



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CDMRD/DRMP/CIR/P/2020/128

July 21, 2020

To,

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

Sir / Madam,

**Sub: Review of Stress Testing Methodology for Positions with Early Pay-in**

1. SEBI vide Circular [SEBI/HO/CDMRD/DRMP/CIR/P/2018/111](#) dated July 11, 2018, inter alia, prescribed norms related Stress Testing. In consultation with Clearing Corporations (CCs), to address the concern regarding high stress loss figures on positions with early pay-in, following clause stands inserted at end of **Part-B** provided under **Annexure** to the SEBI Circular [SEBI/HO/CDMRD/DRMP/CIR/P/2018/111](#) dated July 11, 2018:-

"h) While calculating the residual losses as per 'd' and 'f' above, for positions on which early pay-in are given by the clients/brokers, and margin exemption are granted on such positions, CCs are permitted to consider the 'margin exemption granted' or 'value of early paid-in goods', whichever is lower, as 'margins supporting those positions'."

2. The circular shall be effective from date of issuance of the Circular.
3. 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.
4. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Yours faithfully,

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