

Contract specification of Crude Palm Oil

Symbol	CPO
Description	CPOMMMYY
Contracts available for trading	
January 2010 contract	1 st September of the previous year to 31 st January of the contract year
February 2010 contract	1 st October of the previous year to 29 th February of the contract year
March 2010 contract	1 st November of the previous year to 31 st March of the contract year
April 2010 contract	1 st December of the previous year to 30 th April of the contract year
May 2010 contract	1 st January to 31 st May of the contract year
June 2010 contract	1 st February to 30 th June of the contract year
July 2010 contract	1 st March to 31 st July of the contract year
August 2010 contract	1 st April to 31 st August of the contract year
September 2010 contract	1 st May to 30 th September of the contract year
October 2010 contract	1 st June to 31 st October of the contract year
November 2010 contract	1 st July to 30 th November of the contract year
December 2010 contract	1 st August to 31 st December of the contract year
Trading	
Trading period	Mondays through Saturdays
Trading session	Monday to Friday: 10.00 am to 5.00 pm Saturdays: 10.00 am to 2.00 pm
Trading unit	10 MT
Quotation/Base Value	Rs./10 Kg
Price Quote	Ex- Kandla, exclusive of Sales tax/ VAT
Tick size (minimum price movement)	10 paise
Daily price limits	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period of 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade / order shall be permitted during the day beyond the revised limit of (+/-) 4%.
Initial margin	5%
Maximum Allowable	For individual clients: 20000 MT

Open Position	For a member collectively for all clients: 60000 MT or 15% of the market-wide open position, whichever is higher. Near Month Limits For individual clients: 6000 MT For a member collectively for all clients: 18000 MT or 15% of the market-wide open position, whichever is higher
Delivery	
Delivery unit	10 MT (with tolerance limit of 250 Kgs) which means that if the seller delivers any quantity between 9.75 MT to 10.25 MT, it will be construed as adequate discharge of his delivery obligation of 10 MT, though he will get the value only for actually quantity delivered by him.
Delivery period margin	25%
Delivery center(s)	Within Kandla municipal limits
Quality specifications	Crude Palm Oil of good merchantable quality in bulk and unbleached.
Refractive Index at 50 C	1.4491 to 1.4552
Specific Gravity @ 42 C	0.895 to 0.897
Iodine value (Wij's method)	45 – 56
Saponification value	195 – 205
Unsaponifiable matter	Not more than 1.2%
FFA by wt.	Not more than 5.0%
Moisture	Not More than 0.25%
Delivery Logic	Both Option

Delivery and Settlement Procedure of Crude Palm Oil

Delivery logic	Both Option
Tender day	1 st working day after expiry of contract
Tender and delivery period	1 st to 2 nd working days after expiry of the contract.
Buyer's and Seller's Intention	On the contract expiry day by 12:00 noon Seller will submit copies of relevant documents (Warehouse Receipts duly endorsed by the Member & the Depositor, along with Quality Certificate) as evidence that he is holding stock at the time of giving his intention.
Mode of communication	Fax / Courier
Matching of Buyer's and Seller's intention	On the basis of intention received from the buyers and sellers, the Exchange will match the total quantity offered by the buyers and sellers and with respect to the matched quantity, the allocation of delivery between the buyers and sellers will be done. The unmatched quantity of open position will be closed out as per DDR and actual delivery will be effected only to the extent of matched quantity.
Dissemination of the information on delivery intention on TWS	On the contract expiry day by 1.00 p.m.
Delivery Period Margin	25% on marked quantity on the expiry of the contract based on the intentions received from the sellers
Exemption from Delivery Period Margin	Delivery Period Margin is exempted if seller submits storage receipt and QC before the delivery marking.
Delivery Allocation	
- Date of Delivery	On the Expiry date
- Allocation Rate	At Due date rate (DDR)
Delivery Pay-in	E+1 working day by 5.00 p.m. (E stands for expiry)
Delivery Payout	E+2 working day by 5.00 p.m.
Pay-in of Funds	E+2 working day by 11.00 a.m.
Pay-out of Funds	E+2 working day after 2.00 p.m.
Penal Provisions	<p>After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honor his obligations, a penalty of 2.5% of the DDR will be imposed on him.</p> <p>Additionally, a replacement cost of 4% will be recovered from the defaulting buyer / seller.</p> <p>Out of the penalty, 2% will be credited to IPF and 0.5% will be credited to the counter party. While, out of the replacement cost recovered, 90% will be passed on to the counterparty and 10% will be retained by the Exchange.</p>

