MCX
METAL & ENERGY
Trade with Trust

Annexure

Contract Specifications of Gold

Symbol	GOLD
Description	GOLDMMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	16th day of contract launch month. If 16th day is a holiday then the following working day.
Last Trading Day	5th day of contract expiry month. If 5th day is a holiday then preceding working day.
Trading	
Trading Period	Mondays through Friday
Trading Session	Monday to Friday: 9.00 a.m. to 11.30 / 11.55 p.m.
Trading Unit	1 kg
Quotation/ Base Value	10 grams
Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding GST, any other additional tax, cess, octroi or surcharge as may be applicable)
Maximum Order Size	10 kg
Tick Size (Minimum Price Movement)	Re. 1 per 10 grams
Daily Price Limit	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 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 upto 9% 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 informed to the Regulator immediately.
Initial Margin*	Minimum 4% or based on SPAN whichever is higher
Extreme Loss Margin	Minimum 1%
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	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. 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.

Delivery	
Delivery Unit	1 kg
Delivery Period Margin**	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Delivery Centre(s)	Designated clearinghouse facilities at Ahmedabad
Additional Delivery Centre(s)	Chennai, Hyderabad, Kochi, Bengaluru, Kolkata, Mumbai and New Delhi (for procedure please refer circular no. MCX/MCXCCL/478/2018).
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.
Staggered Delivery Tender Period	The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts. The seller/buyer having open position shall have an option, of submitting an intention of giving/taking delivery, on any day during the staggered delivery period. On expiry of the contract, all the open positions shall be marked for compulsory delivery.
Delivery allocation	Allocation of intentions received to give delivery during the day to buyers having open long position shall be as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position. However, preference may be given to buyers who have marked an intention of taking delivery. Funds pay-in of the delivery allocated to the buyer will be on T+1 working days i.e. excluding Saturday, Sunday & Public Holiday. The buyer to whom the delivery is allocated will not be allowed to refuse taking delivery. If the seller fails to deliver, the penal provisions as specified for seller default shall be applicable.
Delivery order rate	On Tender Days: The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date. On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR) and not the closing prices.

<table>
<tr><td>Due Date Rate (Final Settlement Price)</td><td>For contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz.,E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0,E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be asunder:
<table>
<tr><td rowspan="2">Scenario</td><td colspan="4">Polled spot price availability on</td><td rowspan="2">FSP shall be simple average of last polled spot prices on:</td></tr>
<tr><td>E0</td><td>E-1</td><td>E-2</td><td>E-3</td></tr>
<tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>E0, E-1, E-2</td></tr>
<tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr>
<tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr>
<tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>E0, E-3</td></tr>
<tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr>
<tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr>
<tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr>
</table>
In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchange shall decide further course of action for determining FSP and which shall be in accordance with MCXCCL circular no. MCXCCL/SPOT/187/2019 dated August 16, 2019.</td></tr>
<tr><td>Delivery Logic</td><td>Compulsory</td></tr>
</table>

*The Margin Period of Risk (MPOR) shall be 2 days in accordance with SEBI Circular no. SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016 accordingly, the initial margin shall be scaled up by root 2.

**As per SEBI Circular no SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016.

Contract Launch Calendar for Gold contracts

Contract Launch Months	Contract Expiry Months
February 2019	February 2020
April 2019	April 2020
June 2019	June 2020
August 2019	August 2020
October 2019	October 2020
December 2019	December 2020

(Reference Circular No. MCX/TRD/582/2019 dated October 15, 2019)

Delivery and Settlement Procedure of Gold Contract
(expiring from December 2019 and onwards)

