

**PRESS RELEASE**

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AMC Repo Clearing Limited (ARCL), is happy to share the execution of first term repo transaction on its tri-party repo in corporate debt platform with a repo tenor of 7 days at 7.00% p.a. for trade value of Rs. 50 Crs. The repo market in India is primarily an overnight market. The term repo in corporate debt securities will ensure lower cost of transaction for borrowing and lending for participants. Further, borrower will be assured of liquidity for longer tenors.

The transaction cost of tri-party repo in corporate debt securities is comparatively higher than the transaction cost of tri-party repo in government securities due to brokerage cost, small trade size etc. The term repo may help participants to reduce the overall transaction cost of tri-party repo in corporate debt securities.

Tri-party repo in corporate debt securities has seen a steady growth over the last 5 months, The average daily volume has increased from Rs. 526 Crs in the month of February 2024 to Rs. 949 Crs in the month of May 2024.

**About Us**

AMC Repo Clearing Limited (ARCL), is a Limited Purpose Clearing Corporation, setup in 2021. The company is promoted by all Mutual Funds having Debt Assets Under Management.

ARCL is recognized by SEBI under SECC Regulations, 2018 to offer central counterparty (CCP) services for repo transactions in corporate debt securities as well as to act as a Tri-party Repo agent for corporate debt securities. ARCL has been accorded the status as a Market Infrastructure Institution (MII) by SEBI.

ARCL is also authorized by Reserve Bank of India to provide the central counterparty services (CCP) for tri-party repo in corporate debt securities under Payment & Settlement Systems Act, 2007. RBI has also authorized ARCL to act as Tri-party Repo agent for repo transactions in corporate debt securities.

ARCL Tri-party repo product in corporate debt securities was launched by the Hon'ble Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman, at an event organized by SEBI on July 28, 2023.

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