

COMPLIANCE AWARENESS SERIES – VOL.7 – Charging of Brokerage from Clients



March 19, 2009

Charging of Brokerage from Clients

Requirement in Summary	<p>The brokerage amount charged by a member to his client must be shown separately in the contract notes to be issued by the members to their clients. The maximum permissible brokerage rate is 1 % in case of non-delivery transactions and 2 % (plus expenses) in case of transactions resulting into delivery.</p> <p>Brokerage/Commission if any charged by the sub- broker should not exceed one and one-half of one percent of the value mentioned in the respective sale or purchase note. However, the total brokerage including the share of brokerage of the member and the sub-broker should not exceed the maximum permissible limit as above.</p>
Reference	<ol style="list-style-type: none">1. Business Rule 282. Circular No. MCX/012/2006 dated January 10, 20063. Circular No. MCX/056/2004 dated July 09, 2004

The bye-laws, rules, business rules and circulars are available on our website www.mcxindia.com under the link Membership>Legal Framework.

We also request members to read the FAQs available under the link Membership.