

Margin Reporting: Commodity Derivatives Segment

Margin Reporting by Trading Members & Clearing Members

As stipulated by SEBI, Trading Members (TM) of BSE Commodity Derivatives Segment need to mandatorily report the margins collected from their Clients and Clearing Members of ICCL-BSE Commodity Derivatives Segment need to mandatorily report the margins collected from their Trading Members (for proprietary account positions of Trading Members) and Custodial Participant (CP) Clients to BSE/ICCL through Member Extranet Portal.

For this purpose, Members need to:

- ✓ Download the Margin Files from Extranet through the below mentioned path.

Member Extranet>Commodity>Transaction>month/date folder

File Name	For	File Type	Available
BCX_MGTM_<membercode>_yyyymmdd	Trading Member	CSV	Extranet
BCX_MGCM_<membercode>_yyyymmdd	Clearing Member	CSV	Extranet

- ✓ Fill in the margin collection amount and upload the same before 11: 00 pm by T+5 (i.e. 5th working day from T day) through the below mentioned upload path as per the nomenclature stipulated below.

Member Extranet>Commodity>Uploads>month/date folder

File Name	For	File Type	Available
BCX_MGTM<membercode>.Mnn	Trading Member	CSV	Extranet
BCX_MGCM<membercode>.Mnn	Clearing Member	CSV	Extranet

M: File indicator

nn: incremental number

- ✓ A response file will be generated by the system providing details of margin reported and penalty details for shortage if any.

Penalty structure for non-reporting/short collection/non-collection of margins by Trading Members/Clearing Members in Commodity Derivatives Segment as stipulated by SEBI:

The following Penalty will be levied incase of short collection/non collection by member per instance. The amount of penalty as indicated below:

*For each member	
'a'	Per day Penalty as % of 'a'
(< INR 1 lakh) And (< 10% of applicable margin)	0.5
(>= INR 1 lakh) Or (>= 10% of applicable margin)	1.0

Where a = Short-collection/non-collection of margins per client per segment per day.

1. The 'margins' for this purpose will mean initial margin (Span margin + Extreme loss margin (ELM)/exposure margin + Net buy premium), Other margin (Tender margin + Delivery Margin), Mark to Market margin, special / additional margin or any other margin as prescribed by BSE/ICCL to be collected by member from their clients & Trading Members.
2. If short-collection/non-collection of margins of a client/TM/CP continues for more than three consecutive days, then a penalty for 5% of the shortfall amount will be levied for each day of continued shortfall beyond 3rd day of shortfall.
3. With respect to repeated defaulters, who default 3 times or more during a month, the penalty would be 5% of the shortfall in such instances. Every short/non collection of margin is to be considered as one instance of default. In case margin shortage is reported for a client 3 times or more during a month, i.e., either in consecutive instances or in 3 different instances, the penalty would be 5% of the shortfall from 4th instance of shortfall. E.g. shortage is reported for a client/TM/CP on 1st and 2nd day of month consecutively; thereafter again on 10th day shortage is reported. So the number of instances are 3 and in case shortage is reported on any day later in the month, the penalty shall be 5% of the shortfall amount for all such instances beyond 3rd instance.)
4. All instances of non-reporting will amount to 100% non-collection of margin and the penalty as prescribed above will be charged on these instances in respect of non-collection.
5. The members are required to collect upfront initial margins and extreme loss margins from their clients/TM/CP as the case may be. The members will have time till 'T+2' working days to collect margins (except initial margins and extreme loss margins) from their clients/TM/CP. (The clients/TM/CP must ensure that the initial margins and extreme loss margins are paid in advance of trade and other margins are paid as soon as margin calls are made by BSE/ICCL/Members). The period of T+2 days has been allowed to members to collect margin from clients/TM/CP taking into account the practical difficulties often faced by them only for the purpose of levy of penalty and it should not be construed that clients/TM/CP have been allowed 2 days to pay margin due from them.)
6. The members will report to BSE/ICCL by T + 5 day the actual short-collection/non-collection of all margins from clients/TM/CP. Settlement holidays would not be considered for determining the T+5 reporting due date.

7. If during inspection or otherwise, incorrect reporting on collection of margin from client/TM/CP by trading members/clearing members as the case may be is found, the member will be penalized up to 100% of such amount short collected.
8. The penalty shall be collected not later than five days of the last working day of the trading month.

File Formats URL

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20180816-35>