Delivery Logic	Compulsory Delivery
Staggered Delivery Tender Period	The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts. Trading day will be based on availability for trading of the respective commodity on a trading day and excluding special sessions like Muhurat Trading day.
Staggered Tender Period Margin	5% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions in addition to the Initial, Special and/ or any other additional margin, if any.
Mode of Intention Submission	MCX eXchange
Buyer Delivery Intention	Primary Delivery Centre: Last 5 trading days (including expiry day) of the contract up to 7:30 p.m. Additional Delivery Centres: Last 4 trading days (excluding expiry day) of the contract, between 9.30 a.m. and 11.30 a.m.
Seller Delivery Intention	**Primary Delivery Centre:** **Last 5 trading days (including expiry day) of the contract upto 7.30 p.m.** The seller will issue delivery intention and will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation upto 7:30 p.m.. **Additional Delivery Centres:** **Last 4 trading days (excluding expiry day) of the contract**, between 9.30 a.m. and 11.30 a.m. MCXCCL shall match the buyer and seller intention and confirm the matching intentions to buyers and sellers by 12.00 p.m. On confirmation by MCXCCL, neither seller nor buyer shall withdraw from their commitment by squaring off their positions to the extent of the intention matched for delivery at additional delivery centre. The seller shall further submit duly certified copy of the movement order issued to the vaulting agency to MCXCCL by 3.30 p.m. on the same day and ensure that the metal is vaulted at the designated vault at the additional delivery centre before the delivery pay-in is due. The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation.
Dissemination of Intention	**Primary Delivery Centre**: The MCX/MCXCCL will inform members through TWS regarding delivery intentions of the seller's members and the buyers respectively by 8:30 p.m. on the respective tender days. **Additional Delivery Centres:** The MCX/MCXCCL will inform members through TWS regarding delivery intentions of the seller's members and the buyers respectively by 10:30 a.m. and 11.30 a.m. on the respective tender days.

	The MCX/MCXCCL will further inform members through TWS regarding matching intentions of buyers and sellers by 12.00 p.m. on the respective tender days.
Delivery Period Margin	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Exemption from Staggered Tender Period and Delivery Period Margin	Sellers are exempted from payment of all types of margins, if goods are tendered as Early Pay In with all the documentary evidences. However, MCXCCL shall continue to collect mark to market margins from Sellers.
Delivery Allocation Rate	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be the Due Date Rate (DDR) and not the closing price
Delivery Marking	**Primary Delivery Centre:** On the respective tender days after the end of the day **Additional Delivery Centres:** The MCX/MCXCCL will inform members through TWS regarding matching intentions of buyers and sellers by 12.00 p.m. on the respective tender days. Delivery marking will not be done to seller and buyer in case of failure of the seller to submit duly certified copy of the movement order to MCXCCL by 3.30 p.m. on tender day.
Delivery Pay-in	**Primary Delivery Centre:** The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation. **On Tender Days:** On any tender days by 7.30 p.m. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours. **On Expiry:** **On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 working day (E-Expiry day) by 2.00 p.m. except Saturdays, Sundays and Trading Holidays.** **Additional Delivery Centres:** The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation on tender day or before 12.00 p.m. on T+1 day (*where T is the tender day*). The seller shall submit duly certified copy of the movement order issued to the vaulting agency to MCXCCL by 3.30 p.m on the tender day and ensure that the goods tendered are vaulted at the additional delivery centre before 12.00 p.m. on T+1 day (*where T is the tender day*).
Funds Pay-in	**Tender/ Expiry day + 1 working day : 2.00 p.m.**
Delivery Pay-out	**Tender/ Expiry day + 1 working day : 4.00 p.m.**

Funds Pay-out	**Tender/ Expiry day + 1 working day : 4.00 p.m.**
Penal Provisions	**Primary and Additional delivery centre** Seller Default: 3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.) Norms for apportionment of penalty – • At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of MCXCCL • Up to 0.25% of Settlement Price may be retained by MCXCCL towards administration expenses. • 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. Over and above the prescribed penalty, MCXCCL shall take suitable penal/ disciplinary action against any intentional / wilful delivery default by seller. Buyer default shall not be permitted. Intention default (Primary and Additional delivery centre): Failure by the buyers and sellers to hold open positions to the extent of intentions given for primary delivery centre or matched delivery intention in case of additional delivery center or failure by the seller to give duly certified copy of the movement order to MCXCCL by 3.30 p.m. in case of additional delivery center on tender day shall attract the following penal provisions: 3% of Settlement Price + replacement cost **Replacement cost for seller default:** difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero. **Replacement cost for buyer default:** difference between settlement price and lower of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is lower than Settlement Price, else this component will be zero) Norms for apportionment of penalty – • At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of MCXCCL. • Up to 0.25% of Settlement Price may be retained by MCXCCL towards administration expenses. • 1% of Settlement Price + replacement cost shall go to the counter party. If both the buyer and seller fail to hold open positions to the extent of intentions given for primary delivery centre or matched