Taxes, Duties, Cess and Levies	Local taxes/ VAT wherever applicable is to be paid by the seller to the sales tax/VAT authorities on all contracts resulting in delivery. Accordingly the buyer will have to pay the taxes/VAT to the seller at the time of settlement.
	In case of sales tax exemption, such exemption certificate should be submitted before settlement of the obligation.
	In case of Inter-State movement, Buyer has to submit requisite forms or pay CST as applicable. Incidence of customs duty payable whether concessional or otherwise will be in seller's account.
Due Date Rate	Exchange will take spot prices considering 'actual user condition' from a panel of different entities from spot market and shall compute the daily average price. DDR will be calculated by way of taking simple average of last 3 days of the spot market prices so computed.
Odd lot Treatment	Not applicable
Adjustment of Transportation Cost	Not applicable
Warehouse/Storage Tank, insurance	-Borne by the seller upto commodity pay-out date
	-Borne by the Buyer after commodity pay-out date
Buyer's option for lifting of Delivery	Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the Exchange.
Delivery Center	Within Kandla municipal limits
Delivery Order	Good delivery order will be submitted in specified format giving details of Members / Registered Non-Members who shall perform delivery.
	Each delivery order issued shall be in multiples of minimum delivery lots and shall be designated for only one delivery center and one location in such center.
	It will be accompanied with Warehouse/storage Receipt, Invoice and Good Delivery Quality Certificate valid at least for 16 days after the expiry of the contract, as per contract specifications from Exchange designated certifier, Delivery order once submitted cannot be withdrawn or cancelled or changed unless so agreed by the Exchange in writing. Members tendering the delivery order shall clearly specify the grade and shall be in conformity with the surveyor's certificate accompanied with the delivery document and cannot be changed subsequently.

Delivery Grades	The members tendering delivery will have the option of delivering such grades of goods as permitted by the Exchange under the contract specifications. The Buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated by the Exchange shall be binding on him.
Evidence of Stock in possession	At the time of issuing the delivery order, the member must prove to the Exchange that he holds stocks of the quantity and quality specified in the delivery order at the declared delivery center. This should be substantiated by way of producing Warehouse/Storage receipt
Endorsement of Delivery Order	The Buyer member can endorse delivery order to a client or any third party with full disclosure given to the Exchange. Responsibility for contractual liability would be with the original assignee.
Sampling and Analysis at the time of delivery	In case the buyer does not agree to the Surveyor's report as to the quality of the commodity, he shall desire for second sampling and intimate the Exchange in writing within 48 hours of the pay-out date.
Legal Obligation	The member will provide appropriate tax forms wherever required as per law and as customary and neither of the parties will unreasonably refuse to do so.
Extension of Delivery Period	As per the Exchange decision due to a force majeure or otherwise.
Applicability of Byelaws, Rules, Business Rules of the Exchange.	<p>The general provisions of Byelaws, rules and Business Rules of the Exchange and decisions taken by Forward Markets Commission, Board of Directors and Executive Committee of the Exchange in respect of matters specified above will form an integral part of this contract. The Exchange or FMC as the case may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining and risk management from time to time.</p> <p>The buyer shall have to lodge their claim against quality of goods / delivery allocated to them, if any, within 48 hours from the date of scheduled pay out of the Exchange and failing which, no claim shall be entertained by the Exchange thereafter. The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.</p>