



MCX Circular No. MCX/MCXCCL/466/2019
MCXCCL Circular No. MCXCCL/C&S/202/2019

August 30, 2019

Revision in Delivery and Settlement Procedure for GOLD GUINEA and GOLD PETAL

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL), Clearing Members of the MCXCCL are notified as under:

MCX has introduced / modified the provisions on tender period under the staggered delivery tender period for all the Compulsory Delivery contracts expiring from October 25, 2019 and thereafter. Accordingly, the revised Delivery and Settlement procedures of the below mentioned commodities are provided as **Annexure 1 & Annexure 2** to this Circular along with their applicability as under:

1. **Gold Guinea Contract expiring from October 2019 and onwards – Annexure 1**
2. **Gold Petal Contract expiring from October 2019 and onwards – Annexure 2**

All Members and their respective constituents are requested to take note of the same.

Anthony Rodrigues
Sr. Manager

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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Delivery and Settlement Procedure of Gold Guinea Contract

Delivery logic	Compulsory Delivery
Staggered Delivery Tender Period	<p>The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Trading day will be based on availability for trading of the respective commodity on a trading day and excluding special sessions like Muhurat Trading day.</p>
Staggered Tender Period Margin	5% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions in addition to the Initial, Special and/ or any other additional margin, if any.
Mode of Intention Submission	MCX eXchange
Buyer Delivery Intention	Buyer to give intention of taking delivery on any tender day, during tender period, till 3.00 p.m.
Seller Delivery Intention	Seller to give intention of tendering delivery on any tender day, during tender period, till 3.00 p.m.
Dissemination of Intention	Intentions received from the sellers and buyers will be broadcasted on TWS by the MCX/MCXCCCL by 3.30 p.m. on the respective tender days.
Delivery Period Margin	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility</p> <p>Or</p> <p>b. 25%</p>
Exemption from Staggered Tender Period and Delivery Period Margin	Sellers are exempted from payment of all types of margins, if goods are tendered as early pay-in with all the documentary evidences. However, MCXCCL shall continue to collect mark to market margins from Sellers.
Delivery Allocation Rate	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be the Due Date Rate (DDR) and not the closing price
Delivery Marking	On the respective tender days after the end of the day
Delivery Pay-in	The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid

	<p>commodity balance in the ComRIS Account towards the pay-in obligation.</p> <p><u>On Tender Days:</u> On tender days by 3.00 p.m. except Saturday, Sunday and Public holiday. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p><u>On Expiry:</u> On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E+2 basis (E- Expiry day) by 12.00 p.m. except Saturday, Sunday and Public holiday.</p>
Funds Pay-in	Tender/ Expiry day + 2 basis: 12.00 p.m.
Delivery Pay-out	Tender/ Expiry day + 2 basis: 2.00 p.m.
Funds Pay-out	Tender/ Expiry day + 2 basis: 2.00 p.m.
Packaging	Gold Guinea with tamper proof only.
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty :-</p> <ul style="list-style-type: none"> • At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL • Up to 0.25% of Settlement Price may be retained by the MCXCCL towards administration expenses • 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, MCXCCL shall take suitable penal/ disciplinary action against any intentional / wilful delivery default by seller.</p> <p>Buyer default shall not be permitted.</p>
Delivery Centers	Designated Clearing House facilities at Ahmedabad and additional delivery centers at New Delhi and Mumbai.
Taxes, duties, cess and levies	Ex-Ahmedabad , Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, cess, octroi or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer.

Deliverable grade of underlying commodity	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to select a particular grade and the delivery offered by the seller and allocation by the MCXCCL shall be binding on him.
Verification by the Buyer at the time of release of delivery	At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the MCXCCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of Variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.
Validation Process	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ol style="list-style-type: none"> a. Whether the person carrying Gold Guinea is the designated clearing agent of the member. b. Whether the selling member is a bonafide member of the MCXCCL. c. Whether the quantity being delivered is from MCXCCL approved refinery d. Whether the serial numbers of all the Gold Guinea is mentioned in the packing list provided along with gold Guinea certicard. <p>Any other validation checks, as they may desire.</p>
Delivery Process	In case any of the above validation fails, the designated vault will contact the MCXCCL office and take any further action, only as per instructions received from the MCXCCL in writing. If all validations are through, then the designated vault personnel will put the Gold Guinea in the vault. Then the custodian of designated vault will issue appropriate receipt for having received the goods.

