Commodity Derivatives Segment

March 08, 2021

Circular No.: MCCIL/COM/1908/2021

<u>Sub: Peak Client Margin Reporting</u>

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/MRD2/DCAP/CIR/P/2020/127 dated July 20, 2020 and MCCIL circular no. MCCIL/COM/1713/2020 dated July 23, 2020 regarding Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments.

MCCIL shall send minimum 4 snapshots of client wise margin requirement to Trading Members (TM)/Clearing Members (CM) for them to know the intraday margin requirement per client/TM. The snapshots would be randomly taken in pre-defined time windows. Additionally, last snapshot shall be generated at 5 PM. The format of the file containing the intra-day margins are provided in **Annexure 1.**

The member shall have to report the margin collected from each client/TM, as at EOD and peak Initial margin collected during the day. The revised format for the reporting is provided in **Annexure 2.**

The margins reported shall be compared in the following manner:
a) EOD margin obligation of the client/TM shall be compared with the respective client/TM margin available with the TM/CM at EOD.
AND
b) Peak margin obligation of the client/TM, across the snapshots, shall be compared with respective client/TM peak margin available with the TM/CM during the day.

Higher of the shortfall in collection of the margin obligations at (a) and (b) above, shall be considered for levying of penalty as per the extant framework.
The peak margin obligation of client across snapshots, as mentioned above, shall be adopted in a phased manner, as given below:

Effective Date	% of Peak margin obligation to be compared with respective peak margin available for computation of shortfall in peak margin
March 15, 2021	50%
June 01,2021	75%
September 01, 2021	100%

The above changes in files & reporting formats shall be effective from **March 15, 2021.**

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Members are requested to take note of the above.

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 Ltd.

Rakhi Bhoir
Sr. Manager

Attached: Annexure 1
Annexure 2

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Annexure 1

The client wise margin requirement across each of the intra-day snapshots generated at random basis will be made available in EDCM to all members on daily basis.
The "Margin Snapshots" is the newly introduced Sub-menu under the Menu –'Reports' in EDCM.

The File format of Client wise margin intraday snapshots is given as below:

Sr. No.	Column Name
1	Trading Date
2	Batch Id
3	CM Code
4	TM Code
5	Client
6	Registration ID
7	Risk Party
8	Initial Margin
9	Extreme Loss Margin
10	Spread Benefit
11	Tender Margin
12	Additional Margin Long
13	Additional Margin Short
14	Regulatory Margin Long
15	Regulatory Margin Short
16	Long Margin
17	Short Margin
18	Total Margin
19	Crystallized Loss
20	Peak Generated

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Annexure 2

The member shall have to report the margin collected from each client/TM, as at EOD and peak Initial Margin collected during the day in EDCM on daily basis.

Members are requested to download the file from EDCM and update details as per the revised file format provided below:

Note: The additional columns inserted in the margin reporting file format is highlighted in Yellow.

Sr. No.	Column Name
1	Trading Date
2	CM Code
3	TM Code
4	Client
5	Initial Margin
6	Extreme Loss Margin
7	Spread Benefit
8	Peak Initial Margin
9	Peak Extreme Loss Margin
10	Peak Spread Benefit
11	Regulatory Margin Long
12	Regulatory Margin
13	Additional Margin Long
14	Additional Margin
15	Long Margin
16	Short Margin
17	Tender Margin
18	Delivery Margin
19	Concentration Margin
20	MTM
21	Actual Initial Margin
22	Actual Other Margin
23	Actual MTM
24	Actual Peak Initial Margin
25	EOD Initial Margin Shortfall
26	Peak Initial Margin Shortfall
27	Max Initial / Peak Shortfall
28	Total Margin ShortFall
29	Initial Margin Penalty
30	Other Margin Penalty
31	MTM Penalty
32	Occurrence
33	Remark
34	Type

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