Draft – PMEX Maize Futures Contract Specifications

Trading Hours	Hours of Trading in the PMEX Maize Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as Specified by the Exchange from time to time: Normal Trading Session : 10 am to 6pm PST
Unit of Trading	10 Metric Tons
Price Quotation	Price quoted shall be in Rupees per 40 kilogram, Ex- Okara or at any other delivery center as specified by the Exchange.
Delivery Unit	10 MT or as specified by the exchange
Trading System	PMEX Trading System
Tick Size	Rs 1.0
Quantity Variation	+/- 5%
Quality Specifications	**As Per Trade Practice** 1. Moisture 14% 2. Grain Size Healthy Physical Appearance 3. Color Yellow Any change would be communicated by the Exchange before the start of contract.
Quality Premium/ Discount	As communicated by the Exchange from time to time based on the industry practices.
Packaging	Maize shall be delivered in new or once used PP bags. Tare allowance will be applicable as per applicable industry practice and as communicated by the Exchange. Any change would be communicated in advance by the exchange
Delivery Centers	Okara, at Exchange approved and designated warehouses. Other delivery centers will be announced by the Exchange from time to time. The premium, discount or no allowance for each delivery center other than the main delivery centre (Okara) will be announced by the Exchange from time to time and will be

	binding on both buyer and seller
Contract Months	Contract months would be made available at the discretion of the Exchange depending on the needs of the market.
Opening of Contract	Each contract will be open at least one month before its last trading day.
Last Trading Day	Third Wednesday of the contract month or any day specified by the Exchange as a last trading day. If third Wednesday is an Exchange holiday the next working day will be the last trading day.
Daily Settlement Price	The Daily settlement price shall be the consensus price determined during the pre-close session. Exchange can also determine the daily settlement price in the manner described hereunder or in such other manner as may be prescribed by the Exchange: - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained from the market sources. All open positions will be marked to market at least once a day.
Final Settlement Price	Final settlement price will be the daily settlement price of the last trading day of the contract or as determined by the Exchange.
Price Fluctuation	+/- 5% or as specified by the Exchange.
Settlement Mode	All open positions after the close of the contract will only be settled through delivery. Those who fail to meet their delivery obligations will be liable to penal charges as determined by the Exchange.
Notice Period	Sellers with open short positions and intending to deliver will be required to inform the exchange two trading days prior to the last trading day (E-2, where E refers to the expiration day) or latest by the closing time of the contract of their intention to deliver along with the quantity which will be delivered and the expected delivery center form the Exchange approved list. The corresponding Buyers with open long positions matched randomly by the Exchange after the expiration of the contract

	with the Sellers will be bound to settle by taking physical delivery. Exchange may seek buyers' preference of delivery centre while matching the buyer and seller for delivery. The names of the matched buyers and sellers would be communicated to respective members on E+1. Any failure to deliver by the Seller or taking delivery by the matched Buyers will result in a penalty determined by the Exchange.
Delivery Mode & Delivery Period	Upon Expiration of the contract the seller with open position will have three business days (E+3) to deliver the Maize at the Exchange approved and designated warehouse after completing all Exchange specified procedures for delivery including the quality and quantity certification. The delivery can also be made through an Exchange approved Warehouse Receipt.
Settlement of Delivery Outside the Exchange	The matched buyer and seller can mutually agree on the off Exchange settlement of the delivery. In such a case they need to inform the Exchange within the delivery period. The Exchange will then settle their accounts as per final settlement price.
Pay-in and Pay-out of Funds for Final Settlement	The buyer needs to pay funds in full to the Exchange by E+2, and after that the buyer will be eligible to receive the documents to get the delivery from the Exchange approved warehouse. The seller will be eligible to receive the funds on E+3, once he has delivered the Maize at the Exchange approved warehouse after completing all delivery related requirements.
Quality Certification	For the Maize delivered at an Exchange approved and designated warehouse, the seller needs to obtain a quality certificate from an Exchange approved analyzer.
Cost of certification, weighing, storage and delivery etc.	For the Maize tendered at an Exchange approved and designated warehouse all charges associated with quality certification, weighing, storage, and Exchange required documentation up to the end of day of delivery will borne by the Seller. Buyers shall pay all charges including storage charges after the business day following the day of the delivery.

Position Limit	As determined by the Exchange.
Margin Requirement	The amount of margin payable by members in respect of their outstanding Maize futures contracts shall be determined by the Exchange. The Exchange will adjust margin requirements as and when volatility in the underlying changes. Margin shall be calculated on a gross basis on all open positions held in different maturity contracts in the same commodity up to the Client Level. The Exchange may give calendar spread discounts.
Initial Margin	Initial Margin will be calculated using Value-at-Risk (VaR) methodology intended to cover the largest loss over a 1-day Look Ahead period that can be encountered on 99% of the days (99% Value at Risk) or as specified by the Exchange.
Delivery Margin	Delivery Margin will be imposed in increments of 2% per day (or as specified by the Exchange) on all open positions starting at five days prior to expiration (E-5), such that delivery margin payable on last trading will be 10% (or as specified by the Exchange). Delivery margin shall be in addition to the initial margin.
Special Margin	Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange feels appropriate to impose such margin.
Further Regulation	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange.