



MCX Circular No. MCX/MCXCCL/966/2020
MCXCCL Circular No. MCXCCL/RISK/324/2020

December 22, 2020

Review of Additional Risk Management measures in Crude Oil Contracts

In terms of provisions of the Rules, Bye-Laws and Regulations of Multi Commodity Exchange Clearing Corporation Limited ("MCXCCL") and in modification to circular MCXCCL/RISK/094/2020 dated April 28, 2020, Clearing Members of MCXCCL are notified as under:

A. Reduction in Initial Margins

A minimum Initial margin / Short Option Minimum Margin of 50% shall be levied on all existing and yet to be launched Crude Oil contracts.

B. Withdrawal of Additional Margins:

Additional Margin of Rs. 1,00,000 (near month) and Rs.50,000 (other expiries) levied on Crude Oil Futures contracts and on short side of Crude Oil Options contracts shall be withdrawn.

C. Additional margins based on price movement:

It shall continue to remain in force as per the provisions of circular MCXCCL/RISK/094/2020 dated April 28, 2020.

D. Spread Margin benefit:

Spread margin benefit on Initial Margins shall be provided in Crude Oil contracts. The benefit in initial margin shall be permitted only when each individual contract in the spread is from amongst the first three expiring contracts. Spread margin benefit on spread positions shall be entirely withdrawn on the start of the expiry day.

E. Extreme Loss Margins:

Extreme Loss margin of 1.25% shall continue to be levied on all Crude Oil Futures contracts and on short positions of all Options Contracts.

F. Options VSR:

The Volatility Scan Range (VSR) shall continue to remain at 20% for all existing and yet to be launched Crude Oil Options contracts.

The provisions of this circular shall be applicable from beginning of day on **December 23, 2020**.

Members are requested to take note of the same.

Mohamed Aslam Shaikh
Risk Management Department

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