

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED
Member Compliance Guide - Portfolio Management Activities (PMS)

Members should not undertake any advisory services in the nature of portfolio advisory services, portfolio management services and similar such other services resulting in fund based portfolio management services to clients for investment in commodities futures contracts.

In addition to fund based PMS activities, the following activities will also be not permissible with immediate effect:-

- Any activity in the nature of promise of assured returns after a certain fixed time period (for example a month, 3 months or 6 months etc) or assured profits by the member or profit sharing activity/ies;
- Any activity without executing Member Client Agreement or completing uniform client registration formalities;
- Any activity without providing the client with a Risk Disclosure document;
- Any activity without proper orders from the client for managing his accounts / executing trades etc;
- Any advertisement / publicity made by the member highlighting only the benefits of futures market without highlighting the risks involved;
- Any other activity which is ambiguous or misleading the client in any way.

Members are advised that if they are found indulging in offering fund based portfolio management services, the Exchange shall take strict disciplinary actions such as deactivation of terminal, suspension from membership.

Reference:

- Circular no. NCDEX/COMPLIANCE-005/2006/336 dated December 12, 2006
- Circular no. NCDEX/COMPLIANCE-007/2010/195 dated July 22, 2010
- Circular no. NCDEX/COMPLIANCE-012/2013/313 dated October 14, 2013
- Circular no. NCDEX/COMPLIANCE-018/2016/242 dated September 28, 2016

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