

Delivery and Settlement Procedure Silver Mini

Delivery Logic	Compulsory Delivery
Last Day of Trading	5 th day of the contract expiry month. If 5 th day is a holiday, then preceding working day.
Tender Period	1 st to 6 th day of the contract expiry month except Saturdays, Sundays and Trading Holidays.
Delivery Period	1 st to 6 th day of the contract expiry month except Saturdays, Sundays and Trading Holidays.
Buyer's Delivery intention	On 1 st to 5 th of the contract expiry month except Saturdays, Sundays and Trading Holidays. The delivery intention by buyer member shall be given by 07:30 PM on tender day's i.e. 1 st to 4 th of the contract expiry month and by 05:00 PM on contract expiry day.
Delivery Intention by Seller	The seller will mark delivery intention on 1 st to 4 th of the contract expiry month except Saturdays, Sundays and Trading Holidays by earmarking his existing valid commodity balance towards the pay-in obligation by 7:30 PM. On the contract expiry day, all the open position will be marked for delivery.
Dissemination of information on tendered delivery and buyer's interest.	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 08:00 PM on the respective tender days and expiry days. The web-address link shall also be available on the TWS.
Tender Period Margin	5% incremental margin for last 5 days of the contract on all outstanding positions. In case of holidays during the period, the tender period margin shall be scaled up by a factor of the number of holidays immediately after that day. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
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 Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Member through Collateral Management System towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers.

Delivery Pay-in	<p>The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance towards the pay-in obligation.</p> <p><u>On Tender Days:</u> On any tender days by 7:30 p.m. except Saturdays, Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p><u>On Expiry:</u> On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 basis by 11:00 am except Saturdays, Sundays and Trading Holidays.</p>
Funds Pay-in	T/E+1 working day by 11:00 am (T stands for tender day & E stands for expiry day).
Funds Pay-out	T/E+1 working day by 05:00 pm.
Delivery Pay-out	T/E+1 working day after completion of Funds Pay-in.
Mode of Communication	Collateral Management System.
Allocation of Delivery	On the respective tender days after the end of the day.
Penal Provision for default of Delivery & Settlement	<p><u>Seller Default:</u></p> <p>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.)</p> <p>Norms for apportionment of penalty –</p> <ul style="list-style-type: none"> ▪ At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. ▪ Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. ▪ 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/ disciplinary action against any intentional / willful delivery default by seller.</p>

	Buyer default shall not be permitted.
Delivery Order Rate (DOR)	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be Final Settlement Price (FSP).
Close out of outstanding positions	All outstanding positions on the expiry of contract not settled by way of delivery in the aforesaid manner, will be settled as per the FSP with penalty as per penal provisions.
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 ICCL 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.
Delivery Centers	ICCL Designated Vault at Ahmedabad.
Legal Obligation	The members will provide appropriate tax forms wherever required as per law and as customary.
Taxes, Duties, Cess and Levies	Ex-Ahmedabad, Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, Cess, or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer.

Vault, Insurance and Transportation Charges	<ul style="list-style-type: none"> ➤ To be borne by the seller up to commodity pay-out date. ➤ To be borne by the buyer after commodity pay-out date.
Evidence of Stocks in Possession	At the time of issuing Delivery Order, the Member must satisfy the ICCL that he holds stocks of the quantity and quality specified in the Delivery Order at the declared delivery center by giving delivery pay-in through Collateral Management System by earmarking existing valid commodity balance in the Collateral Management System towards the pay-in obligation.
Validation Process	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ol style="list-style-type: none"> a. Whether the person carrying Silver is the designated clearing agent of the member. b. Whether the selling member is the bonafide member of the BSE/ICCL. c. Whether the quantity being delivered is from BSE approved refinery. d. Whether the serial numbers of all the bars is mentioned in the packing list provided. e. whether the original certificates are accompanied with the Silver Bar. <p>Any other validation checks, as they may desire.</p>
Delivery Process	In case any of the above validation fails, the designated vault will contact the ICCL office and take any further action, only as per instructions received from the ICCL in writing. If all validations are through, then the designated vault personnel will put the Silver in the vault. Then the custodian of designated vault will issue appropriate receipt/acknowledgement slip 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 Silver is on the basis of 999 purity. If the quality is less than 999, it is rejected.
Quantity adjustment	No tolerance limit will be applicable. The weight of Silver bar must be in multiple of 1 Kg. Delivery of 5 bars of one kg each shall be deposited.
Making Charges for taking Delivery	Buyer shall have to pay Rs. 600/- (over and above the Closing Price/Final Settlement Price FSP) per Silver Kg bar as a making charge, which shall be paid to the seller.
Procedure of taking the delivery from the Vault	For the purpose of taking delivery of goods fully or partially, the Member shall raise withdrawal request in Collateral Management System authorizing a representative on his behalf to take the delivery. Authorize representative present a withdrawal request letter to vault which shall be given by the member on the letter

	<p>head. The withdrawal request by the Member shall consist of the following details:</p> <ol style="list-style-type: none"> Name of the authorised representative. Name of the Commodity along with quantity. Name of the Vault along with the location. Signature of the authorised representative. Proof of Identity viz. PAN card, Aadhar, Voter ID. Photo identity proof duly attested by the Member. <p>The above-mentioned details are required to be updated in the Collateral Management System. ICCL would send the instruction to the Vault authorities directly for delivery of commodity.</p> <p>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.</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 ICCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
Extension of Delivery Period	As per ICCL decision due to a force majeure or otherwise.
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL 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.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government 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 BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of ICCL 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 BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>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 applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on BSE, 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 BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p> <p>The ICCL 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 ICCL designated warehouse/s, vault 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 ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
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