
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all the members of the Exchange

Circular No : NCDEX/COMPLIANCE-059/2024

Date : August 19, 2024

Subject : Penalty Structure for failure to implement framework for trading members to provide the facility of voluntary freezing/blocking of Trading Accounts

Members' attention is drawn to Exchange Circular No. NCDEX/COMPLIANCE-025/2024 dated April 09, 2024 and NCDEX/COMPLIANCE-009/2024 January 17, 2024 on "Framework for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients" and "Ease of Doing Investments by Investors - Facility of voluntary freezing/blocking of Trading Accounts by Clients", respectively.

In this regard, all the Exchanges has jointly formulated a penalty structure for any non-compliance of the provisions of the aforementioned circulars. The penalty structure is enclosed at **Annexure A**.

Members are advised 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

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

Annexure – A

| Details of contravention | Penalty/Disciplinary Action |
|--|--|
| Failure to implement the framework to provide the facility of voluntary freezing/blocking of Trading Accounts. | <p>Monetary penalty of Rs. 50,000/- + direction to comply with the provisions of the Exchange Circular no. NCDEX/COMPLIANCE-025/2024 dated April 09, 2024, within 30 days from the date of communication.</p> <p>On the 30th day, an intimation shall be sent to the Member giving 7 days' time to comply, failing which the member shall be prohibited from registering new clients.</p> <p>On the 37th day, notice shall be sent to the Member giving 7 days' time to comply, failing which the trading facility of the Member in all segments shall be disabled till submission of the compliance report.</p> |