
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No. : NCDEX/MEMBERSHIP-034/2024

Date : August 04, 2024

Subject : Guidelines in pursuance of amendment to SEBI KYC (Know Your client)
Registration Agency (KRA) Regulations, 2011

This is further with reference to Exchange circular no. NCDEX/MEMBERSHIP-031/2024 dated July 05, 2024 wherein, it was informed that the clients whose KYCs are not found to be validated by KRAs i.e. where the KYCs are "On Hold" for records (both Non-AADHAAR and Non-OVD based) uploaded to the KRA until August 31, 2023, shall neither be permitted to trade on the Exchange, nor will they be able to square up their open positions, if any, w.e.f. August 05, 2024 until they comply with the aforementioned requirement.

Based on the representations received from the Trading Members it has been decided to provide an extension on the following conditions:

1. All Members shall put such non-compliant clients in "**Risk Reduction Mode**". (i.e. Those clients shall not be allowed to take any fresh positions and that they shall only square off open positions.)
2. The above facility is only for **three days** i.e. from Monday – August 05, 2024 to Wednesday – August 07, 2024. It may be noted that no further extensions / request shall be entertained.
3. It shall be the responsibility of the Members to implement this risk reduction mode for its non-compliant clients.
4. The Members shall submit a report to the Exchange at the end of the day depicting the reduction in positions of the respective clients till the position is zero (the format shall be issued as an update to this circular).

The Exchange shall take appropriate disciplinary action for non-compliance by the Trading Members with respect to the circular issued on July 5, 2024, for failing to comply with the guidelines.

All the members are advised to take note and ensure compliance.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Kanti Pal
Assistant Vice President
Membership

For further information / clarifications, please contact

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