

Commodity Derivatives Segment

October 17, 2019

Circular No.: MCCIL/COM/1444/2019

Subject:- Revision in client level Concentration Margin in Black Pepper, Cardamom, Guar Seed and Isabgul Seed Contracts

Members are requested to refer to SEBI circular no. CDMRD/DMP/CIR/P/2018/126 dated September 27, 2018 (Master Circular for Commodity Derivatives Market) and MCCIL Circular no. MCCIL/COM/1299/2019 dated May 02, 2019 on Concentration Margin.

Pursuant to the above guidelines and the Joint Surveillance meeting of the Exchanges, Clearing Corporations and SEBI, it has been decided to revise the Concentration Margin in Black Pepper, Cardamom, Guar Seed and Isabgul Seed Contracts. The revised Concentration Margin will be levied at client level based on the following criteria.

In case the concentration of the top 25 clients on the Long or Short side is greater than 30% of the commodity level Open Interest, then a Concentration Margin of 5% would be levied on the top 25 clients on both long and short sides at Commodity level in Black Pepper, Cardamom, Guar Seed and Isabgul Seed contracts. Out of this 5% concentration margin, 2.5% would be applicable with effect from November 11, 2019 and the balance 2.5% would be applicable with effect from December 02, 2019.

Based on the positions of related clients and entities acting in concert, if required, the same may further be increased to cover up to 50 % of the commodity level Open Interest on both Long and Short sides in order to ensure market safety and integrity.

The concentration margin would be applicable only for those clients having commodity level position of value above INR 5 crore.

Clients who hedge through a Hedge Code would be exempted from levy of Concentration Margin at the client level, to the extent of positions held in the Hedge Code provided by the Exchange under its Hedge Policy issued vide circular no. ICES/SURV/2019/309 dated February 06, 2019.

Concentration Margins would continue to be applicable at the Clearing Member level as per provisions prescribed in Circular no. MCCIL/COM/1299/2019 dated May 02, 2019.

Members and participants are requested to note the above.

For and on behalf of

Metropolitan Clearing Corporation of India Ltd.

Metropolitan Clearing Corporation of India Limited

Regd. Office: 4th Floor, Vibgyor Towers, Opp. Trident Hotel, Plot No. C62, Bandra Kurla Complex, Bandra (East), Mumbai - 400 098
Tel: +91-22-6112 9000 • Fax: +91-22-2652 5731 • URL: www.mclear.in • Email: info@mclear.in • CIN: U67120MH2008PLC188032

www.mclear.in