
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/RISK-040/2021

Date : October 11, 2021

Subject : Spread margin benefit in a commodity complex

Reference is drawn to NCCL circular no. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management framework.

Members are hereby informed that spread benefit in initial margin across futures contracts in a commodity complex shall be provided to the pair of GUARSEED10 and GUARGUM5. The spread margin benefit for the pair of GUARSEED10 and GUARGUM5 shall be 50% of initial margin.

In case of spread positions, additional margin shall not be levied. No benefit in Extreme Loss Margins (ELM) shall be provided for spread positions i.e ELM shall be charged on both individual legs. To be eligible for initial margin benefit, each individual contract in the spread shall be from amongst the first three expiring contracts. Margin benefit on spread positions shall be withdrawn equally in three days prior to the start of staggered period including start date of staggered period.

The spread benefit in initial margin shall be provided in all the running contracts and yet to be launched contracts in GUARSEED10 and GUARGUM5

This circular shall be effective from beginning of trading day October 14, 2021.

Members and participants are requested to note the above.

For and on behalf of
National Commodity Clearing Limited

Ruchit Chaturvedi
Head – Risk Management

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 6007
2. Customer Service Group by e-mail to : contactus@nccl.co.in