Circular No.: PMEX/Risk/33-2013 **October 22, 2013**

PMEX Risk Management

All brokers are hereby informed that the Exchange has decided to implement the following changes to its risk management framework:

1. In continuation of Circular PMEX/Operations/17-2013 dated May 15th 2013, the minimum Auto Liquidation threshold level would be increased from 10% to 15% of Initial Margin effective from Wednesday 23rd October 2013.

2. In continuation of Circular PMEX/Operations/21-2013 dated June 17th 2013, all commodity futures contracts will be subject to 100% maintenance margin requirement except TOLAGOLD and MINIGOLD futures contracts. These changes will be effective from Wednesday 23rd October 2013.

3. All margin calls must be paid before start of next trading session. In case of non-compliance, the Exchange will impose a penalty @ 1% of unpaid margin call amount or Rs.1,000/- whichever is higher. Further non-compliance will increase the penalty to 2% for the next day after which default proceedings may be initiated against the broker.

4. As per PMEX regulations, brokers must ensure clearing limit is never breached. In case of non-compliance, the Exchange will impose a penalty @ 1% of the shortfall amount or Rs.1,000/- whichever is higher. Continued violation may lead to initiation of default proceedings.

Sincerely,

Sarang Abbasi
Risk and Analytics

cc. NEXT, All Brokers (PMEX email addresses), PMEX website, All PMEX Heads

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