
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No. : NCDEX/COMPLIANCE-007/2021

Date : February 09, 2021

Subject : Guidelines for 'Statement of Accounts' for Funds, Securities and Commodities

Members' attention is drawn to the SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 3, 2009, which was made applicable to Commodity Derivatives Brokers vide SEBI circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/92 dated September 23, 2016.

With an objective to increase the transparency and safeguard clients assets lying with the members, the periodicity of 'Statement of Accounts' which is currently sent by members to clients on monthly basis is revised to weekly basis.

Further all members will continue to send monthly/quarterly 'statement of accounts' containing an extract from the client ledger for funds, an extract from the register of securities/commodities displaying all receipts and deliveries of securities/commodities and a statement explaining the retention of funds/commodities within 5 days from the date of settlement.

Accordingly, every member shall send a complete 'Statement of Accounts' for funds, securities and commodities in respect of each of its clients on weekly basis. Members are advised to send the 'Statement of Accounts' on or before the next four trading days of subsequent week.

Clarifications on Statement of Accounts

- i. Member shall send a complete 'Statement of Accounts' for funds and securities/commodities in respect of each of its clients on weekly basis for transactions from Monday to Saturday of each week.
- ii. The client shall bring any dispute arising from the statement of account to the notice of the member preferably within 7 working days from the date of receipt of statement.
- iii. The members, shall not be required to send the 'Statement of Accounts' to clients with zero funds, zero securities and zero commodities balances and also has been flagged as 'Inactive' (i.e. if no trades are carried out by the client in the last 12 months across all Exchanges) in the UCC database of the Exchange.
- iv. In respect of custodian participant clients, the requirement of the aforementioned Circulars/Regulations are applicable if the members receive funds / securities / commodities from their custodian participants clients and / or pay funds / deliver securities/ commodities to such custodian participants clients directly and not through the custodians/clearing members.
- v. The Members, while sending periodic statement of accounts to the clients, shall mention therein that their running account authorization would continue until it is revoked by the clients.
- vi. In view of the recent changes in the guidelines on margin collection from clients by way of pledge-repledge mechanism of client securities and revised POA guidelines, the format of register of securities / commodities is prescribed and enclosed as Annexure A. Further,

Members shall send the statement of accounts for funds/securities /commodities reflecting the balances of funds/securities/commodities after adjusting/reversal for open bills of the client, un-cleared cheques deposited or cheques received from / issued to clients and the margin obligations posted in the client ledger, if any as on the last date of the statement i.e. Saturday of every week.

The formats of the statement of accounts for securities/commodities and funds to be send to the clients are enclosed as Annexure A & B.

- vii. Further, member shall also disclose the details of pending settlement pay in / pay out obligations of all segments and uncleared cheques in respect to the funds / securities / commodities of the client as on last date of the statement i.e. Saturday of every week to the client in the weekly statement of accounts separately.
- viii. The weekly statement of accounts sent to the clients, shall necessarily contain a clause intimating the client that the client needs to refer to the daily margin statement for any pending/outstanding margin obligation of the trades executed by the client in case the margin obligations are posted in the client ledger.
- ix. Member shall ensure that the statement of account of fund/securities/commodities reflecting the balance as on the last date of the statement matches with the financial ledger balance (Clear) in Cash & Cash Equivalent submissions and securities/commodities holding in Holding Statement uploaded to the Exchange of the same date.

Notwithstanding anything contained above, Member shall issue the statement of accounts for funds, securities and commodities for such period as may be requested by the client from time to time.

Members are requested to note that, the aforementioned requirement **shall be applicable from the week ending on March 06, 2021** and for each week thereafter due date of which will be on or before the next four trading days of subsequent week.

Members are requested to take note of the contents of the circular and comply with the same.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Satish Muley
Senior Vice President – Inspection & Enforcement

Encl:
Annexure A - Register of Securities / Commodities
Annexure B - Ledger Statement

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: Statement of Accounts of Securities/Commodities for the period from _____ to _____ (Monday to Saturday)

Statement of Account reflecting Clear Balance as on the last date of statement:

Transaction Date	Execution Date	Clearing Corporation / Clearing Member	Segment Type	Unique Client Code (UCC)	Back Office Client Code	Client Name	Client PAN	Member Demat Account No.		Counterparty Demat Account No.		Settlement No.	ISIN Code	Scrip / Commodity Name	Quantity Delivered (Qty.)	Quantity Received (Qty.)	Balance (Qty.)	Trf. Ref. No.	Transaction Type	Purpose
								To	From	To	From									

Pending Obligations as on _____ (as on Saturday):

Transaction Date	Execution Date	Clearing Corporation / Clearing Member	Segment Type	Unique Client Code (UCC)	Back Office Client Code	Client Name	Client PAN	Member Demat Account No.		Counterparty Demat Account No.		Settlement No.	ISIN Code	Scrip / Commodity Name	Quantity Delivered (Qty.)	Quantity Received (Qty.)	Balance (Qty.)	Trf. Ref. No.	Transaction Type	Purpose
								To	From	To	From									

Annexure B: Statement of Accounts of Funds for the period from _____ to _____ (Monday to Saturday)

Statement of Account reflecting Clear Balance as on the last date of statement:

Unique Client Code (UCC)	Back Office Client Code	Client Name	Client PAN	Transaction Date	Settlement Date	Clearing Corporation / Clearing Member	Segment Type	Settlement No.	Bill/Chq No.	Transaction Type	Particulars / Narration	Voucher No.	Debit (Rs.)	Credit (Rs.)	Balance (Rs.)

Pending Obligations/Uncleared cheques as on _____ (as on Saturday):

Unique Client Code (UCC)	Back Office Client Code	Client Name	Client PAN	Transaction Date	Settlement Date	Clearing Corporation / Clearing Member	Segment Type	Settlement No.	Bill/Chq No.	Transaction Type	Particulars / Narration	Voucher No.	Debit (Rs.)	Credit (Rs.)	Balance (Rs.)