# 1. MEMBERSHIP DEPARTMENT

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## ITEM No.1: MEMBERSHIP ELIGIBILITY REQUIREMENTS

### 1. ELIGIBILITY REQUIREMENTS

**1.1.** Membership of the Multi Commodity Exchange of India Limited ("**Exchange/MCX**") is open to corporate entities, limited liability partnerships, registered partnership firms and individuals who fulfil the eligibility criteria laid down by the Securities and Exchange Board of India ("**SEBI/Board")** and the Exchange. Any other eligibility norms as may be specified under SCRR, SCRA, SEBI and the Exchange.

The following persons shall be eligible to become Trading Member/ Member(s) of the Exchange:

a) Individuals (Sole Proprietor).
b) Partnership Firms registered under the Indian Partnership Act, 1932.
c) Limited Liability Partnership as defined in the Limited Liability Partnership Act, 2008.
d) Bodies corporate
e) Such other persons or entities as may be permitted under the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") as amended from time to time.

### 1.2. Individuals (Sole Proprietor)

The individual (Sole Proprietor) applicant shall be required to meet the following requirements:

| Particulars | Requirement |
|---|---|
| Status | Indian Citizen |
| Age | Minimum age of 21 years |
| Education | At least HSC or equivalent qualification |
| Experience | Applicant should have 2 years' experience in the securities market[1] |

### 1.3. Partnership Firms registered under the Indian Partnership Act, 1932.

Where the applicant is a partnership firm, the applicant shall be required to meet the following requirements:

a) No Trading Member shall, at the same time, be a partner in more than one partnership firm which is a Trading Member of the Exchange.

b) No Trading Member who is a partner in any partnership firm shall assign or in any way encumber his interest in such partnership firm.

**Additional Requirements**

| Particulars | Requirement |
|---|---|
| Status | Registered partnership firm under Indian Partnership Act, 1932 |
| Managing Partners | At least two partners to be identified as Managing Partners who would be taking care of the day-to-day management of the partnership Firm |
| Age of the Managing | Minimum age of 21 years |



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|---|---|
| Partners | |
| Education of the Managing Partners | At least HSC or equivalent qualification |
| Experience of the Managing Partners | At least 2 years' experience in the securities market[1] |

**1.4. Limited Liability Partnership as defined in the Limited Liability Partnership Act, 2008.**

a) Securities Contract (Regulation) Rules, 1957 (hereinafter referred to as "SCRR 1957') do not explicitly mention Limited Liability Partnerships (LLPs) as the Limited Liability Partnership Act, 2008 (hereinafter referred to as "LLP Act 2008") was a subsequent development. As per the LLP Act 2008, LLP is a body corporate. Sub-rule 4A and 5 of Rule 8 of the SCRR 1957 provide that Limited Liability Companies (LLC) and partnership firms are eligible to be admitted as members of Stock Exchanges. In this context it may be stated that LLPs are akin to LLC and partnership firms.

b) In view of the above and since the Parliament has put in place a legal framework for LLPs, Stock Exchanges may consider granting membership to LLPs subject to LLP complying with the conditions laid down in Rule 8(4A) of the SCRR 1957, as far as it can apply to LLPs.

Where the applicant is a limited liability partnership firm, the applicant shall be required to meet the following requirements:

a) such "limited liability partnership" undertakes to comply with such financial requirements and norms as may be provided by the SEBI for registration of such limited liability partnerships under sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992 ("SEBI Act").
b) the designate partners of the 'limited liability partnership' are not disqualified from being members of a stock exchange under sub-rule (1) [except clause (b) and (f) thereof] or sub-rule (3) [except clause (a) & clause (f) of Rule 8 of the SCRR and the designated partners of the 'limited liability partnership' had not held the offices of Directors in any company or body corporate or partner in any firm or 'limited liability partnership', which had been a member of the stock exchange and had been declared defaulter or expelled by the stock exchange.
c) Any other eligibility norms as may be specified under SCRR, SCRA, SEBI and the Exchange.

