, minimum residual maturity etc. and such securities declared as ineligible will not be reckoned for collateral contribution by the Clearing Members from the effective date of such ineligibility.

- For Corporate bonds, in case record date of corporate action is available or made available by market participants to the clearing corporation, the security will be made ineligible 5 days before record date.

- In case record date is not available, then ARCL will continue to make security temporarily ineligible 45 days before the date of corporate action.
- Further, the security will be made eligible on 2nd business day of the record date instead of day following the corporate action date. Valuation for such securities between record date till corporate action date will be done on ex-interest basis.
- In case of Commercial Paper (CP) and Certificate of Deposit (CD), the security will be made ineligible 5 days before the maturity date.

19. What are the features of tri-party repo product?

- **Instrument Type**: Discounted instrument
- **Repo type:** Basket Repo initially. Baskets would be constituted with corporate debt securities based on combination of rating, issuers industry etc.
- **Repo tenor:** From one day to 365 days. Currently ARCL is offering, repo tenor for lesser duration i.e. up to 7 days with maturity on every business day.
- **Contract Size:** Minimum Rs.5 lakh and in multiples of Rs.5 lakh.
- **Quote:** Interest rate in percent with a tick size of 1 bps
- **Settlement cycle:** T+0 (ready leg settlement on the same day of trade) and T+1 (ready leg settlement on the next business day of the trade)
  Trading time: 9 am to 1.000 pm for T+0 settlement; and 9 am to 5 pm for T+1 settlement
- **Quantity Freeze:** Rs. 250 Crores

20. What will be the type of repo that will be traded?

The trades will be executed in basket repo.

21. What are baskets?

Baskets would be constituted based on the combination of issuers, rating, bond category etc. There can be multiple baskets available for trading, each of them having distinct list of eligible securities. The Baskets that are available for trading are given below:

Basket	Sector	Credit Rating
PSBFIAAA	PSU, Banks and Public Financial Institutions	AAA
PSBFIAA+		AA+
PSBFIAA		AA
NBHFCAAA	Non- banking financial Company & Housing Finance Company	AAA
NBHFCAA+		AA+
NBHFCAA		AA
CORPAAA	Corporates	AAA
CORPAA+		AA+
CORPAA		AA

Basket	Sector	Credit Rating
TRIIAAA	Subordinated Bonds/TIER II Bonds (other than Tier-I)	AAA
CPA1+	Commercial Paper	A1+
CDA1+	Certificate of Deposits	A1+

22. What is Member exposure limit?

It is the maximum exposure that ARCL will take against members on account of their outstanding borrowing or lending transactions. Member Exposure Limits are fixed based on financial and non-financial criteria of the entity as per ARCL's internal risk management framework.

23. What are initial margin lenders?

Initial margin is collected from the lenders on the ready leg for the value lent. The initial margin will be collected at a rate of 50 basis point (0.50%) of the lent amount. Currently the initial margin is to be deposited in the form of cash only.

24. How to execute borrowing and lending trades?

The borrowing and lending trades can be executed on the anonymous trading platform provided by the exchanges (Currently NSE).

25. What are the order level risk management tools?

In case of a borrower order, there is a system check on the available borrow limit (within the member/participant Exposure Limit) that has been given to the member/participant based on the collateral contribution provided by the borrower. In case of a lend order, the system check is on the initial margin contribution provided by the lenders subject to availability of member/participant exposure Limit.

26. What is the clearing and settlement procedure?

The trades will be executed on the anonymous trading platform of the exchanges. Based on the trades executed, a single net funds obligation shall be generated foreach of the members/participant for each settlement date which will include the following legs:

- Ready leg settlement consideration of T0
- Ready leg settlement consideration of T1 for a trade executed in the previous business day.
- Forward leg settlement consideration for trades executed in the previous business days maturing on the current business day.

27. How are the Ready leg and Forward Leg Consideration calculated?

The Ready Leg Settlement consideration (T0 and T1) for the Clearing Member/Participant shall be net borrowed or net lent amount to be settled for the Repo Deals.

