MCXCCL accredits its 1st warehouse for Base Metals in Free Trade Warehousing Zone (FTWZ)

Mumbai, July 08, 2022: Multi Commodity Exchange Clearing Corporation Limited ("MCXCCL") has accredited a warehouse for storing of Base Metals pledged for margin purpose in Arshiya Free Trade Warehousing Zone ("FTWZ") Panvel, Mumbai.

The MCXCCL has expanded the scope of collateral to include metal deposits at the FTWZs. It will benefit the clients who would like to hold goods for a longer duration without going through the duty payment and clearing. This way they can avoid clearing of goods without committed buyer, and otherwise, can redirect the cargo to other destination. During such period of holding at the FTWZs, the importers can now not only hedge on MCX but also avail extended facility of pledging the metal as collateral with the MCXCCL. The collateral will essentially have 30% haircut on the discounted value arrived at after adjusting for import duty and transport cost.

The goods will have to be necessarily cleared and then deposited in MCXCCL accredited warehouse if the importer wants to deliver goods on Exchange.

"By facilitating the FTWZ connect we invite importer participation on the Exchange to hedge with added benefit of availing margin benefit. We want to thank Product Advisory Committees and SEBI to have guided us all through the process", stated Narendra Ahlawat, MD & CEO, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

About MCXCCL:

Having commenced operations on September 3, 2018, MCXCCL is a wholly owned subsidiary of Multi Commodity Exchange of India Ltd. (MCX). It is the first clearing corporation in the commodity derivatives market in India. MCXCCL provides secure counterparty risk management and post-trade services to the market participants that helps mitigate risks and step-up operational standards for clearing and settlement functions in the industry. It facilitates deliveries in various commodities across multiple locations in India.

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