
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/COMPLIANCE-037/2024

Date : May 03, 2024

Subject : Discontinuation of Client Level Cash and Cash Equivalent Balances

This has reference to the Exchange circulars NCDEX/COMPLIANCE-079/2020 dated December 18, 2020, NCDEX/COMPLIANCE-004/2021 dated January 16, 2021, NCDEX/COMPLIANCE-022/2021 dated April 29, 2021, NCDEX/COMPLIANCE-063/2021 dated December 17, 2021 and NCDEX/COMPLIANCE-005/2022 dated January 14, 2022 on Submission of data towards 'Client Level Cash & Cash Equivalent Balances' by members to Exchange on a weekly basis.

In this regard, in accordance with SEBI circular SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021, Exchange circulars NCDEX/COMPLIANCE-033/2021 dated July 23, 2021, NCDEX/COMPLIANCE-042/2021 dated September 23, 2021 and NCDEX/COMPLIANCE-049/2021 dated October 27, 2021 on segregation and monitoring of collateral at client level, members are required to submit the relevant details as sought to their respective Clearing Members, in order to enable them to submit the same to Clearing Corporations. The Trading Members who are Self-Clearing members are required to report the said data to the Clearing Corporations.

In order to utilize aforesaid submission of segregation and monitoring of collateral at client level by Exchanges also for supervisory activities and with an objective to discontinue the Client Level Cash and Cash Equivalent submission being reported by trading members to Exchange, Clearing Corporations in consultation with Exchanges have revised the reporting format of the said submission of segregation and monitoring of collateral at client level with inclusion of certain additional columns/details which are reported in Client Level Cash & Cash Equivalent submission.

Further, Exchange circular no. NCDEX/COMPLIANCE-087/2023 dated August 17, 2023 informed members that data reported by them towards segregation and monitoring of collateral at client level submission to clearing member or clearing corporations as case may be, is used by the Exchange also for undertaking supervisory activities.

As Exchange has started using the said submission for the supervisory activities and in order to ease out the compliance burden of the members, Exchange has decided to discontinue the requirements of reporting of day wise Client Level Cash and Cash Equivalent Balances by members from April 29, 2024 onwards, period of last submission which would be applicable to members for weekly Client Level Cash and Cash Equivalent Balances reporting shall be week ending April 27, 2024 due date for which in May 03, 2024.

However, members are strictly advised to report correct data in the segregation and monitoring of collateral at client level submission to their Clearing Members or Clearing Corporations as case may be, in accordance with the guidelines issued by Clearing Corporations/ Exchanges from time to time.

Members attention is also drawn to Exchange circular NCDEX/COMPLIANCE-037/2021 dated July 30, 2021 wherein it was mentioned that the Exchange is sending SMS/Emails to clients based on the balances reported by the members in weekly submission as on Saturday of every week.

In light of discontinuation of Client Level Cash & Cash Equivalent submission, Exchange shall disseminate through SMS/Emails to clients the balances of Saturday as reported by members in

submission of segregation and monitoring of collateral at client level to Clearing Members /Clearing Corporations.

Further, it has been observed that certain members are not making submission of segregation and monitoring of collateral at client level to Clearing Members /Clearing Corporations of Saturday. In view of the same, members are advised to ensure that submission of segregation and monitoring of collateral at client level of Saturday is also made to Clearing Members /Clearing Corporations.

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 – Inspection & Enforcement

For further information/clarifications, please contact

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