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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all members of the Exchange

Circular No : NCDEX/COMPLIANCE-052/2024

Date : July 09, 2024

Subject : Financing of Securities/Commodities transactions – sharing of data by Trading Members

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Attention of members is drawn to Exchange circular no. NCDEX/COMPLIANCE-008/2021 dated February 10, 2021, wherein Trading Members were advised not to indulge in practice of financing securities/commodities transactions. Members were also advised to desist from acting as a conduit or front for financing any secondary market transactions including transaction in commodity derivatives entered by their clients, directly or indirectly except in accordance with the regulatory provisions of Margin Trading Facility and Securities Lending and Borrowing.

Further, Exchange vide circular NCDEX/COMPLIANCE-045/2022 dated July 07, 2022, reiterated that “Trading Members shall not share transaction / obligation details of the clients with NBFC or any other lending institutions”.

However, during inspection of Trading Members, it was observed that unique client codes, settlement details and the obligation details of clients’ transactions were shared by Trading Members with their related NBFC entities.

In view of the above, it is reiterated that members are advised to refrain from sharing data relating to transaction / obligation details of the clients with any NBFCs or any lending institutions.

Members are advised to ensure strict compliance with the above regulatory requirements.

For and on behalf of  
**National Commodity & Derivatives Exchange Limited**

Pranesh Shetty  
Vice President – Inspection & Enforcement

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For further information/clarifications, please contact

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