



Circular No.: MCX/347/2006

August 29, 2006

Dear Members,

Proprietary Account (Pro-Account) Trade

In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in continuation to circulars MCX/241/2006 and MCX/263/2006 dated June 15, 2006 and June 30, 2006 respectively, the Members of the Exchange are notified as under:

As regards FMC directives in respect of Proprietary Account (Pro-Account) trades, any member, undertaking pro-account trading for arbitrage, desires to place pro-account trades through more than 2 terminals in one location or more than 5 terminals across all locations and CTCL Ids, will be required to submit a request to the Exchange stating the reasons for putting more terminals and/or more locations than permitted. The Exchange, after due diligence, may consider extending the facility of allowing pro-account trades from more terminals and more locations including through CTCL Ids.

Therefore, the members, who wish to have the facility of Pro-Account/Own account trading facility on one or more terminals from 1 location, should fill up Format attached as Annexure 1 stating their User Ids, including CTCL Ids, on which the facility is requested.

The members, who wish to have the facility of Pro-Account/Own account trading facility on terminals from more than 1 location, should fill up Format attached as Annexure 2 stating their User Ids, including CTCL Ids, on which the facility is requested.

All members, who wish to have facility of more than 2 terminals at one location and/or more than 5 terminals across all locations and CTCL ids, only are required to submit the **Undertaking** enclosed as Annexure 3.

Further, the members who do not want to have the facility of Pro-account/OWN account trading on any of the user-ids or wish to have such facility on 2 or less than 2 terminals are required to submit the application mentioning the same in the prescribed format as specified in Annexure – 1 only.

In case, the members, whose applications / undertaking, as mentioned above, are not received by the prescribed date, will be allowed to place orders in Pro-Account, only from two user-ids, as decided by the Exchange.

All trading terminals other than above shall have the facility to place orders for clients by entering the client code.

The above formats and undertaking, if applicable, are to be submitted to the Exchange on or before Monday, September 4, 2006.

Members are advised to ensure that no order received from any of their constituents shall be executed under pro-account code and/or under any other client code and any violation thereto will be viewed seriously.

Members are requested to note that Exchange shall implement the above with effect from Saturday, September 9, 2006.

For and on behalf of
Multi Commodity Exchange of India Limited

Jayesh Shah
Vice president

Encl: As above

Kindly contact Mr. Ayanansu Panda on 022 – 6649 4000 or send an email at customersupport@mcxindia.com for any clarification.

----- Corporate office -----
Multi Commodity Exchange of India Limited
102 A, Landmark, Suren Road, Chakala, Andheri (East), Mumbai – 400 093
Tel.: 022 – 6649 4000, Fax: 022 – 6649 4151
www.mcxindia.com email: customersupport@mcxindia.com

(On Member's letter head)

Date: _____

The Trading Department
Multi Commodity Exchange of India Limited
102 A, Landmark,
Suren Road, Chakala, Andheri (East),
Mumbai – 400 093

Dear Sir,

Subject: Enabling User IDs for Proprietary (OWN) account from One Location.

This is to inform you that the details of User IDs for placing orders in the Proprietary (OWN) account are as under:

S. No	User ID	User Name	Location	VSAT / Internet Leased Line	IP Address*
1.					
2.					

Please do the needful.

Regards

(Authorised Signatory)

Designation

Member ID _____

FMC Unique Member Code

*Specify the IP address for the user IDs other than on Internet.

(On Member's letter head)

Date: _____

The Trading Department
Multi Commodity Exchange of India Limited
102 A, Landmark,
Suren Road, Chakala, Andheri (East),
Mumbai – 400 093

Dear Sir,

Subject: Enabling User IDs for Proprietary (OWN) account from more than 1 location

This is to inform you that the details of User IDs for placing orders in the Proprietary (OWN) account from more than 1 location are as under:

S. No	User Id	User Name	Location	VSAT / Internet IP Address* Leased Line	Reason for Additional IDs
1.					
2.					
3.					

Please do the needful.

Regards

(Authorised Signatory)

Designation

Member ID _____

FMC Unique Member Code

*Specify the IP address for the user IDs other than on Internet.