**Additional Requirements:**

| Particulars | Requirement |
|---|---|
| Status | Registered under Limited Liability Partnership Act, 2008 |
| Designated Partners | At least two partners to be identified as Designated Partners who would be taking care of the day-to-day management of the partnership |
| Age of Designated Partners | Minimum age of 21 years |
| Education of Designated | At least HSC or equivalent qualification |



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| Partners | |
| Experience of Designated Partners | At least 2 years' experience in the securities market[1] |

### 1.5. Bodies corporate

Where the applicant is a body corporate, the applicant shall be required to meet the following requirements:

a) such company is formed in compliance with the provisions of Section 12 of the Securities Contracts (Regulation) Act, 1956 ("**SCRA**");

b) such company is formed in compliance with the relevant provisions of the Companies Act 1956 or Companies Act, 2013 (as may be amended from time to time);

c) such company undertakes to comply with such other financial requirements and norms as may be specified by the SEBI for the registration of such company under sub-section (1) of section 12 of the SEBI Act.

d) the directors of the company are not disqualified from being members of a stock exchange under [clause (1) of Rule 8 [except sub-clause (b) and sub-clause (f) thereof] or clause (3) of Rule 8 [except sub-clause (a) and sub-clause (f) thereof] of SCRR and the directors of the company had not held the offices of the directors in any company which had been a member of the stock exchange and had been declared defaulter or expelled by the stock exchange; and

e) Any other eligibility norms as may be specified under SCRR, SCRA, SEBI and the Exchange from time to time.

**Additional Requirements:**

| Particulars | Requirement |
|---|---|
| Status | Corporate Registered under the Companies Act 1956 or Companies Act 2013 |
| Minimum Paid-up Capital | ₹ 30 Lakhs |
| Designated Directors | At least two designated directors to be identified as Designated Directors who would be taking care of the day-to-day management of the corporate |
| Age of Designated Directors | Minimum age of 21 years |
| Education of Designated Directors | At least HSC or equivalent qualification |
| Experience of Designated Directors | At least 2 years' experience in the securities market[1] |

**[1]Experience**

The Individual / Designated Directors / Designated Partners / Managing Partners shall have capital market experience of at least two years with any of the following entities in the capacity as Director / Portfolio Manager / Investment Consultant / employee:

- Stock Broker (previous / present experience)
- Sub-broker / Authorised Person / Remiser
- Asset Management Company
- Merchant Banker
- IOSCO affiliated foreign entity
- Mutual Fund



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- Authorised agent or authorised clerk or authorised representative or apprentice to a member of a recognised stock exchange, dealer, jobber or market maker
- Bankers – In case banks are applying for currency derivatives segment or the wholly owned subsidiary of Banks are applying for membership across segments, the experience letter issued by the bank may be considered.
- Experience letter from the Stock Broker mentioning that its investor / client (Designated Director) has been dealing through them in the capital market for a period of at least two years providing the supporting documents viz. contract notes & ledger, as the case may be.

Designated Directors / Designated Partners / Managing Partners may also submit self-certified experience letter stating that he / she is having capital market experience of at least two years by submitting supporting documents viz. contract notes, demat statement & ledger.

### 1.6. Other Eligibility Norms

I. In order to ensure regulatory compliance with the eligibility criteria for Members post completion of one year from September 28, 2015, SEBI has granted following relaxations with reference to the educational qualifications requirements for the existing Members of the Exchange who had applied for registration to SEBI within a period of three months from September 28, 2015:
   a) For Individuals and Partners of partnership firms, their existing educational qualifications may be considered in view of their age & experience.
   b) Existing Members who have passed 11$^{th}$ when there was no requirement of passing class 12$^{th}$, may be considered compliant in view of their age & experience.
   c) Corporate Members, within a period of one year, are required to appoint 2 Designated Directors who have the specified educational qualification of 12$^{th}$ standard pass or equivalent (in case they presently do not meet with the requirement).
   d) In case of loss of documents pertaining to educational qualification, Members are required to submit appropriate documentary evidence in support of the educational qualification.
   e) In terms of Rule 8(1)(e) of Securities Contracts (Regulation) Rules, 1957, "no person shall be eligible to be elected as a member if he has been convicted of an offence involving fraud or dishonesty.

II. Rule 8 (1) of the SCRR prescribes the following qualifications for admission of members of a stock exchange:
   a) No person shall be eligible to be elected as a member if:
      i. he is less than twenty-one years of age.
      ii. he is not a citizen of India; provided that the governing body may in suitable cases relax this condition with the prior approval of SEBI.
      iii. he has been adjudged bankrupt or a receiving order in bankruptcy has been made against him or he has been proved to be insolvent even though he has obtained his final discharge.
      iv. he has compounded with his creditors unless he has paid sixteen annas in the rupee.
      v. he has been convicted of an offence involving fraud or dishonesty.
      vi. he is engaged as principal or employee in any business other than that of securities or commodity derivatives except as a broker or agent not involving any personal financial liability unless he undertakes on admission to sever his connection with such business (Exceptions provided in clauses (a) to (n) Rule



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8 (8) of SCRR).

