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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all members of the Exchange

Circular No. : NCDEX/COMPLIANCE-010/2021

Date : March 01, 2021

Subject : Penalty structure for Non-closure of bank account maintained in excess of 30 (nos.) named as "Stock Broker - Client Account"

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This is with reference to the Exchange circular nos. NCDEX/COMPLIANCE-072/2020 dated November 09, 2020, NCDEX/COMPLIANCE-075/2020 dated December 01, 2020 and NCDEX/COMPLIANCE-080/2020 dated December 21, 2020 on Guidelines for maintaining client bank accounts by the Trading Members wherein trading members were advised to close the excess bank accounts named as "Name of Stock Broker - Client Account", in case, member has more than 30 such bank accounts, by December 31, 2020.

The Exchange has formulated an indicative penalty structure for non-compliance of the provisions of the aforementioned circulars. The penalty structure is enclosed as **Annexure A**.

The structure is indicative in nature and the Relevant Authority of the Exchange may, on case to case basis and based on the gravity of the violation, deal with such non-compliances.

Members are advised to take note of the same and comply with the applicable requirements.

For and on behalf of

**National Commodity & Derivatives Exchange Limited**

Satish Muley

Senior Vice President – Inspection & Enforcement

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For further information /clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
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**Annexure A**

**Penalty structure for Non-closure of bank account maintained in excess of 30 (nos.) named as "Stock Broker - Client Account" by December 31, 2020**

Sr. No.	Provision	Penalty/Disciplinary Action
1	Non-closure of bank account named as "Stock Broker - Client Account" in excess of 30 by December 31, 2020	<p>1. Rs. 20,000/- per account and Total maximum penalty capped to Rs. 100,000/- if the excess client bank accounts are not closed.</p> <p>2. Non-closure of client bank account within 8 days from the date of levying penalty as per point 1 above - Member will not be allowed to register any new clients in Exchange UCC database. Registration of new clients will be allowed only after closure of excess client bank accounts.</p> <p>3. Non-closure of client bank account within 15 days from the date of levying penalty as per point 1 above - Letter for disablement (suspended square off mode) giving 15 days' notice will be sent.</p> <p>4. Member to be disabled (suspended square off mode) in all Exchanges in case account is not closed within 15 days from the notice.</p>