National Stock Exchange of India Limited

Circular

Department: COMMODITY DERIVATIVES	
Download Ref No: NSE/COM/58854	Date: October 10, 2023
Circular Ref. No: 53/2023	

All Members,

Introduction of Silver Mini Futures in Commodity Derivatives Segment

Exchange is pleased to inform members that with reference to approval received from SEBI for Silver Mini Futures and shall be made available for trading in Commodity Derivatives segment with effect from October 12, 2023.

The details of contract specifications are available in Annexure A and launch calendar details are available in Annexure B.

The risk management, clearing & settlement details shall be intimated separately by NCL.

The contract.gz file made available to trading members on the NSE Extranet (Path: /comtftp/comtcommon) from October 11, 2023, end of day and will reflect the new contracts. Members are advised to load the above file in the trading application before trading on October 12, 2023.

For and on behalf of
National Stock Exchange of India Limited

Aarti Surve
Chief Manager

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Annexure A

Contract Specifications: Silver Mini Futures

Symbol	SILVERM
Instrument	FUTBLN
Description	SILVERMYYMMMFUT
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	Business day immediately following the last trading day. (Expiry Day + 1)
Last Trading Day	Last calendar day of the contract expiry month. If last calendar day is a holiday then preceding working day.
Trading	
Trading Period	Mondays through Fridays
Trading Session	Monday to Friday: 9.00 a.m. to 11.30/ 11.55 p.m.
Trading Unit	5 kg
Quotation/Base Value	1 kg
Maximum Order Size	600 kg
Tick Size (Minimum Price Movement)	Re. 1 per kg
Daily Price Limits	The base price limit shall be 6%. In case the daily price limit of 6% is 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%) or if international price is beyond maximum daily price limit range (after appropriate currency conversion) when compared with closing price on previous day on domestic exchange, the same may be further relaxed in steps of 3% beyond the maximum permitted limit, by giving appropriate notice to the market. Only in the event of exceptional circumstances, where there is extreme price movement, beyond the initial slab of the daily price limit, in the international markets, during trading hours or after the closure of trading on domestic exchanges, the daily price limit may be relaxed directly by the required level,

	by giving appropriate notice to the market.
Initial Margin	Will be specified by NSE Clearing Corporation by separate circular
Extreme Loss Margin	Will be specified by NSE Clearing Corporation by separate circular
Price Quotation	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding all taxes and levies relating to GST, any other additional tax or surcharge on GST)
Additional and/ or Special Margin	Will be specified by NSE Clearing Corporation by separate circular.
Maximum Allowable Open Position	For individual client: 100 MT or 5% of the market wide open position whichever is higher for all silver contracts combined. For a member collectively for all clients: 1000 MT or 20% of the market wide open position whichever is higher, for all silver contracts combined together.
Delivery	
Delivery Unit	5 kg (five nos. of 1Kg Bars)
Delivery Period Margin	Will be specified by NSE Clearing Corporation by separate circular
Delivery Center(S)	Ahmedabad at designated clearing house facilities
Quality Specifications	Grade: 999 and Fineness: 999 (as per IS 2112: 1981) No negative tolerance on the minimum fineness shall be permitted. If it is below 999 purity, it is rejected. It should be serially numbered silver bars supplied by LBMA approved suppliers or other suppliers as may be approved by the exchange.
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+2 working days i.e., excluding Saturday, Sunday & Public Holiday. The buyer to whom the delivery is allocated will not be allowed to refuse to take 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 price.
Due Date Rate (Final Settlement Price)	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

<table>
<tr><td></td><td>prices shall be as under:
<table>
<tr><th rowspan="2">Scenario</th><th colspan="4">Polled spot price availability on</th><th rowspan="2">FSP shall be simple average of last polled spot prices on:</th></tr>
<tr><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</th></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)/predetermined number of days due to sudden closure of physical market under any emergency situations noticed, Clearing Corporation shall decide further course of action for determining FSP.</td></tr>
<tr><td>Delivery Logic</td><td>Compulsory</td></tr>
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A) The Margin Period of Risk (MPOR) shall be in accordance with SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated February 27, 2020.

B) For all the applicable margins, refer to the latest circulars issued by NCL from time to time.

Annexure B

Proposed Contract Launch Calendar of Silver Mini Futures

Contract Launch Months	Contract Expiry Months
October 12, 2023	November 2023
	February 2024
	April 2024
	June 2024
	August 2024
	November 2024

* The launch calendar may undergo some changes based on the announcement and revision in the holiday list.

* The specific dates of launch and expiry will be announced before the launch of contracts based on the announcement of the holiday list.

Kindly refer latest circular issued by Exchange / Clearing Corporation for updated Margins, Position Limits and Expiry Dates etc.