

Commodity Derivatives Segment

September 2, 2020

Circular No.: MCCIL/COM/1749/2020

Sub: Review of 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 and in modification to MCCIL circular no. MCCIL/COM/1544/2020 dated February 11, 2020, regarding revised norms for minimum IM and minimum MPOR for commodity derivatives segment.

MCCIL has categorized the commodities into three categories of volatility based on their realized annualized volatility. Accordingly, the applicable minimum initial margin (IM) and minimum MPOR is provided as **Annexure**.

In case of Agri Commodities an additional lean period margin of 2% shall be imposed on contracts expiring during lean period. The details of lean period shall be available on the website of the lead Exchange. Reference is drawn to MCCIL circular no. MCCIL/COM/1631/2020 dated April 24, 2020 regarding lean period for Agricultural commodities in respect of which MCCIL is the clearing corporation of the lead Exchange.

The provisions of this circular shall be applicable from begin of day on **October 1, 2020**.

Members are requested to take note of the same.

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

For and on behalf of
Metropolitan Clearing Corporation of India Ltd.

Rakhi Bhoir
Senior Manager

Annexure

Sr. No	Commodity and its variants	Identifier	Volatility Category	Realized Annualized Volatility criteria	Applicable Minimum IM	Applicable Minimum MPOR
1	DIAMOND1CT	Non-Agri	Low	0 to 15%	6.00%	2
2	DIAMOND0.3CT	Non-Agri	Low		6.00%	2
3	DIAMOND0.5CT	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