III. Exchange Rules further stipulates that no person shall be admitted as a Trading Member of the Exchange if such proposed member:

a) is an individual who has not completed 21 years of age;
b) is an individual who is engaged as a principal or employer in any business other than that of securities/ commodities except as a broker or agent not involving any personal financial liability unless he undertakes on admission to severe his connection with such business;
c) is a body corporate who has committed any act which renders the person liable to be wound up under the provisions of the law;
d) is a body corporate who has had a provisional liquidator or receiver or official liquidator appointed to the person;
e) has been adjudged bankrupt or a receiving order in bankruptcy has been made against the person or the person has been proved to be insolvent even though he has obtained his final discharge;
f) has been convicted of an offence involving a fraud or dishonesty;
g) has compounded with his creditors for less than full discharge of debts;
h) has been at any time expelled or declared a defaulter by any other Stock Exchange;
i) has been previously refused admission to membership unless the period of one year has elapsed since the date of rejection;
j) incurs such disqualification under the provisions of the Securities Contracts (Regulation) Act, 1956 or Rules made thereunder as disentitles such person from seeking membership of a stock exchange.

IV. As per Regulation 10 of SEBI (Stockbroker) Regulations, 2026 “SEBI Regulations” the certificate granted under Regulation 7 shall be subject to the conditions that the stock broker:

a) holds the membership of any Stock Exchange;
b) abides by the rules, regulations and bye-laws of the such recognized in respect of activities carried on by it as a stock broker;
c) obtains prior approval of the Board by making an application through the recognized stock exchange for any change in control in the manner as may be specified;
d) pay fees to the Board in the manner provided in these regulations;
e) takes adequate steps for redressal of grievances, of the investors within twenty one calendar days of the date of receipt of the complaint;
f) abides by the code of conduct as specified in Chapter VIII;
g) maintains the minimum networth as specified in Chapter X;
h) informs the Board through a recognized stock exchange, of any material change in the information submitted at the time of registration.

**Explanation:** For the purpose of this regulation, ‘material change’ shall include-

i. change in control
ii. change in designated director, key managerial personnel or compliance officer
iii. change in name



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iv. change in registered office
v. change in constitution
vi. change in networth below the minimum networth requirement
vii. change in 'fit and proper person' status as specified under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008; and
viii. any other changes as may be specified

V. Other requirements

a) No person shall be eligible to be admitted to the trading membership of the Exchange unless he has passed the relevant Certification Programme as it may be prescribed from time to time by SEBI/Exchange from National Institute of Securities Market (NISM), Refer SEBI (Stock Brokers) Regulations 2026. Designated Directors, Designated Partners, Managing Partners. Compliance Officer and approved user are required to be NISM certified.
b) The Main Object Clause of the applicant entity should contain the clause of 'carrying stock broking business in securities and obtaining membership of Stock Exchanges, Clearing Corporations.
c) At least one Designated Director / Designated Partners / Managing Partners, to stay in India for a total period of not less than one hundred and eighty-two days during the financial year.
d) Compliance with Chapter – II Registration of Stock Brokers of SEBI (Stock Brokers) Regulations, 2026.
e) Each Trading Member shall at all times maintain such infrastructure, staff, communication facilities and records so as to be able to service his constituents satisfactorily and as per the requirements enumerated in the Exchange Byelaws, Rules and Regulations or any other relevant Act(s) in force for the time being.
f) In the case of foreign promoters, the guidelines issued by SEBI / Exchange from time to time shall be adhered to.
g) Appoint a Compliance Officer as per the Guidelines issued by the Exchange / SEBI circulars from time to time. Refer Para no. 25 for details.
h) Designate the officers for ensuring compliance with provisions of PMLA - SEBI Circulars no. SEBI/HO/MIRSD/SEC-FATF/P/CIR/2023/0170 dated October 13, 2023 and SEBI/HO/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023.

