



Circular no.: MCX/T&S/195/2015

July 8, 2015

Commencement of Futures Trading in Gold Global July, September, November 2015 and January 2016 Contracts

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

Gold Global July, September, November 2015 and January 2016 contracts will be available for futures trading with effect from Tuesday, July 14, 2015.

The contracts specifications, trading parameters, delivery and settlement procedure of the contracts as specified in Annexures 1 and 2 attached herewith, shall be binding on all the Members of the Exchange and constituents trading through them.

Members may please note that, the facility of spread benefit shall also be available between different variants of Gold contracts of same or different contract maturities.

The applicable Delta ratios and spread credits will be as follows:

Delta Ratio & Spread Margin Benefit			
Contract	Contract	Delta (Spread Ratio)	Spread Margin Benefit
Gold	Gold Global	1:5	75%
Gold Global	Gold Mini	1:2	75%
Gold Global	Gold Guinea	1:25	75%
Gold Global	Gold Petal	1:200	75%

In order to facilitate members to set up the contract symbol in the back office, the contract will be available in the contract master with effect from Thursday, July 9, 2015.

Members are requested to take note of the same.

Dhawal Shah
Vice President

Encl.: As above

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

----- Corporate office -----
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Contract Specifications of Gold GLOBAL

Symbol	GOLDGLOBAL
Description	GOLDGLOBALMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	1st day of contract launch month. If 1st day is a holiday then the following working day.
Last Trading Day	As per the Contract Launch Calendar
Trading	
Trading Period	Mondays through Fridays
Trading Session	Monday to Friday: 10.00 a.m. to 11.30 / 11.55 p.m.
Trading Unit	200 grams
Quotation/ Base Value	10 grams
Maximum Order Size	10 kg
Price Quote	Ex-Ahmedabad (exclusive of all taxes relating to import duty, sales tax/VAT/Octroi as the case may be, and other charges/levies)
Tick Size (Minimum Price Movement)	Rs. 1 per 10 grams
Daily Price Limit	<p>The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed up to 9%.</p> <p><i>In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% beyond the maximum permitted limit, and inform the Commission immediately.</i></p>
Initial Margin	Minimum 5 % or based on SPAN whichever is higher
Additional and/ or Special Margin	In case of additional volatility, an additional margin (on both buy & sell side) and / or special margin (on either buy or sell side) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	<p>For individual client: 5 MT for all Gold contracts combined together or 5% of the market wide open position whichever is higher, for all Gold contracts combined together.</p> <p>For a member collectively for all clients: 50 MT or 20% of the market wide open position whichever is higher, for all Gold contracts combined together.</p>

Delivery	
Delivery Unit	200 grams without any tolerance limit
Delivery Centre(s)	Ahmedabad at designated Clearing House facilities
Quality Specifications	995 purity It should be serially numbered Gold bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX to be submitted alongwith supplier's quality certificate.
If the Seller offers delivery of 999 purity	Seller will get a proportionate premium and sale proceeds will be calculated in the manner of Rate of delivery* 999/ 995. If the quality is less than 995, it is rejected.
Due Date Rate	The DDR price will be calculated on the expiry date based on the International price on that day at RBI reference rate. The USD price of Gold (995 fineness) in troy ounce will be multiplied by 0.321507425 to get corresponding price in USD per 10 grams. This will be multiplied by RBI reference rate on the day of expiry to get price in INR per 10 grams and will be rounded to the nearest Rupee.
Delivery Logic	Both Option

Contract Launch Calendar of Gold Global for contracts expiring in 2015 and 2016

Contract Launch Month	Contract Expiry Months
On approval from the Commission	29 th July 2015, 28 th September 2015, 26 th November 2015 and 27 th January 2016
August 2015	29 th March 2016

Delivery and Settlement Procedure of Gold GLOBAL

Delivery logic	Both Option
Deliver Unit	Two 100 grams Gold bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX to be submitted along with supplier's quality certificate.
Tender day	1 st working day after expiry of contract
Tender and delivery period	1 st to 2nd working days after expiry of the contract.
Buyer's and Seller's Intention	On the contract expiry day by 6.00 p.m. Seller will submit copies of relevant documents as evidence that he is holding stock at the time of giving his intention.
Mode of communication	Fax / Courier
Matching of Buyer's and Seller's intention	On the basis of intention received from the buyers and sellers, the Exchange will match the total quantity offered by the buyers and sellers and with respect to the matched quantity, the allocation of delivery between the buyers and sellers will be done. The unmatched quantity of open position will be closed out as per DDR and actual delivery will be effected only to the extent of matched quantity.
Dissemination of the information on delivery intention on TWS	On the contract expiry day by 7.00 p.m.
Delivery period margin	25% margin will be imposed during tender and delivery period on both buyers and sellers on matched quantity.
Exemption from delivery period margin	Delivery period margin is exempted if the Seller provides with documentary evidence of the delivery at the Exchange's designated delivery center.
Delivery allocation - Date - Rate	On expiry date of the Contract At due date rate (DDR)
Delivery pay-in	E+1 working day by 5.00 p.m. (E stands for expiry)
Delivery pay-out	E+2 working days by 5.00 p.m.
Pay-in of funds	E+2 working days by 11.00 a.m.
Pay-out of funds	E+2 working days after 2.00 p.m. In case the buyer opts for second sampling, he has to inform the Exchange on E+ 2 working days by 6.00p.m and in such case the pay-out of funds will be released only after completion of sampling procedure.
Penal provisions	After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honour his obligations, a penalty of 3% of the DDR will be imposed on him. Apportioning of the penalty: ➤ 1.75% will be credited to SGF ➤ 0.25% Exchange Administrative expense ➤ 1% will be credited to the counter party
Verification by the buyer at the time of release of delivery	At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity, weight and quality of material, then he will issue receipt of the metals instantly. If he is not satisfied with the metal, he can