Quality Adjustment	The price of Gold Guinea is on the basis of 999 purity. In case a seller delivers 9999 purity, he would get a premium. In such case, the sale proceeds will be calculated by way of Due Date Rate * 9999/ 999
Procedure of taking delivery from the Vault	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in ComRIS and send an Authority letter on his letter head to the MCXCCL, authorising a representative on his behalf to take the delivery. The Authority letter sent by the Member shall consist of the following details:</p> <ol style="list-style-type: none"> a. Name of the authorised representative. b. Name of the Commodity along with quantity. c. Name of the Vault along with the location. d. Signature of the authorised representative. e. Proof of Identity viz. PAN card, driving license, Election ID. f. Photo identity proof duly attested by the Member. <p>The above-mentioned details are required to be sent to the MCXCCL. Once the MCXCCL receives the above-mentioned details, the MCXCCL will send it to the Vault authorities directly.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original, the copy of which was sent/communicated to the MCXCCL by its Member.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the MCXCCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
Endorsement of delivery order/delivery	The buyer member can endorse delivery order/delivery to a constituents or any third party with full disclosure given to the MCXCCL. Responsibility for contractual liability would be with the original assignee.
Vault, Insurance and Transportation charges	Borne by the seller till the date of pay-out of delivery and the buyer after the date of pay-out.
Extension of delivery period	As per MCXCCL decision due to a force majeure or otherwise.
Making charges for taking Delivery	Buyer shall have to pay Rs. 200/- (over and above the DDR) per Gold Guinea as a making charges, which shall be paid to the seller.

Legal obligation	The members will provide appropriate tax forms wherever required as per law and as customary and neither of the parties (seller member and buyer member) will unreasonably refuse to do so.
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the MCXCCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the MCXCCL in respect of matters specified in this document shall form an integral part of this contract. The MCXCCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on MCX need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the MCXCCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the MCXCCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the MCX, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of MCXCCL is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that MCX/MCXCCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on MCX, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments</p>

and the MCX/MCXCCCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.

The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the MCXCCL and failing which, no claim shall be entertained by the MCXCCL thereafter.

The MCXCCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in MCXCCL designated warehouse/s, vault agency and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the MCXCCL accredited warehouse. The decision of the MCXCCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the MCXCCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants.)

Delivery and Settlement Procedure of Gold Petal Contract

Delivery logic	Compulsory Delivery
Staggered Delivery Tender Period	<p>The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Trading day will be based on availability for trading of the respective commodity on a trading day and excluding special sessions like Muhurat Trading day.</p>
Staggered Tender Period Margin	5% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions in addition to the Initial, Special and/ or any other additional margin, if any.
Mode of Intention Submission	MCX eXchange
Buyer Delivery Intention	Buyer to give intention of taking delivery on any tender day, during tender period, till 3.00 p.m.
Seller Delivery Intention	Seller to give intention of tendering delivery on any tender day, during tender period, till 3.00 p.m.
Dissemination of Intention	Intentions received from the sellers and buyers will be broadcasted on TWS by the MCX/MCXCCCL by 3.30 p.m. on the respective tender days.
Delivery Period Margin	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility</p> <p>Or</p> <p>b. 25%</p>
Exemption from Staggered Tender Period and Delivery Period Margin	Sellers are exempted from payment of all types of margins, if goods are tendered as early pay-in with all the documentary evidences. However, MCXCCL shall continue to collect mark to market margins from Sellers.
Delivery Allocation Rate	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be the Due Date Rate (DDR) and not the closing price
Delivery Marking	On the respective tender days after the end of the day
Delivery Pay-in	<p>The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation.</p> <p>On Tender Days:</p>