**Appointment of a Principal Officer:** To ensure that the registered intermediaries properly discharge their legal obligations to report suspicious transactions to the authorities, the Principal Officer would act as a central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions and shall have access to and be able to report to senior management at the next reporting level or the Board of Directors. Names, designation and addresses (including email addresses) of 'Principal Officer' including any changes therein shall also be intimated to the Office of the Director-FIU-IND. In terms of Rule 2 (f) of the PML Rules, the definition of a Principal Officer reads as under:

Principal Officer means an officer designated by a registered intermediary; provided that such officer shall be an officer at the management level.



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**Appointment of a Designated Director:** The registered intermediaries shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under:

"Designated Director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes –

- the Managing Director or a Whole-Time Director duly authorized by the Board of Directors if the reporting entity is a company,
- the Managing Partner if the reporting entity is a partnership firm,
- the Proprietor if the reporting entity is a proprietorship,
- the managing trustee if the reporting entity is a trust,
- a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and
- such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above".

i) Any changes in the Principal Officer / Designated Director with FIU-IND has to be intimated to the Exchange.

j) Principal Officer and Designated Director registered with FIU-IND shall meet the condition of fit and proper person criteria as specified by SEBI. *Refer Exchange circular no. MCX/MEM/783/2021 dated December 17, 2021.*

k) Registration on FIU-India's FINnet 2.0 system for Principal Officer and Designated Director of Member Entity.

*Refer Exchange Circulars no. MCX/MEM/322/2022 dated May 31, 2022, and MCX/MEM/707/2022 dated December 8, 2022.*

l) Abide by the circulars and notifications issued by SEBI and the Exchange from time to time.

m) Have necessary infrastructure, viz., adequate office space, equipment, manpower and such other infrastructural facilities, which the Exchange may specify from time to time, to effectively discharge the activities.

n) The Exchange has absolute discretion to modify and / or cancel any of the terms and conditions related to membership.

A member will undertake business as mentioned in Rules, Bye-laws and Business Rules of the Exchange and or in Securities Contracts (Regulation) Rules, 1957, SEBI (Stock Brokers) Regulations, 2026 or Circulars issued by Exchange / SEBI from time to time, as amended from time to time.



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## 2. ADMISSION PROCESS AND DEPOSIT REQUIREMENTS

### a. Admission Process

i. Any person desirous of becoming a Trading Member shall apply to the Exchange for admission to the trading membership of the Exchange. Every applicant shall be dealt with by the relevant authority who shall be entitled to admit or reject such applications at its discretion.

ii. The application shall be made in such formats as may be specified by the relevant authority from time to time for application for admission of Trading Members.

iii. The application shall have to be submitted along with such fees, security deposit and other monies in such form and in such manner as may be specified by the relevant authority from time to time.

iv. The applicant shall have to furnish such declarations as may be specified from time to time by the relevant authority.

v. The relevant authority may admit the applicant to the trading membership of the Exchange provided that the person satisfies the eligibility conditions and other procedures and requirements of admission. The relevant authority may at its absolute discretion reject any application for admission without communicating the reason thereof.

vi. SEBI vide its circular HO/38/11/(5)2026-MIRSD-POD/I/5130/2026 dated February 17, 2026 has revised the application forms and certificate of registration and The provisions of this circular shall come into force, retrospectively, from the date of notification of Securities and Exchange Board of India (Stock brokers) Regulations, 2026 i.e. January 07, 2026.

vii. The relevant authority may admit the applicant to the trading membership of the Exchange provided that the person satisfies the eligibility conditions and other procedures and requirements of admission. The relevant authority may at its absolute discretion reject any application for admission without communicating the reason thereof. *Refer Exchange Circular no. MCX/MEM/079/2026 dated February 18, 2026.*

viii. The applicant is required to submit an application for Membership in the specified format. Applicant is also required to submit documents as may be specified by the Exchange / SEBI from time to time, Admission Fee, Security Deposit, Base Capital / Cash Deposit (as applicable) and Base Minimum Capital (BMC) or any other fees as mentioned in point 47 – Schedules of Charges or as specified by the Exchange /SEBI from time to time. In case of SEBI Registration the applicant shall be required to submit forms for SEBI registration as per Exchange Circular no. MCX/MEM/079/2026 dated February 18, 2026.

