



MCX Circular No. MCX/MCXCCL/509/2022

September 02, 2022

MCXCCL Circular No. MCXCCL/RISK/193/2022

Review of Margin Framework for Commodity Derivatives Segment

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and pursuant to the SEBI circular no SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020, SEBI circular no SEBI/HO/CDMRD/DRMP/CIR/P/2021/08 dated January 11, 2021 and in modification to MCXCCL circular MCXCCL/RISK/049/2022 dated March 3, 2022, Clearing Members of the MCXCCL are notified as under:

MCXCCL has categorized the commodities based on their realized volatility and classified the commodities into three categories of volatility. Accordingly, the applicable minimum initial margin (IM), Short Option Minimum Margin (SOMM), minimum Margin period of Risk (MPOR) and minimum Volatility Scan Range (VSR) is provided as **Annexure 1**.

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.

The provisions of this circular shall be applicable from begin of day on **October 3, 2022**.

Members are requested to take note of the same.

Pankaj Goel
Chief Regulatory Officer

Encl.: As above

Kindly contact Customer Support on 022 - 6649 4040 or send an email at customersupport@mcxindia.com for any clarification.

----- Corporate office -----
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Annexure 1

Sr. No	Commodity	Lead Exchange	Volatility Category	Applicable Minimum IM %	Short Option Minimum Margin % (SOMM)	Applicable Minimum MPOR	Applicable Minimum VSR (%)
1	GOLD	MCX	Low	6	6	2	4
2	LEAD	MCX	Low	6	-	2	-
3	ALUMINIUM	MCX	Medium	8	-	2	-
4	COPPER	MCX	Medium	8	8	2	5
5	COTTON	MCX	Medium	10	-	3	-
6	KAPAS	NCDEX	Medium	10	-	3	-
7	RUBBER	MCX	Medium	10	-	3	-
8	CRUDEOIL*	MCX	High	30	30	3	30
9	MENTHAOIL	MCX	High	12	-	4	-
10	NATURALGAS	MCX	High	10	-	3	6
11	NICKEL	MCX	High	10	-	3	6
12	SILVER	MCX	High	10	10	3	6
13	ZINC	MCX	High	10	10	3	6

** As per Volatility category of Crudeoil applicable minimum IM (%), SOMM (%) and VSR (%) is 10%, 10% and 6% respectively. However in view of the volatility experienced in Crude Oil contracts in the past and as per MCXCCL circular no MCXCCL/RISK/154/2022 dated July 1, 2022 applicable minimum IM (%), SOMM (%) and VSR (%) is kept as 30%.*

Note:

1. The revised minimum IM %, SOMM, VSR % and minimum MPOR shall also be applicable to the variants of the above commodities.
2. Initial Margin shall be higher of minimum Initial Margin as prescribed in the above table or VaR scaled up by MPOR of respective commodity.
3. The margins levied on seller of the Options shall be higher of SOMM as prescribed in the above table or VaR scaled up by MPOR of respective commodity.
4. For options on goods, Margin Period of Risk (MPOR) shall be at least equal to three days or MPOR of corresponding futures contracts, whichever is higher.