

Tri-Party Agent

I. Eligible Tri-Party Agents

A. All tri-party agents need prior authorisation from the Reserve Bank to act in that capacity.

B. Scheduled commercial banks, recognized stock exchanges and clearing corporations of stock exchanges or clearing corporations authorised under PSS Act., are eligible to be tri-party agents.

C. Other entities regulated by the Reserve Bank or SEBI are eligible, subject to meeting the following criteria:

(a) Regulatory Approval

(i) The applicant should have approval from the regulator concerned to conduct business of a tri-party agent.

(ii) An applicant will not be eligible for authorisation as an agent, if within the last 5 years, it has been subject to adverse regulatory action or other punitive action that the Reserve Bank considers material.

(b) Financial Criteria

(i) The applicant should have minimum paid up equity share capital of ₹ 25 crore which should be maintained at all times.

(ii) The foreign shareholding, if any, of the applicant entity would be as per the extant foreign investment policy.

(c) Experience

(i) The applicant should have past experience of at least five years in the financial sector, in India or abroad, preferably in custody, clearing or settlement services.

(d) Infrastructure

(i) Tri-party agents should put in place adequate system infrastructure to carry out their functions.

II. Roles and Obligations:

- (i) The agent shall provide equitable access for trading to all its members/market participants.
- (ii) The trading process should be transparently specified.
- (iii) All trades may be reported as indicated in Para 9 of the Direction.
- (iv) In case the agent undertakes settlement of trades itself, it would seek approval under the PSS Act 2007. Agents not settling trades themselves will be responsible for routing the trades for settlement.
- (v) The agent shall be responsible for revaluation of the collateral, margining, income payments on the collateral, as well as substitution of any collateral as per terms and conditions prescribed in the member agreement.
- (vi) The agent shall be required to put in place transparent and reliable collateral valuation norms.
- (vii) The agent shall be required to maintain records of trades in easily retrievable media for at least 8 years.
- (viii) The agent shall ensure adherence to the Reserve Bank's repo directions.
- (ix) The agent shall submit to the Reserve Bank such returns, documents and other information as may be required by the Reserve Bank from time to time.

III. Application Procedure for Authorisation of Tri-Party Agent:

- (i) Entities meeting the eligibility criteria as outlined in para (I) (B) and (C) above may apply in the prescribed format given in [Appendix I-1](#) to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, 1st Floor, Main Building, Shahid Bhagat Singh Marg, Mumbai – 400001.
- (ii) The decision to authorize entities to act as tri-party agent in repo market will be taken by the Reserve Bank based on its assessment of market needs, suitability of the applicant and the likely value addition to the repo market.

- (iii) Any significant change(s) in processes, risk management framework, settlement arrangement, or in any other conditions specified at the time of approval, shall require prior approval by the Reserve Bank.

IV. Exit Procedure

If an authorised tri-party agent intends to terminate operations, it should abide by the timing and date of termination of tri-party operations, and any other condition stipulated by the Reserve Bank.

V. Tri-party agents shall adhere to such terms and conditions as the Reserve Bank may specify at the time of approval or at any other time.

**APPLICATION FORM FOR AUTHORISATION OF TRI-PARTY AGENT IN REPO
MARKET**

From

Name and address of registered office/ principal place of business of applicant
(By Registered Post AD/ Hand Delivery)

To
Chief General Manager
Financial Markets Regulation Department
Reserve Bank of India
Central Office
1st Floor RBI Main Building
Shahid Bhagat Singh Marg
Mumbai –400001

Dear Sir,

Application for authorization as Tri-Party Agent in Repo Market

We hereby submit an application for authorization as Tri-Party Agent for corporate bond and/ or Government securities (Strike out whichever is not applicable). The required information and documents have been furnished as per instructions.

2. We declare that to the best of our knowledge and belief the information furnished in the statements/annexes enclosed are true/correct and complete and nothing has been concealed.

Yours faithfully

Signature:

Name:

Designation:

Company Seal:

Date and Place:

Encl: _ sheets

APPLICATION FOR AUTHORISATION AS TRI-PARTY AGENT IN REPO MARKET

PART – A

1. Name of applicant
2. Constitution of applicant
 - (a) Is the applicant a company or firm or any other entity
 - (b) If the applicant is a company, is it a private limited company or public limited company
 - (c) If the applicant is any other entity please specify the statute under which it is incorporated/established
3. Address of Registered Office and Principal Offices (if applicant is a company)
4. Whether approval of regulator (RBI/SEBI) obtained? Please attach original approval

PART – B

1. Name of the segment for authorization as tri-party agent: Government Securities and/ or Corporate Bonds
2. Full details of the proposal for tri-party repo to be furnished, including trading process, trading venue, necessary infrastructure for reporting of trades, connectivity to the authorised clearing corporation, settlement arrangements and other details as required in the directions
3. Previous experience of applicant in financial market (Please specify experience in custody business, if any)
4. An undertaking by the CEO of the applicant company that it has not been subject to litigation or adverse regulatory action or punitive action in the last 5 years