Ready leg consideration is computed as under:
Ready leg consideration: Face Value / 1+ (Repo Interest Rate * Repo tenor / 365)
Forward leg consideration = Face Value/Trade Value
Example: Ready leg borrowing Rs.100 crore for one day at 8% per annum.
Ready leg consideration (Receivable) = 100 Crs / (1+(0.08*1/365)) = Rs.99.9781 crore.
Forward leg payable is Rs.100 crore.

28. Can a borrower rollover the borrow position on the day of forward leg?

Yes. It is possible. To facilitate members to borrow against the same collateral used for existing borrowing.

- Rollover can be done on the forward leg settlement day for the original borrow positions payable.
- Rollover can be done for the tenor which may be same or different from the original transaction.
- Collateral shall remain blocked till the settlement of forward leg of the rollover position.

Settlement Obligation computation including the roll-over:

An example for computation of settlement obligation (considering roll-over of borrowing) is given below:

Day-1: Ready leg borrowing Rs.100 crore for one day at 8% per annum.

Ready leg consideration is Rs.99.9781 crore.

Ready Leg receivable: Rs.99.9781 crore.

Day-2: Ready leg Borrowing (roll-over) of Rs.100 crore for one day at 12%.

Ready leg consideration is Rs.99.9671

Settlement Obligation on Day-2:

a. Forward leg payable obligation of previous ready leg: Rs.100 crore

b. Today’s ready leg receivable obligation: Rs.99.9671 crore

c. Settlement obligation (a-b): Rs.0.03289 crore

29. Will there be movement of securities from borrower to lender account?

There will be no movement of securities from the borrower to the lenders account. The securities will be lying in the demat account of AMC Repo. The lenders will be provided with an allocation report at the EOD reflecting the securities against which the lending has been done.

30. Which are the clearing banks?

Currently HDFC Bank Limited, ICICI Bank Limited and Axis Bank are empanelled as clearing banks. The details of clearing banks are given in the consolidated circular, dated April 13, 2026.

31. What are the membership fees payable?

Clearing members and Participants are required to pay the following fees and deposit for registration with ARCL.

Category	Admission/Membership fees (one time)	Annual Subscription Fees #	Interest free deposits
Clearing Member	Rs.50,000+GST@18%	Rs.10,000 + GST	Rs.1,00,000
Participant	Rs.50,000+GST@18%	Rs.10,000 + GST	Rs.1,00,000

#Annual Subscription charges will be applicable from subsequent financial year.
Additionally Clearing members are required to pay SEBI fees as specified by SEBI from time to time.

32. What are the transaction charges payable?

Transaction charges payable by the members are INR 15 per crore of traded value, with minimum of INR 15 and maximum of INR 1,500 per trade. GST charges will be extra.

33. What is the stamp duty applicable for the repo transaction?

The stamp duty will be charged from Borrower at 0.00001% on the difference between the ready leg consideration and forward leg consideration.

34. Is SEBI turnover fee applicable for members/participants?

Yes, SEBI Turnover Fee is applicable for all repo transactions, as prescribed by SEBI from time to time.

35. What are the reports available for members?

The following Reports shall be available to members\Participants. You can refer master circular dated April 13, 2026, “Annexure C” for further details.

Sr. No	Name of Report
1.	Trade Report
2.	Outstanding Position Report
3.	Obligation Report
4.	Penalty Report
5.	Margin Utilisation Report
6.	MTM Margin Report
7.	Blocking Summary Report
8.	Blocking Detailed Report
9.	Allocation Summary Report
10.	Allocation Detail Report
11.	Auction Trade Report
12.	Obligation Report for Auction trades
13.	Settlement Status Report
14.	Coupon Payment Report
15.	Collateral Breakup Report

36. What is the nomenclature to be used for opening settlement bank account with the clearing bank?

The nomenclature to be used for opening a settlement account with the clearing banks is “Name of the entity-ARCL Settlement Account”. For example, in case the entity name of the Clearing member/ Participant is XYZ Limited, then the settlement account will be opened in the name of entity i.e. name of clearing member/ Participants-ARCL Settlement account i.e. “XYZ Limited – ARCL Settlement Account”.