

Delivery and Settlement Procedure for futures contracts in Copper

Delivery Logic	Compulsory delivery (on the Expiry Day)
Tender Period	Last five working days of the contract expiry and 1st working day after expiry of the contract.
Delivery period (including delivery pay-out of commodities)	Two working days after expiry of the contract
Tender notice / 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 in the Collateral Management System towards the pay-in obligation.</p> <p>All outstanding long and short positions shall be marked for delivery at the expiry of the contract.</p>
Mode of Communication	ICCL Collateral Management System.
Tender Period Margin	<p>5% incremental margin for last 5 working days 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.</p> <p>Such margin will be addition to initial, additional and special and/ or any other additional margin, if any</p>
Delivery Period Margin	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%</p>
Exemption from Margin	ICCL shall release all margins of the Seller, if the goods are tendered as Early Pay-In with all the documentary evidences. However, ICCL shall continue to collect mark to market margins from Sellers.
Delivery Marking - Date - Rate	On Expiry date of the contract at Final Settlement Price (FSP)
Delivery Pay-in of Commodities	E+1 working days by 05.00 p.m. (E = Expiry date)

Funds Pay-in	E+2 working day by 11.00 a.m.
Delivery Pay-out of Commodities	E+2 working day by 05.00 p.m.
Funds Pay-out	E+2 working day after 2.00 p.m.
Penal Provision for default of Delivery & Settlement	<p>Seller Default:</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> <p>Buyer default shall not be permitted.</p>
Taxes, Duties, Cess and Levies	Ex- Bhiwandi (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).
Warehouse, Insurance and Transportation Charges	To be borne by the seller up to commodity pay-out date. To be borne by the buyer after commodity pay-out date.
Buyer's option for lifting of Delivery	Buyer will not have any option of choosing the place and Grade of delivery and will have to accept the delivery as per allocation made by the ICCL.
Delivery Center	Exchange designated warehouse at Bhiwandi (Within radius of 50 Kms from Bhiwandi)

Delivery of Goods	<p>Each delivery shall be in multiples of delivery lots and shall be designated for only one delivery center and one location in such center.</p> <p>The goods delivered through Collateral Management System should be valid as per contract specifications up to minimum 15 days' after the expiry of the contract from the ICCL approved quality certifying agency/s.</p> <p>Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the ICCL. Goods tendered under delivery shall be in conformity with the contract specifications.</p>
Deliverable Grade of Underlying Commodity	<p>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 ICCL shall be binding on him.</p>
Legal Obligation	<p>The members will provide appropriate tax forms wherever required as per law and as customary.</p>
Extension of Delivery Period	<p>As per ICCL decision due to a force majeure or otherwise.</p>
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</p>

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.

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.

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.

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).