



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CDMRD/DRMP/CIR/P/2020/32

March 03, 2020

To,

The Managing Directors / Chief Executive Officers,  
All Clearing Corporations having Commodity Derivatives Segment

Sir / Madam,

**Sub: Review of Norms regarding Regaining Matched Book for Commodity Derivatives Segment**

1. SEBI vide Circular [SEBI/HO/CDMRD/DRMP/CIR/P/2016/77](#) dated September 01, 2016, inter alia, prescribed norms to regain matched book vide Clause '5' of the Annexure – I to the said circular. The norms prescribed four alternative tools to regain a matched book based on market conditions.
2. Based on the experience gained with regard to the implementation of these norms and the feedback from Clearing Corporations (CCs) and other stakeholders, it has been decided to revise the Alternatives '3' and '4' in terms of compensation and penalty applicable on tear-up of positions as under:
  - **Alternative 3:** Voluntary tear-up at last mark-to-market price along with compensation equal to 10% of last mark-to-market price and penalty equal to 1% of last mark-to-market price (to be credited to SGF);
  - **Alternative 4:** Partial tear-up (pro-rata against members/clients having opposite positions) at last mark-to-market price along with compensation equal to 8% of last mark-to-market price and penalty equal to 1% of last mark-to-market price (to be credited to SGF).
3. The other provisions with regard to regaining of the matched book prescribed by the earlier circular dated September 01, 2016, shall continue to prevail.
4. Further to enable timely and error free execution, CCs shall have an automated system to implement all such tools. CCs shall put in place such system, and also conduct testing of the same, within six months from the date of issuance of this circular. The other provisions of this circular shall be effective immediately.
5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the



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Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Yours faithfully,

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