ix. The applicant (not having SEBI registration number at the time of application with the Exchange) is required to appear for an interview before the Committee of the Exchange. The Committee has a right to accept or reject the applications received for the membership without assigning any reason whatsoever and is empowered to frame rules or criteria relating to admission of membership based on the guidelines issued by the Board of Directors of the Exchange and as per the Securities Contracts (Regulation) Rules, 1957, SEBI (Stock Brokers) Regulations, 2022 and Bye-laws and Rules of the Exchange. On selection as a member of the Exchange, he will be required to



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submit the specified documents related to membership, network connectivity etc. with the Exchange.

x. In case the application is rejected for any reason whatsoever, the fee paid as mentioned in para no. 44 of Schedule of Charges shall be refunded by the Exchange to the applicant except the processing fee, if applicable.

xi. The Members of the Exchange are required to be registered with the SEBI and shall comply with the terms, conditions, Rules, Bye-laws and Business Rules of the Exchange.

xii. In case a newly admitted Member is already a Member of the other Exchange (s) duly registered with SEBI, no separate SEBI registration shall be required and segment addition is performed on the SI portal at the time of enablement of membership. However, the Applicant in such case is required to obtain Single Registration from SEBI and apply for Single Registration with the Exchange.

**b. Fees, Deposits and Networth Requirements.**

All Members are required to ensure that the conditions and requirements for continued admittance to membership, prescribed from time to time, including maintenance of minimum Net-worth and capital adequacy are adhered to.

The Exchange offers the following admission and deposit structure to members:

**I. Fees**

- Payment of Processing fees of membership as mentioned in the para no. 44 of Schedule of Charges.
- Admission and processing fee are one-time charge paid towards initiating membership of the Exchange. The fees shall not be considered towards Base Minimum Capital and/or margin.
- Late Fees: Newly Admitted member shall be liable to pay the 'Late Fees' as per the below table if the newly admitted member (in case of admission of New Membership) fails to submit the applicable fees and deposits and complete the procedure for activation of membership within a period of 6 months (without levy of Late Fee) from the date of approval by the Exchange or registration by SEBI (where applicable), whichever is later. In case of TCM / ITCM, the timeline will start post complete TCM / ITCM membership (including CM from MCXCCL) and SEBI registration where applicable whichever is later.

**Late Fee Table:**

| |
|---|
| Late Fees shall be liable to be paid post 6 months as mentioned above ₹10,000/- per month up to a maximum of 12 months from the date of approval by the Exchange or registration by SEBI (where applicable), MCXCCL whichever is later. |

Further, in case the newly admitted member fails to complete the procedure for activation within Exchange specified period or within the extended timelines, the admission of Membership shall be liable for cancellation by the Relevant Authority. *Refer Exchange Circular no. MCX/MEM/105/2026 March 02, 2026.*

**II. Membership deposit structure**

Deposits (as applicable) would be applicable to the applicant / members as specified by the Exchange / Concerned Clearing Corporation and / or SEBI



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from time to time. The Exchange may review, modify and relax the deposits (as applicable) and / or other charges or criteria of membership at any time

**Base Capital (Interest Free):** A Trading Member is required to pay Base Capital of ₹5 Lakh in the form of cash (to be paid by Demand draft, Cheque, NEFT or any other mode as may be specified by the Exchange from time to time) on which full exposure would be provided by the Exchange. Base Capital is required to be maintained at all times.

**Cash Deposit from Clearing Member:** TMs of the Exchange who are affiliated to any Institutional Trading-cum-Clearing Members (ITCM) / Professional Clearing Members (PCM) are required to provide cash deposit (to be paid in the form of Demand draft, cheque, NEFT, Debit Instruction or any other mode as may be specified by the Exchange from time to time) for clearing their Deals/ trade are required to provide cash deposits of ₹500,000/- No exposure would be provided on Cash deposit.

**Base Minimum Capital:**

Base Minimum Capital (BMC) means exposure free deposit required from Members, as may be specified by the Exchange and /or SEBI from time to time.

