



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

**CIRCULAR**

SEBI/HO/CDMRD/DRMP/CIR/P/2019/100

September 13, 2019

To,

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

Sir / Madam,

**Sub: Additional commodities as Eligible Liquid Assets for Commodity Derivatives Segment**

1. SEBI vide circular [CIR/CDMRD/DRMP/01/2015](#) dated October 01, 2015 prescribed Risk Management Framework for Commodity Derivatives Segment. The said circular prescribed various norms inter-alia covering types of liquid assets, along with applicable minimum haircut and concentration limits, which Clearing Corporations (CC) may accept from their members. Further vide Circular [SEBI/HO/CDMRD/DRMP/CIR/P/2016/112](#) dated October 14, 2016 the concentration limit for Bullion as a collateral was revised to 30%.
2. Currently the list of commodities/commodity groups permitted as Liquid Assets consists of Bullion, Steel and Agricultural commodities. Considering the introduction of compulsory delivery based Diamond and Base metal derivatives contracts and feedback received from the stakeholders, it has been decided to include Diamond, Base metals and Alloys in the list of permissible liquid assets, subject to concentration limits for non-bullion collateral as specified vide SEBI Circular dated October 14, 2016 and Minimum Haircut as mentioned below:-

Item	Minimum Haircut
Base metals and Alloys*	30%
Diamond	40%

\*Steel being an Alloy, minimum haircut stipulated for Steel stands revised from current applicable level of 60% to 30%.

3. All commodities to be accepted as collateral should be of same quality specification which is deliverable under the contract specification of commodity derivatives being traded on the Exchange.
4. All other extant provisions with regard to Liquid Assets shall continue to be in force.



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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 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 shall be effective from the date of the circular.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under 'Circulars' and 'Info for Commodity Derivatives' section.

Yours faithfully,

**Priyanka Mahapatra**  
**Deputy General Manager**  
**Division of Risk Management**  
**Commodity Derivatives Market Regulation Department**  
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