	<p>On tender days by 3.00 p.m. except Saturday, Sunday and Public holiday. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p><u>On Expiry:</u> On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E+2 basis (E- Expiry day) by 12.00 p.m. except Saturday, Sunday and Public holiday.</p>
Funds Pay-in	Tender/ Expiry day + 2 basis: 12.00 p.m.
Delivery Pay-out	Tender/ Expiry day + 2 basis: 2.00 p.m.
Funds Pay-out	Tender/ Expiry day + 2 basis: 2.00 p.m.
Packaging	1 Gram Gold Coin with tamper proof only.
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ul style="list-style-type: none"> • At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL. • Up to 0.25% of Settlement Price may be retained by the MCXCCL towards administration expenses. • 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, MCXCCL shall take suitable penal/ disciplinary action against any intentional / wilful delivery default by seller.</p> <p>Buyer default shall not be permitted.</p>
Delivery Center(S)	Mumbai and additional delivery centers at Ahmedabad and New Delhi.
Taxes, duties, cess and levies	Ex-Mumbai, Inclusive of all charges/ levies relating to import duty, customs to be borne by Seller. But excluding GST, any other additional tax, cess, octroi or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer.
Deliverable grade of underlying commodity	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to select a particular grade and the delivery offered by the seller and allocation by the MCXCCL shall be binding on him.

<p>Verification by the Buyer at the time of release of delivery</p>	<p>At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the MCXCCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of Variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.</p>
<p>Validation Process</p>	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ol style="list-style-type: none"> a. Whether the person carrying 1 Gram Gold Coin is the designated clearing agent of the member. b. Whether the selling member is a bonafide member of the MCXCCL. c. Whether the quantity being delivered is from MCXCCL approved refinery d. Whether the serial no is present on the certificate/certicard accompanying the gold 1 gm coin. <p>Any other validation checks, as they may desire.</p>
<p>Delivery Process</p>	<p>In case any of the above validation fails, the designated vault will contact the MCXCCL office and take any further action, only as per instructions received from the MCXCCL in writing. If all validations are through, then the designated vault personnel will put the 1 Gram Gold Coin in the vault. Then the custodian of designated vault will issue appropriate receipt for having received the goods.</p>
<p>Quality Adjustment</p>	<p>The price of 1 Gram Gold Coin is on the basis of 999 purity. In case a seller delivers 9999 purity, he would get a premium. In such case, the sale proceeds will be calculated by way of Due Date Rate * 9999/999</p>
<p>Procedure of taking delivery from the Vault</p>	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in ComRIS and send an Authority letter on his letter head to the MCXCCL, authorising a representative on his behalf to take the delivery. The Authority letter sent by the Member shall consist of the following details:</p> <ol style="list-style-type: none"> a. Name of the authorised representative.

	<p>b. Name of the Commodity along with quantity. c. Name of the Vault along with the location. d. Signature of the authorised representative. e. Proof of Identity viz. PAN card, driving license, Election ID. f. Photo identity proof duly attested by the Member.</p> <p>The above-mentioned details are required to be sent to the MCXCCL. Once the MCXCCL receives the above-mentioned details, the MCXCCL will send it to the Vault authorities directly.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original, the copy of which was sent / communicated to the MCXCCL by its Member.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the MCXCCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
Endorsement of delivery order/delivery	The buyer member can endorse delivery order/delivery to a constituents or any third party with full disclosure given to the MCXCCL. Responsibility for contractual liability would be with the original assignee.
Vault, Insurance and Transportation charges	Borne by the seller till the date of pay-out of delivery and the buyer after the date of pay-out.
Extension of delivery period	As per MCXCCL decision due to a force majeure or otherwise.
Making charges for taking Delivery	Buyer shall have to pay Rs.100/- (over and above the DDR) per 1 Gram Gold Coin as a making charges, which shall be paid to the seller.
Legal obligation	The members will provide appropriate tax forms wherever required as per law and as customary and neither of the parties (seller member and buyer member) will unreasonably refuse to do so.
Applicability of Regulations	The general provisions of Byelaws, Rules and Regulations of the MCXCCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the MCXCCL in respect of matters specified in this document shall form an integral part of this contract. The MCXCCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.

Members and market participants who enter into buy and sell transactions on MCX need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the MCXCCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the MCXCCL as well as of the Regulators, Government and other authorities.

It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the MCX, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of MCXCCL is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that MCX/MCXCCL shall not be responsible or liable on account of any non-compliance thereof.

All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.

In respect of all contracts executed by the Members on MCX, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the MCX/MCXCCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.

The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the MCXCCL and failing which, no claim shall be entertained by the MCXCCL thereafter.

The MCXCCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in MCXCCL designated warehouse/s, vault agency and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above

	reason or which have passed the Final Expiry date and continue to remain in the MCXCCL accredited warehouse. The decision of the MCXCCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the MCXCCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants.)
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