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Frequently Asked Questions – Margin provisions for intraday crystallised losses

1. What is intra-day crystallised mark to market loss (ICMTM)?

The loss arising on account of squaring off /closeout of open positions is intraday crystallised loss.

2. What is margin provision for intra-day crystallised mark to market loss?

A margin provision created, which is equal to the intraday crystallised loss.

3. What is the treatment for margin provisions for intra-day crystallised mark to market loss?

The intra-day crystallised loss shall adjusted against the free collateral of clearing member on a real time basis.

4. Which price will be used to calculate the intra-day crystallised mark to market loss?

Intra-day crystallised loss / profit shall be calculated based on weighted average prices of trades executed.

5. Will intra-day crystallised loss be set off by intra-day crystallised profit?

The intraday crystallised gain shall offset against crystallised losses at the client level, to the extent of such client level intraday crystallised losses. However, if the crystallised gains exceed the crystallised losses, no benefit shall be accrued towards the available collateral.

The Crystallised Loss will be set off against Crystallised profit only on the Client Level. On the Clearing Member/ Trading Member Level, the Crystallised Profit shall be ignored.

6. What are the consequences when the intraday crystallised losses exceed free collateral?

If crystallised losses exceed the free collateral available then the member shall be put into risk reduction mode / square off mode.

7. When will the blocked intraday crystallised loss be released?

The Margin provision on intraday crystallised loss so blocked/ collected shall be released on completion of daily mark to market settlement pay-in.

Frequently Asked Questions – Margin provisions for intraday crystallised losses

8. Illustration 1:

Client	Symbol	Brought Forward Long Quantity	Brought Forward Long Value	Brought Forward Short Quantity	Brought Forward Short Value	Day Buy Quantity	Day Buy Value	Day Sell Quantity	Day Sell Value	Crystallised Profit/ (-) Loss)	Profit/(-) Loss of Client	Remarks
A	X	40	-400	0	0	0	0	0	0	0		No Squared off Qty
A	Y	0	0	-20	10000	20	-10000	0	0	0	0	Full Square off Qty-No Loss

9. Illustration 2:

Client	Symbol	Brought Forward Long Quantity	Brought Forward Long Value	Brought Forward Short Quantity	Brought Forward Short Value	Day Buy Quantity	Day Buy Value	Day Sell Quantity	Day Sell Value	Crystallised Profit/ (-) Loss)	Profit/(-) Loss of Client	Remarks
B	X	100	-20000			0	0	-80	14000	-2000	-2400	Partial Square off Qty- Profit
B	Y	0	0	-20	10000	20	-10400	0	0	-400		Full Square off Qty- Loss

Frequently Asked Questions – Margin provisions for intraday crystallised losses

10. Illustration 3:

Client	Symbol	Brought Forward Long Quantity	Brought Forward Long Value	Brought Forward Short Quantity	Brought Forward Short Value	Day Buy Quantity	Day Buy Value	Day Sell Quantity	Day Sell Value	Crystallised Profit/ (-) Loss)	Profit/(-) Loss of Client	Remarks
C	X	20	-200	0	0	0	0	-16	192	32	16	Partial Square off Qty- Profit
C	Y	20	-200	0	0	0	0	-16	144	-16		Partial Square off Qty- Loss

11. Illustration 4:

Client	Symbol	Brought Forward Long Quantity	Brought Forward Long Value	Brought Forward Short Quantity	Brought Forward Short Value	Day Buy Quantity	Day Buy Value	Day Sell Quantity	Day Sell Value	Crystallised Profit/ (-) Loss)	Profit/(-) Loss of Client	Remarks
PRO TM1	X	20	-200	0	0	0	0	-24	288	40	-40	Partial Square off Qty- Profit
PRO TM1	Y	20	-200	0	0	0	0	-24	144	-80		Partial Square off Qty- Loss