MCXCCL to Commence Operations from September 3, 2018

- *State of the art risk management system using SPAN based value-at-risk margining model*
- *Settlement guarantee Fund of over Rs 230 crore at the time of commencement*
- *Members can select one among 13 clearing banks empanelled by MCXCCL for funds settlement*

Mumbai, August 30, 2018: Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL), a wholly owned subsidiary of MCX will commence operations from September 3, 2018. In an inaugural ceremony today at exchange premises, Mumbai Shri S. K Mohanty, Whole-time Member, SEBI, the chief guest for the event, unveiled the plaque symbolizing the launch of MCXCCL, the first clearing corporation in the commodity derivatives market in India. The occasion was graced by eminent guests from the regulatory bodies, commodity eco-system, financial markets fraternity and media among others.

MCXCCL will provide secure counterparty risk management and post-trade services that would help mitigate risks. It will be the central counterparty for all trades executed on MCX. The clearing corporation will also be responsible for collection of margins from the members, effect pay-in and pay-out of funds and commodities. At the time of commencement MCXCCL will have a Settlement Guarantee Fund (SGF) of over Rs 230 crore. Its members can choose among 13 Clearing Banks empaneled by MCXCCL for funds settlement.

Speaking at the occasion, **Shri Saurabh Chandra, Chairman, MCX** said, "The centralised and independent clearing institutions are the cornerstones of market integrity and efficiency. These market infrastructure institutions are expected to play a pivotal role in the ongoing reforms in the Indian commodity derivatives market. The institutionalisation of clearing with sound risk management practices and operational efficiencies would further facilitate market growth and add immense value to commodity eco-system. This would also enable greater institutional participation and help in the development of new products. The establishment of MCXCCL is a significant milestone in the history of commodity markets."

Shri Ved Jain, Chairman, MCXCCL said, "It is indeed a momentous occasion to operationalise India's first commodity clearing corporation, MCXCCL. Clearing is one of the most critical activity of exchange-traded markets, and it is this function that gives the market its fundamental strength, leading to the enhanced trust among its participants and various stakeholders. MCXCCL is fully committed to take up the responsibility of working towards enhancing market efficiencies, maintaining the highest standards of operational systems, risk management and governance practices. And, in doing so, it aims to emerge as the best market infrastructure institution in India."

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic, commodity futures exchange with permanent recognition from the Government of India. It is also the first exchange to introduce commodity options in India. In the financial year, 2017-18, the market share of MCX was 89.58%. MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on the Exchange platform. These include bullion, energy, metals and agri-commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information about MCX and its products visit www.mcxindia.com.

About MCXCCL:

MCXCCL is a wholly owned subsidiary of Multi Commodity Exchange of India Ltd. (MCX). It is the first clearing corporation in the commodity derivatives market in India. It will provide secure counterparty risk management and post-trade services to the market participants that would help mitigate risks and step-up operational standards for clearing and settlement functions in the industry. MCXCCL shall facilitate deliveries in various commodities across multiple locations in India. It will provide Electronic Commodity Accounting and Receipts Tracking System through web based portal 'Commodity Receipts Information Systems' (COMRIS). In terms of novation, it will guarantee funds pay-out to its Clearing Members till marking of delivery and financial compensation (to make good losses of non-defaulting party) in case of default (in goods or funds pay-in) after marking of delivery.

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