

# National Stock Exchange of India Limited

## Circular

| Department: COMMODITY DERIVATIVES |                    |
|-----------------------------------|--------------------|
| Download Ref No: NSE/COM/62210    | Date: May 28, 2024 |
| Circular Ref. No: 28/2024         |                    |

All Members,

Eligibility criteria for launching Options with Commodity Futures as underlying by Stock Exchanges having commodity derivative segments

Members are requested to note that the Securities and Exchange Board of India (SEBI) has issued circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/61 dated May 27, 2024, with reference to the 'Eligibility criteria for launching Options with Commodity Futures as underlying by Stock Exchanges having commodity derivative segments'.

The SEBI circular is provided as an Annexure for reference.

For and on behalf of  
National Stock Exchange of India Limited

Khushal Shah  
Associate Vice President

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CIRCULAR

SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/61

May 27, 2024

To,

**The Managing Directors/Chief Executive Officers  
All Stock Exchanges with Commodity Derivatives Segment**

Dear Sir/Madam,

**Sub: Eligibility criteria for launching Options with Commodity Futures as underlying by Stock Exchanges having commodity derivative segments.**

1. Chapter 6 of SEBI Master Circular dated August 4, 2023 for Commodity Derivatives Segment prescribes Product Design and Risk Management Framework for Options on Commodity Futures.
2. Based on representations received from market participants and deliberations by Commodity Derivatives Advisory Committee (CDAC) of SEBI, it is decided that for launching Options contracts on agricultural and agri-processed commodities, the average daily turnover of underlying futures contracts of the corresponding commodity during the previous twelve months shall be INR 100 crore instead of existing INR 200 crore. Accordingly, paragraph 6.1.2. of the aforesaid Master Circular on Eligibility criteria for launching Options on Commodity Futures stands revised as follows:

**6.1.2. Eligibility criteria for launching Options with Commodity Futures as underlying:** Options would be permitted for trading on a stock exchange only on those commodity futures as underlying, which are traded on its platform and satisfy the criteria specified below on the respective exchange:

*i. The average daily turnover of underlying futures contracts of the corresponding commodity during the previous twelve months, shall be at least:*

- a) INR 100 crore for agricultural and agri-processed commodities*
- b) INR 1000 crore for other commodities*

3. The Circular shall be applicable for all Options on Futures contracts (agricultural and agri-processed commodities) introduced on or after June 1, 2024 wherein average daily turnover of underlying futures contracts during the previous twelve months is Rs.100 crore.
4. The Stock Exchanges are advised to take steps to make necessary amendments to relevant bye-laws, rules and regulations for the implementation of this circular



and bring the provisions of this circular to the notice of their members and also to disseminate the same on their website.

5. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, to protect the interest of investors in securities and to promote the development of, and regulate the securities market.
6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Circulars" and "Info for – Commodity Derivatives."
7. The Circular is issued with the approval of competent authority.

Yours faithfully,

**Naveen Sharma**  
**General Manager**  
**Market Regulation Department**  
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