i. All types of Members of the Exchange without Algo trading and with Algo trading shall have to deposit by way of interest free Base Minimum Capital (BMC) of ₹10 lakhs and ₹50 lakhs respectively to the Exchange.
ii. Clearing members (even those without trading rights) who clear and settle only Non-Algo trades for other trading members shall have BMC requirement of ₹10 lakhs which is to be increased to ₹25 lakhs latest by April 01, 2017. Clearing members (even those without trading rights) who clear and settle Algo trades for other trading members shall continue to have BMC requirement of ₹50 lakhs.
iii. No exposure will be given on this BMC.
iv. Minimum 25% of the above deposit shall be in the form of cash (to be paid by Demand draft, Cheque, NEFT or any other mode as may be specified by the Exchange from time to time) and balance 75% may be in the form of cash equivalents like Fixed Deposit Receipt / Bank Guarantee.
v. BMC would be kept in a separate account by the Exchange and would be used only towards settlement of claims of the clients, payment of arbitration fee by the Member and dues payable by the Member on account of pending arbitration cases / arbitration awards and would not be used for meeting any of the Exchange's dues.
vi. If Members doing Algo Trading opt for Non-Algo, there will be no lock in period for the additional amount of BMC paid towards Algo Trading. Upon change from Algo to Non-Algo, Members can apply for refund of the said additional BMC of Rs.40 lakhs.
vii. The Base Minimum Capital Deposit lying with the Exchange will be refunded to the Member subject to lock-in period as specified by SEBI, upon surrender of membership, and fulfillment of all dues / compliances under Bye-laws, Rules and Business Rules of the Exchange, SEBI circulars issued.

*Refer Exchange Circulars No. MCX/MEM/533/2019 dated September 27, 2019 and MCX/MEM/017/2021 dated January 08, 2021.*



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**Initial Security Deposit (ISD)**: Professional Clearing Member / Institutional Trading Cum Clearing Member shall suitably collect deposits from TMs.

## III. Net-worth requirements

1. As per Regulation 9(g) of SB Regulations and the continuing membership norms of the Exchange, all Trading Members are required to maintain the prescribed minimum Net-worth all times and submit the Net-worth certificate on a half yearly basis to the Exchange.
2. Trading Member shall be required to submit the half yearly Net-worth within 2 months from the end of the respective half year i.e., for the half year ending March, the due date shall be May 31st and for the half year ending September, the due date shall be November 30th.
3. SEBI vide official gazette No. SEBI/LAD-NRO/GN/2022/73 dated February 23, 2022, has amended the Net-worth requirements for Trading Members and Exchange circular MEM/133/2022 dated March 7, 2022.
4. Networth requirements for stock brokers as per the provisions of Chapter X of SEBI (Stock Brokers) Regulations, 2026 inter-alia states as follows:

| Type of Member | Base Networth (in Rs.) | Variable Networth* |
|---|---|---|
| Trading Member | 1 Crore | As specified |

*Networth requirement for trading members shall be Base Networth or Variable Networth, whichever is higher.

The quantum of networth to be maintained by the stock broker, shall be reckoned for all segments/recognised stock exchanges.

*As specified in the above-mentioned circulars, variable networth requirement is calculated as 10% of average daily cash balance of clients retained with the member across segments/exchanges in the previous 6 months. Further, as per SEBI (Stock Brokers) Regulations, 2026, variable net worth will be specified by SEBI.

*In this regard, members are advised that until such time the revised variable networth requirement is specified by SEBI, all members shall continue to comply with the variable networth requirement as specified in Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 i.e. 10% of average daily cash balance of clients retained with stock broker across segments/exchanges in the previous 6 months.

**Explanation 1 for calculation of Variable Networth:**

- Where the trading member/ self-clearing member deposits the fund with the clearing member/ professional clearing member/ clearing corporation, the maintenance of variable Networth would not be required by that trading member / self-clearing member to the extent of client's funds deposited with clearing member/ professional clearing member/ clearing corporation.
- Where the trading member deposits the client's funds with clearing member/ professional clearing member, the computation of variable Networth at the level of clearing member/ professional clearing member shall also include the



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funds of the clients of trading member deposited with the clearing member/ professional clearing member.

- Where the self-clearing member/ clearing member/ professional clearing member deposits the client's funds with the clearing corporation, the same shall be excluded while calculating the variable Networth at the level of the self-clearing member/ clearing member/ professional clearing member.
- Provided that the cash / Fixed Deposit Receipts/ Bank Guarantee accepted by trading member/ self-clearing member/ clearing member/ professional clearing member shall be included while calculating the variable Networth.
- Provided further that the cash / Fixed Deposit Receipts/ Bank Guarantee of clients deposited by trading member with clearing member/ professional clearing member and by self-clearing member/ clearing member/ professional clearing member with the clearing corporation shall be excluded while calculating the variable Networth.

