Press Release

Cotton Stakeholders Meeting with SEBI

Mumbai, August 26, 2022: A joint meeting of SEBI, Textile commissioner, officials from Textile Ministry, Textile Advisory Group (TAG), Cotton Corporation of India, industry bodies such as CAI, CITI, SIMA, and MCX & MCXCCL, etc. was held today at SEBI Bhavan, BKC to discuss various aspects pertaining to MCX Cotton futures contract, and ways and means to enhance the relevance of the contract for a wider value chain participation. Accordingly, it was decided by the Exchange as under:

(a) **Trading in January contract and onwards with improvised contract specifications:** The Cotton contract specifications shall be revisited and modified, as may be necessary, in consultation with Product Advisory Committee of the Exchange, which will also have invitees from other stakeholders including members of the Textile Advisory Group (TAG). Since the extant norms do not permit changes in running contracts with open interest, January 2023 contract and subsequent contracts will temporarily not be available for trading till such time the revised contract specifications are finalised, which will be done within a period of 30 days.

(b) **Re-constitution of Product Advisory Committee:** To expand the Cotton Product Advisory Committee of the Exchange such that more representation from value chain participants including textile industry be made.

(c) **Wider inclusion of stakeholders:** To enhance collaboration with industry and trade bodies with an objective to widely spread education and awareness on Cotton futures trading among various Cotton industry stakeholders across the country.

(d) **Strengthening Surveillance:** Exchange Surveillance mechanism will be further strengthened and closely monitored to prevent any kind of market abuse in the cotton contracts.

About MCX:

The Multi Commodity Exchange of India Limited (MCX), India's first listed exchange, is a state-of-the-art, commodity derivatives exchange that facilitates online commodity futures and options transactions, thereby provides a platform for price discovery and risk management. The Exchange, which started operations in November 2003, operates under the regulatory framework of Securities and Exchange Board of India (SEBI). All the trades on the exchange are cleared and settled by MCX Clearing Corporation of India (MCXCCL). MCX offers trading in commodity derivative contracts across varied segments including bullion, industrial metals, energy, agricultural commodities and indices. MCX is India's leading commodity derivatives exchange with a market share of 93.6% in terms of value of commodity futures contracts traded in FY22. The exchange has forged strategic alliances with various international exchanges as well as, Indian and international trade associations. For more information, about MCX and its products, visit: www.mcxindia.com.

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