
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange and participants

Circular No. : NCDEX/MEMBERSHIP-006/2015/349

Date : November 05, 2015

Subject : Change in Provisions/Eligibility criteria for Trading Members

This is in continuation of the Exchange Circular no. NCDEX/MEMBERSHIP-008/2008/262 dated November 17, 2008, for introduction of new category of membership, viz., Trading Members (TM) and Strategic Trading cum Clearing Member (STCM).

In terms of the Rules, Byelaws and Regulations of the Exchange, the provisions / eligibility criteria for Trading Member (TMs) are being modified as under:

1. **Net Worth requirement:** The minimum Net Worth requirement for a Trading Member (TM) shall be as under:

Particulars	Amount
For Non Corporate (Individual/Partnership/LLP/HUF)	Rs. 10.00 Lakh
For Corporates	Rs. 25.00 Lakh

All existing TMs registered with the Exchange shall be permitted time up to March 31, 2017 to comply with the above revised requirement.

2. **Security Deposit:** All Trading Members shall be required to provide Base Capital of Rs. 7.50 lakh in cash. Full exposure shall be given on such cash deposits of the Base Capital. The Trading members (TMs) shall be required to submit the appropriate undertaking and any other document as required by the Exchange from time to time.
3. The members are advised to ensure submission of this deposit to the Exchange immediately and in any case, not later than November 30, 2015. If any member fails to make such deposit by November 30, 2015, such member's trading terminals will be placed in 'square-off' mode/ disabled from December 01, 2015.

It is clarified that the TMs who clear their trades through STCM/ PCM will continue to provide necessary margins through their respective STCM/PCM. It is further clarified that this requirement is in addition to requirement for Base Minimum Capital which has been notified vide Exchange Circular No. NCDEX/MEMBERSHIP-001/2013/113 dated April 08, 2013.

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4. The Annual Membership fee for TMs shall be Rs. 20,000/- per annum with effect from the financial year 2015-16.

5. Conversion of Membership Category from TCM to TM:

In terms of circular no. NCDEX/ MEMBERSHIP-008/2008/262 dated November 17, 2008, Trading cum Clearing Members (TCM) were permitted to convert their membership category to Trading Member. A processing fee of Rs.1.00 lakh plus Service Tax, shall be charged for such conversion from TCM to TM. The relevant formats and documents for the process of change in membership category is available on the Exchange Website for ready reference.

It is also notified that the existing Members of the Exchange are permitted to change their membership category from TCM to TM before applying for SEBI registration process. It may however, be noted that the due date for SEBI registration is November 30, 2015.

6. The PCMs/STCMs will continue to be responsible for collecting the Exchange dues (Transaction Charges, Annual Subscription Fee, penalties and any other charges levied by the Exchange from time to time) payable by the corresponding TMs.
7. STCM/PCM will continue to provide cash deposit of Rs. 50,000 for every new TM enrolled to clear the trades through them. On such cash deposit, no exposure will be allowed.
8. Modified Provisions for the Trading Members (TM) structure are summarized in Annexure I
9. The above provisions shall be applicable from the date of this circular.
10. All other terms and conditions in respect of trading members remain unchanged.
11. In the event of any ambiguity in any of the provisions as stated in this circular, the clarification given by the Exchange shall be final and binding.

For and on behalf of

National Commodity & Derivatives Exchange Limited

Ramadevi Srinivasan

Senior Vice President – Compliance & Audit

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by E-mail to: askus@ncdex.com

ANNEXURE I

Modified Provisions for the Trading Members (TM) structure

Particulars	Trading Members (TMs) (Rs. in lakh)
Minimum Net worth Requirement	Rs. 25.00 Lakh for Corporates and Rs. 10 lakh for Non Corporates (Individual/Partnership/LLP/HUF)
Base Capital - Interest Free Cash Security Deposit	7.50
Base Minimum capital – Interest Free Cash deposit	2.50
Base Minimum capital Collateral Security Deposit	7.50
Admission Fee with applicable Taxes (one time, nonrefundable)	5.00
Annual Membership Fee with applicable Taxes	0.20