



MCX Circular No. MCX/MCXCCL/699/2019
MCXCCL Circular No. MCXCCL/RISK/288/2019

December 13, 2019

Revision in Margin Period of Risk (MPOR)

In terms of the provisions of the Rules, Byelaws and Regulations of Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and in continuation to Circular No. MCXCCL/RISK/003/2018 dated August 31, 2018 and Circular No. MCXCCL/RISK/266/2019 dated November 13, 2019, Clearing Members of MCXCCL are notified as under:

Currently the Initial Margin requirement is based on VaR over two-day horizon (i.e. Margin Period of Risk or MPOR = 2 days) except for Cardamom and CPO where MPOR is 3. MPOR is one of the risk measures of liquidity/ liquidation in commodity contracts.

MCXCCL has reviewed the liquidity and has decided that MPOR for Cardamom and CPO shall be revised from three to two days.

Accordingly, for the computation of Initial Margin, the VaR of all commodities shall be scaled up by root 2.

The provisions of the circular shall be effective from **January 01, 2020**.

Members are requested to take note of the same.

Mohamed Aslam Shaikh
Head – Risk Management

Kindly contact Customer Support on 022- 6649 4000 or send an email at customersupport@mcxindia.com for further clarification.

-----Corporate office -----
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