	<p>insist for assaying by any of the approved assayers available at that center. If the buyer chooses for assaying, designated vault person will carry the goods to the assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. If the assayer's certificate differs from the certificate submitted by the seller in respect of quality or weight materially, then the buyer and seller have to mutually negotiate the final settlement proceeds within 1 day from receipt of assayer's report, however if they do not agree on any mutually acceptable amount within 1 day, then the Exchange will send the goods to a second assayer and in that case, the report received from such assayer will be final and binding on both buyer and seller. The cost of first assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer, while the cost of second assaying, if any, will be equally divided between the buyer and seller. The vault charges during such period of first and second assaying, if any, will be borne by both the buyers and sellers equally. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the bill made by the seller.</p>
Delivery Center	Ahmedabad at designated Clearing House facilities
Legal obligation	The members will provide appropriate tax forms wherever required as per law and as customary and neither of the parties will unreasonably refuse to do so.
Duties, Cess and Levies	Ex-Ahmedabad (exclusive of all taxes relating to import duty, sales tax/VAT/Octroi as the case may be, and other charges/levies)
Vaulting Charges, Insurance and Transportation charges.	Borne by the seller upto funds pay-out date. Borne by the buyer after funds pay-out date.
Evidence of Stocks in Possession	At the time of issuing the Delivery order, the Member must satisfy the Exchange that he holds stocks of the quantity and quality specified in the Delivery Order at the declared delivery center by producing vault receipt.
Validation process	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ol style="list-style-type: none"> whether the person carrying Gold is the designated clearing agent of the member; whether the selling member is the bonafide member of the Exchange whether the quantity being delivered is from Exchange approved refinery; whether the serial nos of all the bars is mentioned in the packing list provided; whether the individual original assay certificates are accompanied with the Gold Bars <p>Any other validation check, as they may desire</p>

Delivery process	In case any of the above validation fails, the designated vault will contact the Exchange office and take any further action, only as per instructions received from the Exchange in writing. If all validations are through, then the designated vault personnel will put the Gold in the vault. Then the custodian of designated vault will issue appropriate receipt for having received the goods. Designated vault in front of the selling members clearing agent will deposit the said metal into their vault.
Procedure of taking the delivery from the Vault	<p>For the purpose of taking delivery of goods fully or partially, the Member shall send to the Exchange an Authority letter on his letter head, authorising a representative on his behalf to take the delivery. The Authority letter sent by the Member shall consist of the following details:</p> <ol style="list-style-type: none"> a. Name of the authorised representative. b. Name of the Commodity along with quantity. c. Name of the Vault along with the location. d. Signature of the authorised representative. e. Proof of Identity viz. PAN card, driving license, Election ID. f. Photo identity proof duly attested by the Member. <p>The above-mentioned details are required to be sent to the Exchange. Once the Exchange receives the above-mentioned details, the Exchange will send Delivery Order (DO) to the Vault authorities directly. Based on the Delivery Order received, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original, the copy of which was sent/communicated to the Exchange by its Member.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the Exchange.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
Endorsement of Delivery Order	The buying member can endorse delivery order to a client or any third party with full disclosure given to the Exchange. Responsibility for contractual liability would be with the original assignee.
Extension of Delivery Period	As per Exchange decision due to a force majeure or otherwise
Due Date Rate	<p>The DDR price will be calculated on the expiry date based on the International price on that day at RBI reference rate.</p> <p>The USD price of Gold (995 fineness) in troy ounce will be multiplied by 0.321507425 to get corresponding price in USD per 10 grams. This will be multiplied by RBI reference rate on the day of expiry to get price in</p>

	<p>INR per 10 grams and will be rounded to the nearest Rupee.</p>
Quality adjustment	<p>The price of gold is on the basis of 995 purity. In case a seller delivers 999 purity, he would get a premium. In such case, the sale proceeds will be calculated by way of delivery order rate * 999/ 995.</p>
Applicability of Business Rules	<p>The general provisions of Byelaws, Rules and Business Rules of the Exchange and decisions taken by Forward Markets Commission, Board of Directors and Executive Committee of the Exchange in respect of matters specified above will form an integral part of this contract. The Exchange or FMC as the case may be further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's Bye Laws, Rules, Business Rules, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the commodity deposited / traded / delivered through the Approved warehouses/Vaults is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax, Value Added Tax, APMC Tax, Mandi Tax, LBT, Octroi, Excise duty, stamp duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and the Exchange shall not be responsible or liable on account of any non-compliance thereof.</p> <p>The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the warehouse itself (without lifting them out of the warehouse), if any, within 48 hours from the date of scheduled pay out of the Exchange and failing which, no claim shall be entertained by the Exchange thereafter.</p> <p>The Exchange is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in Exchange designated warehouse/s,vault agency/ Clearing House and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in</p>

	<p>quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the Exchange accredited warehouse. The decision of the Exchange shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)</p>
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