**Explanation 2 for calculation of Variable Networth:**

- For the purposes of this Schedule, 'base Networth' shall mean paid up capital, fully, compulsorily and mandatorily convertible debentures / bonds / warrants which are convertible within a period of 5 years from the date of issue, free reserves and other securities approved by the Board from time to time, but shall not include fixed assets, pledged securities, value of member's card, non-allowable securities (unlisted securities), bad deliveries, any debts and advances (except trade debtors of less than 3 months), prepaid expenses, losses, intangible assets and 30% value of marketable securities: Provided that in case of securities pledged to clearing corporation, the post haircut value of shares owned by the Trading Member / Clearing Member, as may be specified by the Board from time to time, shall be considered for computation of the Networth.
- For the purposes of this Schedule, free reserves shall include Profit and Loss, General Reserve, Securities Premium, Preference Share Redemption Reserve and Capital Redemption Reserve, but shall not include reserves created by revaluation of assets.

*Refer Exchange Circulars no. MCX/MEM/133/2022 dated March 07, 2022, MCX/MEM/068/2023 dated February 02, 2023 and MCX/MEM/065/2026 dated February 06, 2026 (for clarification on ascertaining Networth as per said SEBI gazette notification).*

## 3. ONLINE REGISTRATION MECHANISM

a) SEBI Intermediary Portal (https://siportal.sebi.gov.in) has been operationalized for the intermediaries to submit all the registration applications online. The SEBI Intermediary Portal includes online application for registration, processing of application, grant of final registration, application for surrender / cancellation, submission of periodical reports, requests for change of name / address / other details etc.

b) All applications for registration / surrender / other requests shall be made through SEBI Intermediary Portal only. The application in respect of stock brokers and depository participants shall continue to be made through the Stock Exchanges and Depositories respectively.

c) The applicants will be separately required to submit relevant documents viz. declarations / undertakings, in physical form, only for records without impacting



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the online processing of applications for registration.

d) Where applications are made through the Stock Exchanges / Depositories, the hard copy of the applications made by their members shall be preserved by them and shall be made available to SEBI, as and when called for.

## 4. TERMINATION OF MEMBERSHIP

As per Rule 39 of MCX Rules, any Member of the Exchange shall cease to be a Member of the Exchange on the happening of any one or more of the following instances:

i) By Death
ii) By Dissolution in case of partnership firm or LLP
iii) By expulsion in accordance with the Bye laws, Rules and Regulations and also the provisions herein contained.
iv) By being declared as a defaulter in accordance with these presents, the Bye-Laws, Rules and Regulations or any other Commodity Exchange.
v) Is adjudged bankrupt or a receiving order in bankruptcy is made against the member or the member is proved to be insolvent.
vi) Is convicted of an act involving moral turpitude.
vii) By resignation/surrender of membership
viii) Declared as lunatic
ix) Being a company/body corporate, it ceases to maintain or have the characteristics of eligibility under the provisions of the Rules and Articles of the Exchange or is wound up.
x) Declared as bankrupt/insolvent.
xi) Failure to submit any document(s) for SEBI registration or application submitted to SEBI for registration is withdrawn by the Exchange or rejection of application for registration by the SEBI
xii) Certificate of registration with SEBI is cancelled

## 5. TRANSFER OF MEMBERSHIP

All types of memberships, once granted by the Exchange, are transferable inter class subject to payment of differential admission fees and deposits as specified from time to time. Membership of the Exchange shall be transferable as per Rules of the Exchange.

Pursuant to integration of broking activities permitted by SEBI through the Securities Contracts (Regulation) Rules, 1957 as amended vide Gazette Notification dated June 27, 2017 And SEBI (Stock Broker) Regulations, 2026 as amended vide Gazette Notification dated July 13, 2017, all eligible Members applying for transfer of business (by way of Transfer of Membership/ Merger / De-merger / Amalgamation) shall follow the procedure specified by the Exchange from time to time for the purpose of activation of the New Member Entity.

*Refer Exchange Circulars no. MCX/MEM/017/2018 dated January 17, 2018, MCX/MEM/016/2018 dated January 16, 2018 and MCX/MEM/488/2020 dated July 08, 2020.*



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5.1 Conditions of Transfer of Membership

5.1.1 The transferor member is required to pay Processing fees / Transfer fees as specified by the Exchange from time to time in the para no. 44 of Schedule of Charges. *Refer Exchange Circular no. MCX/MEM/096/2022 dated February 22, 2022.*

5.1.2 The Members are required to submit a request for transfer of membership to the Exchange directly and the Exchange in turn will seek SEBI's prior approval / comments as applicable. A transfer of Membership becomes effective only upon approval thereof by the Exchange.

