



MCX Circular No. MCX/MCXCCL/505 /2024
MCXCCL Circular No. MCXCCL/RISK/188/2024

July 29, 2024

Amendment in Margin Shortfall Block Amount (MSBA) Methodology

In terms of the provisions of the Rules, Byelaws and Regulations of Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and in continuation to circular MCX/T&S/261/2016 dated September 01, 2016, and in modification to circular MCXCCL/COMP/108/2024 dated April 30, 2024, the Clearing Members of MCXCCL are hereby notified that the following amendments have been made in the Margin Shortfall Block Amount (MSBA) provisions under risk management measure:

In the event of Clearing Member's margins are overutilized by INR 5 lakhs and above its margin limits, on more than 2 occasions in past 30 calendar days, the following actions shall be initiated by MCXCCL:

- I. An amount equivalent to cumulative amount of margin shortage over the past 30 days shall be blocked as Margin Shortfall Block Amount (MSBA) from the deposits of the clearing member. The margin shortage at the time of violating the trigger point of 100% on each occasion shall be considered.
- II. The amount blocked shall not be available towards any margin benefit.
- III. In case there are more than one instance of margin shortage in a day, the highest amount of margin shortage at the time of violating the trigger point of 100% shall be considered.
- IV. The members shall be given 2 clear settlement days from the date of intimation to provide the Margin shortfall block amount (MSBA).
- V. Clearing Corporation shall block the MSBA from the available collaterals of the member on T+3 day.
- VI. In case, the margin utilisation of the member after blocking MSBA reaches 85%, then member will be placed in suspend-square off mode till the time member complies with the MSBA or up to the retention period. For this purpose, member may provide additional collateral or reduce the outstanding positions to enable blocking of MSBA.
- VII. MSBA shall be retained as exposure free deposit for a period of 30 calendar days. It shall be released after 30 calendar days after retaining applicable MSBA requirement, if any.

The above amendment in the risk management measure shall come into force with effect from the assessment date **August 1, 2024**.

Members are requested to take note of the same.

Himanshu Raja
Chief Risk Officer

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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