

**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**  
**Member Compliance Guide – Client Code Modifications**

---

Members are provided with the facility of Client Code Modifications for rectification of errors in entering client codes at the time of order entry.

The Exchange may waive penalty for a client code modification where the member is able to produce evidence to the satisfaction of the exchange to establish that the modification was on account of a genuine error.

Not more than one such waiver per quarter may be given to a member for modification in a client code.

Explanation: If penalty waiver has been given with regard to a genuine client code modification from client code AB to client code BA, no more penalty waivers shall be allowed to the member in the quarter for modifications related to client codes AB and BA.

Proprietary trades shall not be allowed to be modified as client trade and vice versa.

The Exchanges shall undertake stringent disciplinary actions against the members who undertake frequent client code modifications.

The penalty shall be levied as under:

'a' as % of 'b'	Penalty as % of 'a'
≤ 5	1
> 5	2

Where a = Value (turnover) of non-institutional trades where client codes have been modified by a trading member in a segment during a month.

b = Value (turnover) of non-institutional trades of the trading member in the segment during the month.

The Exchange shall conduct a special inspection of the trading member to ascertain whether the modifications of client codes are being carried on as per the strict objective criteria set by the Stock Exchange, if 'a' as % of 'b', as defined above, exceeds 1% during a month and take appropriate disciplinary action, if any deficiency is observed.

Reference:

- Circular no. NCDEX/TRADING-033/2016/072 dated April 06, 2016
- Circular no. NCDEX/TRADING-041/2016/093 dated April 25, 2016

---

For further information / clarifications, please contact:

Customer Service Group by E-mail to: [askus@ncdex.com](mailto:askus@ncdex.com)

Customer Service Group on toll free number: 1800 26 62339, Website: [www.ncdex.com](http://www.ncdex.com)