	delivery intention in case of additional delivery center, a penalty of 3% of settlement price shall be imposed on both such buyer and seller. Out of the penalty of 3% of settlement price, 2.75% shall be deposited in SGF of MCXCCL and balance 0.25% shall be retained by MCXCCL towards administrative expenses.
Delivery Centre(s)	Designated clearinghouse facilities at Ahmedabad
Additional Delivery Centre(s)	Chennai, Hyderabad, Kochi, Bengaluru, Kolkata, Mumbai and New Delhi
Taxes, Duties, Cess and Levies	Ex-Delivery Centre Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, cess, octroi or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer. Buyers and sellers shall have necessary tax registrations applicable to the jurisdiction of the delivery centres.
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 and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the MCXCCL approved Independent Assayers. 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. The report shall be final and binding on both buyer and seller. In case of Variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. 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 delivery obligation by the seller.
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.
Vault, Insurance and Transportation Charges	Borne by the seller up to funds pay-out date Borne by the buyer after funds pay-out date
Evidence of Stocks in Possession	**Primary Delivery Centre**: At the time of issuing Delivery Intention, the Member must satisfy the MCXCCL that he holds stocks of the quantity and quality specified in the Delivery Intention at the declared delivery centre by giving delivery pay-in through ComRIS Account by earmarking existing valid commodity balance in the ComRIS Account towards the pay-in obligation. **Additional Delivery Centres:** The seller shall submit duly certified copy of the movement order issued to the vaulting agency to MCXCCL by 3.30 p.m on the tender day and ensure that the goods tendered are vaulted at

	the additional delivery centre before 12.00 p.m. on T+1 day (*where T is the tender day*). The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation on tender day or before 12.00 p.m. on T+1 day (*where T is the tender day*).
Validation Process	On receipt of delivery, the designated vault personnel will do the following validations: a. Whether the person carrying Gold is the designated clearing agent of the member. b. Whether the selling member is the bonafide member of the MCXCCL. c. Whether the quantity being delivered is from MCXCCL approved refinery. d. Whether the serial numbers of all the bars is mentioned in the packing list provided. e. Whether the individual original assay certificates are accompanied with the Gold Bars Any other validation checks, as they may desire.
Delivery Process	In case any of the above validation fails, the designated vault will contact the MCXCCL office and take any further action only as per instructions received from the MCXCCL 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 member’s clearing agent, will deposit the said metal into their vault.
Quality Adjustment	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.
Procedure of Taking Delivery from the Vault	For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in ComRIS and send an Authority letter on his letter head to the MCXCCL, authorising a representative on his behalf to take the delivery. The Authority letter sent by the Member shall consist of the following details: 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. The above-mentioned details are required to be sent to the MCXCCL. Once the MCXCCL receives the above-mentioned details, the MCXCCL will send it to the Vault authorities directly. Based on the said details, 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 MCXCCL by its Member.

	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 MCXCCL. The delivery given to the representative shall be final & binding to the Member and their constituents at all times.
Deliverable Grade of Underlying Commodity	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to select a particular grade and the delivery offered by the seller and allocation by the MCXCCL shall be binding on him.
Endorsement of Delivery Order/delivery	The buyer member can endorse delivery order/delivery to a constituents or any third party with full disclosure given to the MCXCCL. Responsibility for contractual liability would be with the original assignee.
Extension of Delivery Period	As per MCXCCL decision due to a force majeure or otherwise.
Applicability of Regulations	The general provisions of Byelaws, Rules and Regulations of the MCXCCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the MCXCCL in respect of matters specified in this document shall form an integral part of this contract. The MCXCCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time. Members and market participants who enter into buy and sell transactions on MCX need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the MCXCCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the MCXCCL as well as of the Regulators, Government and other authorities. 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 MCX, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of MCXCCL 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 GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that MCX/ MCXCCL shall not be responsible or liable on account of any non-compliance thereof. All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.

	In respect of all contracts executed by the Members on MCX, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the MCX/MCXCCL shall not be held liable or accountable or responsible on account of any non-compliance thereof. 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 designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the MCXCCL and failing which, no claim shall be entertained by the MCXCCL thereafter. The MCXCCL 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 MCXCCL designated warehouse/s, vault agency 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 quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the MCXCCL accredited warehouse. The decision of the MCXCCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the MCXCCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants.)

(Reference Circular no. MCXCCL/C&S/249/2019 dated Oct 15, 2019)