



Pragati ka Solid Exchange

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED
Member Compliance Guide – Unique Client Code - UCC

It shall be mandatory for the members to use Unique Client Code (UCC) for all clients transacting on the Exchange. No execution of trade will be allowed without uploading of the UCC details by the members. For this purpose, members shall collect after verifying the authenticity and maintain in their back office the copies of Permanent Account Number (PAN) issued by the Income Tax Department, to all their clients.

PAN would be the sole identification number and mandatory for all entities/persons who are desirous of transacting on the Exchanges. However, the investors residing in the State of Sikkim are exempted from the mandatory requirement of PAN.

PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. The intermediary shall verify the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption.

Further, the Members shall

- collect copies of PAN cards issued to their existing as well as new clients after verifying with the original.
- cross-check the aforesaid details collected from their clients with the details on the website of the Income Tax Department.
- upload details of PAN so collected to the Exchanges as part of Unique Client Code.
- verify the documents with respect to the unique code and retain a copy of the document.

The Member shall also be required to furnish the above particulars of their clients to the exchange and the same would be updated on a monthly basis. Such information for a specific month should reach the exchange within 7 working days of the following month.

Penalty shall be imposed on the member at the rate of 1% of the value of every trade that has been carried out by the member without uploading the UCC details of the clients. Further, if the client details are not uploaded within a month of the trade, the member is liable to be suspended.

The commodity exchanges shall be required to maintain a database of client details submitted by members.

Members shall be required to maintain and preserve, for a period of seven years, a mapping of client IDs used at the time of order entry in the trading system with those unique client codes along with the client name, address and other particulars given in the Know Your Client (KYC) form.

Reference:

- Circular no. NCDEX/TRADING-094/2016/226 dated September 21, 2016
- Circular no. NCDEX/MEMBERSHIP-003/2017/021 dated January 27, 2017

For further information / clarifications, please contact:

Customer Service Group by E-mail to: askus@ncdex.com

Customer Service Group on toll free number: 1800 26 62339, Website: www.ncdex.com