



Commodity Derivatives Segment

Circular No.: MCCIL/COM/1555/2020

Date: February 19, 2020

Subject: Client Margin Collection Reporting by Clearing Members

In terms of provisions of the Rules, Bye-Laws and Regulations of the Metropolitan Clearing Corporation of India Limited (MCCIL) and in continuation to earlier MCCIL circular ref. no MCCIL/COM/1119/2018 dated September 28, 2018, the members and their constituents are hereby notified as under.

In terms of the client margin collection reporting framework, all the Clearing Members (CM) who clear trades on behalf of other trading members, are also required to report margin collection from their trading members.

The process of margin collection reporting by Clearing Members is given below:

1. At the end of every business date, MCCIL will share the margin collection reporting file to Clearing Members in respect of all the trading members associated with them, through Electronic Debit Credit Mechanism (EDCM) application.
2. Clearing Members are required to report actual margin collection by T+5 working days.
3. Penalty will be levied on short-reporting / non-reporting of margins.

This is effective from trade date 2nd March 2020 and penalty will be levied on Clearing Members for short collection/ non-collection of margins from their trading members, as per the penalty structure mentioned below:

For each Member	
'a'	Per day penalty as % of 'a'
(<INR 1 lakh) and (<10% of applicable margin)	0.5
(>=INR 1 lakh) or (>=10% of applicable margin)	1.0

With respect to repeated defaulters, who default 3 times or more during a month, the penalty will be 5% of the shortfall in such instances. Every short /non collection of margin is to be considered as one instance of default. In case short margin is reported for a trading member 3 times or more during a month, either in consecutive instances or in 3 segregated instances, the penalty will be 5% of the shortfall from 4th instance of shortfall.

All other provisions regarding client margin reporting and penalty structure shall continue to apply.

Members and market participants are requested to take note of the same and ensure compliance.

Kindly contact C&S department on 022-40381540/42/43 or send an E-mail at cns_com@mclear.in for any assistance.

For and on behalf of
Metropolitan Clearing Corporation of India Limited

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Metropolitan Clearing Corporation of India Limited

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