

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED
Member Compliance Guide – Contract Notes

It is mandatory for every Member to issue a contract note to its constituents for trades executed by the Member on behalf of the constituents. Members shall also be responsible for payment of stamp duties on such contract notes if applicable in accordance with applicable law.

Format	<p>The format of the contract note should be in the format prescribed as per Circular no. 136 of 2017 and should inter alia, include:</p> <ul style="list-style-type: none"> - Unique running serial number reset every financial year - SEBI Registration No., Permanent Account Number (Income Tax PAN) of member as well as constituents, DP ID, names of the authorised signatories <p>Members should issue separate contract notes for the Commodity Futures Exchanges and Commodity Spot Exchanges</p>
Signature	<p>Contract note shall be signed by TCM / TM or their authorised signatory or constituted attorney. All Electronic Contract notes (ECNs) sent through e-mail shall be digitally signed, encrypted, non-tamperable and shall comply with the provisions of the IT Act, 2000. In case the ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.</p>
Timelines	<p>Contract Notes must be issued within 24 hours of the transactions made by or on behalf of the client and the proof of delivery of the same needs to be preserved by the Member.</p>
Delivery Address	<p>Delivery of the contract notes should be at the address of the client. Delivery of contract notes (digital / physical) to an address (either e-mail or physical address) other than that of the client shall be deemed to be non delivery of the contract notes. The usual mode of delivery of ECNs to clients shall be through e-mail. For this purpose, the client shall provide an appropriate e-mail account to the member for receipt of ECN.</p>
Electronic Contract Note	<p>In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id (created by the client) to the Member. Member shall ensure that all the rules/Business Rule/Bye-Laws/ circulars issued from time to time in this regard are complied with. The client shall communicate to the Member any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.</p> <p>The Electronic Contract Note (ECN) declaration form will be obtained from the Client who opts to receive the contract note in electronic form in place of physical contract note. This declaration will remain valid till it is revoked by the client.</p>

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

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Proof of Delivery	<p>The Member shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the Member for the specified period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The Member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant rules/circulars/guidelines issued by FMC/Commodity exchanges.</p> <p>The Member shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI/commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.</p>
General Requirements	<p>In addition to the e-mail communication of the ECNs in the manner stated above, in order to further strengthen the electronic communication channel, the member shall simultaneously publish the ECN on his designated web-site in a secured way and enable relevant access to the clients.</p> <p>In order to enable clients to access the ECNs posted in the designated website in a secured way, the member shall allot a unique user name and password for the purpose, with an option to the client to access the same and save the contract note electronically or take a print out of the same.</p> <p>The member shall retain / archive such electronic documents as per the extant rules /Regulations / circulars / guidelines issued by SEBI / Stock Exchanges from time to time.</p>

References:

- Byes Laws 6.1, 8.6, 9.5, 10.23 (b), 7.19 (b) (Part B), of the Bye Laws of the Exchange
- Regulation 5.5, 5.6, 7.1 of the Regulations of the Exchange
- SEBI Circular no.SMDRP/Policy/Cir-56/2000 dated December 15, 2000
- SEBI Circular no.SMD/SE/15/2003/29/04 dated April 29, 2003
- SEBI Circular no.MRD/DoP/SE/Cir-20/2005 dated September 08, 2005
- SEBI Circular no.MIRSD/SE/Cir-19/2009 dated December 03, 2009 (Clause 13 of Annexure A)

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