UNDERTAKING FOR AVAILING PROPRIETARY ACCOUNT ORDER ENTRY FACILITY

I/We _____, an individual / a firm registered under the Indian Partnership Act, 1932/a Company/Body Corporate incorporated under the Companies Act of 1956/_____Act, 19__, and residing at/having our registered office at/_____

_____ give this UNDERTAKING on this the _____ day of _____ 2003 at _____ IN FAVOUR of Multi Commodity Exchange of India Limited, a company incorporated under the Companies Act of 1956, with its registered office at 102 A, landmark, Suren Road, Andheri (East), Mumbai – 400093 (hereinafter called “MCX”)

WHEREAS

1. MCX provides the Trading Software to enable its Trading Member to trade. In addition MCX also permits Computer to Computer Link (hereinafter called “CTCL”) facility to Trading members for order entry, receipt of order and trade confirmations and also for receipt of data relating to its trade quotations.
2. MCX, has prescribed that the facility of placing orders on “Pro-account” through trading terminals shall be availed by the Trading Members only at one or more locations of the Trading Members as specified/required by the Trading members. Further, any trading terminal located at a place other than the above location in excess of requirements shall have a facility to place order only for and on behalf of a Constituent by entering client code details as required by MCX/FMC; and incase any Trading Member requires the facility of using “Pro-account” through trading terminals from more than one location, such Trading Member shall request MCX stating the reason for using the “Pro-account” at multiple locations.
3. MCX as a precondition while permitted the facility of using “Pro-account” through trading terminals from more than one location requires to me/us to furnish the undertaking in the manner and on the terms herein below:-

NOW THEREFORE IN CONSIDERATION OF MCX having agreed to allow me/us at my/our request to avail the Pro-account facility from more than one location, I/We hereby IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE and agree to abide by and be bound by the following terms and conditions:-

1. That I/We undertake to enter proprietary orders only from the Pro-account terminals permitted by MCX and undertake not to misuse the said “Pro-account” facility and state that the proprietary trades on the Pro-account terminals pertain to proprietary trades and not client trades.
2. That I/we state that our Director(s)/Partner(s)/Officials is/are based at the location where the “Pro-account” trading terminals are located. The Pro-account facility shall be made available to the Approved Users only after obtaining the prior written consent of MCX and subject to such terms and conditions as may be prescribed by MCX from time to time.

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3. That I/We undertake not to use the "Pro-account" trading terminals for purposes other than the defined reasons.
4. That I/We undertake to take all such steps and/or precautions to ensure and keep ensured that the "Pro-account" facility is not extended to a location other than the location of the trading terminals where the "Pro-account" facility is permitted by MCX and CTCL terminals shall not be extended beyond the location of such permitted trading terminals.
5. That MCX, at its absolute discretion, may make the Pro-account facility available to me/us only from the date of my/our enablement on the Pro-account facility till such time as it may deem fit and further that the Pro-account facility may at any time be withdrawn by MCX at its discretion without giving me/us any notice or any reasons whatsoever.
6. That I/We shall execute, sign, and subscribe, to such other documents, papers, agreements, covenants, bonds, and/or undertakings as may be prescribed or required by MCX from time to time.
7. That I/We undertake to abide by all the provisions of the Byelaws, Rules, Regulations and Circulars/norms and requirements that may be in force from time to time relating to use and operation of the Trading System (including use of CTCL software) and that they shall also mutatis mutandis become applicable to the use and operation of the Pro-account facility.
8. That I/We undertake to render all possible assistance and cooperation to MCX by providing all information in any form as it may require and shall produce such documents, records, accounts books, data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by MCX at its discretion.

IN WITNESS WHEREOF this Undertaking is executed by the undersigned on the day, month, year and the place first mentioned above.

Signed by, for and on behalf of: Before me

ANNEXURE – INSTRUCTIONS FOR UNDERTAKING

1. The undertaking is to be executed on a non-judicial stamp paper worth Rs. 100/- if executed in the State of Maharashtra. If this undertaking is executed outside the State of Maharashtra, then it must be executed on a non judicial stamp paper stamped in accordance to the duty as payable in the place of execution or on non-judicial stamp paper worth Rs.100/- whichever is higher.
2. Further this Undertaking (including all annexure/schedules) has to be notarized before a Notary Public.
3. All the pages of this Undertaking (including all annexure/schedules) have to be signed in full. The persons signing should also sign in full at all places in the Undertaking where anything has been hand-written/any corrections have been made.

If the Trading Member is an individual, then the Undertaking has to be signed by the individual Trading Member himself.

If the Trading Member is a firm, then ALL the partners are required to sign this Undertaking.

If the Trading Member is a corporate, then the Undertaking has to be signed by the Managing Director or any two Directors of the company named as an authorized signatories of the company. If the Trading Member is a corporate, the Undertaking has to be accompanied **with a certified copy of the resolution of the Board of Directors of the company authorizing the person(s) executing the undertaking to do so**. The Common Seal of the company has to be affixed by the company on this Undertaking in the presence of such persons as authorized by the Articles of Association of the company. The Board Resolution should clearly state that the affixation of common seal shall be made in the presence of such persons as authorized by the Articles of Association of the company and should also clearly state the names of such persons. The above persons should sign the undertaking as a token of their presence when the common seal is affixed.