
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No. : NCDEX/COMPLIANCE-055/2023

Date : May 30, 2023

Subject : Bank Guarantees (BGs) created out of clients' funds

This is with reference to the SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/061 dated April 25, 2023 and Exchange circular no. NCDEX/COMPLIANCE-047/2023 dated April 26, 2023 on "Bank Guarantees (BGs) created out of clients' funds".

As per point number 3 of above-mentioned SEBI Circular, Trading Members are required to report breakup of BGs on a periodic basis. In view of the same, for reporting of BGs details to the Exchange, it is clarified as under:

- a) Members shall be required to report details of Bank guarantee breakup on weekly basis.
- b) Reporting requirement shall be effective from June 03, 2023 and first submission of this data shall be for the week ended June 03, 2023 to be submitted by next trading day of following week i.e. by June 05, 2023 and for every week thereafter. Data shall be reported for Saturday of each week.
- c) The reporting requirement shall apply to those trading members who have created BG(s). The trading member shall not report BG created in favor of Clearing Corporation.
- d) The reporting requirement is not applicable to trading members who are self-clearing member as they are required to report to their respective Clearing Corporation as per the applicable guidelines of the respective Clearing Corporation.
- e) The reporting requirement shall not apply to members who do not have Bank Guarantees. However, such members shall provide one time declaration to Exchange.

Reporting requirement for submitting the BG breakup to the Exchange shall include, Total BG amount (out of clients' funds) as Collateral (A), Total BG amount (out of Prop funds) as Collateral (B) and Total BG amount as Collateral (C) = (A) + (B)

The members are required to submit the aforesaid details through NCFE portal of the Exchange in below mentioned module: Compliance → BG details

One time declaration as per point (e) mentioned above, shall be provided to the Exchange through the same NCFE link mentioned above, by the trading members, that requirement of circular is not applicable as no Bank Guarantee has been created.

Members are requested to take note of the contents of the circular and comply.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Pranesh Shetty
Vice President – Audit & Inspection

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to : askus@ncdex.com