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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/MEMBERSHIP-001/2011/051  
Date : February 24, 2011  
Subject : Changes in Provisions of Clearing Members (STCM & PCM)

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Please refer to our circular no. NCDEX/MEMBERSHIP-008/2008/262 dated November 17, 2008, relating to launch of new Membership category of Trading Member (TM) and Strategic Trading cum Clearing Member (STCM).

In terms of the Rules, Bye-Laws and Regulations, the Exchange has modified some provisions for above categories of members which are outlined in this circular.

**The modified provisions in respect of Clearing Members i.e. (Strategic Trading cum Clearing Member (STCM) and Professional Clearing Member (PCM) are as follows:**

1. All STCMs registered with the Exchange are now allowed to undertake clearing work of Trading cum Clearing Members (TCMs), in addition to the clearing work of Trading Members (TMs). However TCMs who clear their trades through STCM will be required to provide the entire base capital of ₹ 30 lacs only in cash. TCMs will get exposure on this base capital. Similar provisions will be applicable to TCMs clearing their trades through a PCM.
2. Net worth requirement of STCM is being revised to ₹ 5 Crores and that of PCM to ₹ 10 Crores.
3. From April 01,2014, Net Worth requirement would be ₹ 10 Crores for both STCM as well as PCM.
4. All STCMs will be allowed time upto March 31, 2014, to raise their Net worth to ₹ 10 Crores.
5. Annual Membership fee for STCM is being raised to ₹ 1 lac from the financial year 2011-12.
6. Such TMs/TCMs who clear their trades through STCM/PCM will continue to provide necessary margins through their respective STCM/PCM. Such PCMs/STCMs (as is being done now) will be responsible for collecting all Exchange dues payable by such TMs & TCMs (Transaction Charges, Annual

- Subscription Fee, penalties and any other charges levied by the Exchange from time to time).
7. STCM/PCM will continue to provide cash deposit of ₹ 50,000 for every new TCM or TM enrolled to clear the trades through them. On such cash deposit, no exposure will be allowed.
  8. Modified Provisions for the STCM/PCM structure are summarised in Annexure I
  9. These provisions will be applicable from the date of this circular.

**For and on behalf of  
National Commodity & Derivatives Exchange Limited**

**M.K.Ananda Kumar  
Chief-Corporate Services**

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For further information / clarifications, please contact

1. Customer Service Group on phone: 022 6640 6613 -15, 011 2334 4795
2. Customer Service Group by e-mail to : [askus@ncdex.com](mailto:askus@ncdex.com)

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**ANNEXURE I**
**Modified Provisions for the STCM/PCM structure**

	<b>Particulars</b>	<b>STCM</b>	<b>PCM</b>
1.	Functions	Allowed to trade, clear own trades and clear trades of other TMs & TCMs.	Not allowed to trade. Only allowed to clear trades of other TMs & TCMs
1	Interest Free Cash Security Deposit	₹ 20.00 Lacs upfront and an additional ₹.0.50 Lacs per TM/TCM as and when affiliated to it	₹ 25 lacs upfront and an additional ₹ 0.50 lac as and when TM/TCM is affiliated to it
2	Collateral Security Deposit	₹ 50.00 Lacs	₹ 25 lacs
3	Admission Fee with applicable Taxes (one time, non refundable)	₹ 5 lacs	Nil
4	Annual Membership Fee with applicable Taxes	₹ 1 lac	₹ 1 lac
5	Advance Transaction charges with applicable Taxes	₹ 0.5 lacs	-
6.	Minimum Net worth Requirement	₹ 500.00 Lacs	₹ 1000.00 Lacs