

Circular No.: MCCIL/COM/1544/2020

Date: February 11, 2020

Subject: Margin Framework for Commodity Derivatives Segment

In terms of provisions of the Rules, Bye-Laws and Regulations of the Metropolitan Clearing Corporation of India Limited (MCCIL), the members and their constituents are hereby notified as under.

Reference is drawn to SEBI circular no SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020 and MCCIL circular no. MCCIL/COM/1532/2020 dated January 28, 2020 regarding revised norms for minimum IM and minimum MPOR for commodity derivatives segment.

As per the revised norms, Clearing Corporations (CCs) shall categorize their commodities into three categories of volatility based upon the realized volatility during the last three years.

MCCIL has categorized the commodities into three categories of volatility as given below. Accordingly, minimum initial margin (IM) and minimum MPOR as per the revised norms prescribed by SEBI shall be as under:

Sr. No.	Commodity and its variants	Identifier	Volatility Category	Realized Annualized Volatility Criteria	Applicable Minimum IM	Applicable Minimum MPOR
1	DIAMOND0.3CT	Non-Agri	Low	0 to 15%	6.00%	2
2	DIAMOND0.5CT	Non-Agri	Low		6.00%	2
3	DIAMOND1CT	Non-Agri	Low		6.00%	2
4	ISABGS	Agri	Low		8.00%	3
5	JUTE	Agri	Low		8.00%	3
6	PEPPER	Agri	Low		8.00%	3
7	RAPES	Agri	Low		8.00%	3
8	SOYOIL	Agri	Low		8.00%	3
9	RUBBER	Agri	Medium	Above 15% to 20%	10.00%	3
10	STEELONG	Non-Agri	Medium		8.00%	2
11	PB1121	Agri	High	Above 20%	12.00%	4
12	CARDAMOM	Agri	High		12.00%	4
13	CASTORS	Agri	High		12.00%	4
14	GUARS	Agri	High		12.00%	4

Note: In case of Agri Commodities an additional lean period margin of 2% shall be imposed on contracts expiring during the lean period.

Implementation schedule along with the details of lean period of commodities will be notified in due course.

Members are requested to take note of the same.

Kindly contact Risk department on 022-40381549/52 or send an e-mail to comrisk@mclear.in for any assistance.

For and on behalf of

Metropolitan Clearing Corporation of India Limited

Rakhi Bhoir
Senior Manager