

September 03, 2018

Circular No.: MSE/C&S/EDS/6760/2018
Ref. No.: MCCIL/EDS/1108/2018**Sub: Additional Surveillance Margin**

This circular is issued in continuation to our circular no. MSE/C&S/EDS/6485/2018 dated June 25, 2018, on additional surveillance margin for derivatives segment. As part of the continuous review process, in a joint meeting between Stock Exchanges, Clearing Corporations and SEBI, the following was decided:

(a) The following Additional Surveillance Margins (ASM) shall be levied on all gross open positions on futures contracts and on short positions in options contracts which shall be effective from the dates mentioned in the table below:

Effective date of Implementation	Index Options	Index Futures	Single Stock Futures and Options
September 14, 2018	1.00%	0.50%	1.25%
September 28, 2018	2.00%	1.00%	2.50%
October 26, 2018	3.00%	1.50%	3.75%
November 30, 2018	4.00%	2.00%	5.00%

The above mentioned ASM shall be added to the applicable exposure margin of the respective index/stock futures and options contracts.

(b) In view of above additional surveillance margin, the present additional surveillance margin levied based on the scenarios as specified under Circular No MSE/C&S/EDS/6485/2018 dated June 25, 2018 will be discontinued with effect from September 28, 2018.

(c) The Clearing Corporation will continue to monitor all client-level positions with potential loss of INR 25 crores or above as per the scenarios specified in Circular No MSE/C&S/EDS/6485/2018 dated June 25, 2018, and, if required, impose additional surveillance margins and take other actions as may be deemed necessary.

(d) The Clearing Corporation shall also monitor buildup of open interest in derivatives of sectoral indices (particularly where top 3 stocks collectively constitute more than 50% of the weightage in the index), and may impose higher margins on such contracts, if deemed necessary.

For clarifications, members may contact Risk Team on 022 – 61129000 (Extension 9990/9071) or send an email at risk@mcclar.in

For and on behalf of
Metropolitan Clearing Corporation of India Ltd.

Roanna Lewis
Manager