5.1.3 Transfer of business by SEBI registered intermediaries to other legal entity:

The Transferee shall obtain fresh registration from SEBI in the same capacity before the transfer of business if not registered with SEBI in the same capacity. SEBI shall issue new registration number to transferee different from transferor's registration number in following scenario**:**

Business is transferred through regulatory process (pursuant to merger / amalgamation / corporate restructuring by way of order of primary regulator / Govt / NCLT, etc.) or non-regulatory process (as per private agreement / MOU pursuant to commercial dealing / private arrangement) irrespective of transferor continues to exist or ceases to exist after the said transfer.

In case of change in control pursuant to both regulatory process and non-regulatory process, prior approval and fresh registration shall be obtained. While granting fresh registration to same legal entity pursuant to change in control same registration number shall be retained.

If the transferor ceases to exist, its certificate of registration shall be surrendered.

In case of complete transfer of business by transferor, it shall surrender the certificate of registration.

In case of partial transfer of business by transferor, it can continue to hold certificate of registration.

5.1.4 In case of Merger / Amalgamation of trading members leading to creation of

5.1.5 Transferor shall be responsible for paying all the outstanding dues of the Exchange and SEBI, if any, including the payment of annual subscription of the Exchange.

5.1.6 The Transferor and the Transferee shall execute the undertakings as per the format specified by the Exchange.

5.1.7 The transferee shall be a 'fit and proper' person.

5.1.8 Transferor shall continue to be a Party before Arbitration matters or any other proceedings in which a claim is made along with the transferee for any claim or dispute on account of dealings, transactions, contracts and covenants in the capacity as a member of the Exchange that has arisen before the actual transfer took place.



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5.1.9 The transferee or the transferor has not been declared as defaulter by any other Commodity or Stock Exchange.

5.1.10 There is no disciplinary action pending against the Transferor by the Exchange.

5.1.11 The Transferor has no enforcement action pending from SEBI.

5.1.12 There are no investor claims pending against Transferor.

5.1.13 The Transferor should release an advertisement in two Newspapers (a local newspaper where the Transferor's Registered Office, Head Office / Corporate Office is situated and another in English daily newspaper with wide circulation) stating its intention to transfer its membership and inviting objections, if any, to the transfer.

5.1.14 Transfer of Membership shall be to persons / entities eligible under MCX Bye-laws, Rules and Business Rules including Circulars and instructions issued by the Exchange/ SEBI from time to time.

5.2 Members intending to transfer their membership as above will have to submit the application form duly filled along with the following documents:

5.2.1 Agreement for transfer of membership on non-judicial stamp paper of appropriate value duly notarized.

5.2.2 Undertaking by transferor on non-judicial stamp paper of appropriate value duly notarized.

5.2.3 Undertaking by transferee on non-judicial stamp paper of appropriate value duly notarized.

5.2.4 Board resolution for transfer of membership for Corporate only.

5.2.5 Net worth certificate of the transferee as per the L.C. Gupta format specified by SEBI duly certified by a Chartered Accountant.

5.2.6 Shareholding-pattern / Sharing-pattern & details of Promoter Group (PG) of the Transferee for Corporate / LLP / Partnership Firm reference of website.

5.3 The Transferee will pay security deposit, as applicable including Base Minimum Capital / Base Capital / Cash deposit as the case may be, annual subscription and any other fees / charges as per the prevailing deposits / fees /charges applicable for new members. The Transferee will be required to maintain the net worth on a continuous basis as per the provisions of Bye-laws, Rules, Business Rules including Circulars and instructions issued by the Exchange and SEBI from time to time.

5.4 It may be noted that the Exchange reserves the right to reject / decline the transfer of membership without assigning any reason(s) whatsoever to the Member.

5.5 SEBI Circulars no. MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003, Cir/MIRSD/2/2011 dated June 03, 2011 and Cir/MIRSD/14/2011 dated August 02, 2011 also be referred in this regard.

5.6 Procedure to be followed by the members for transfer of business by way of Transfer of Membership / Merger / De-merger / Amalgamation stated at Exchange vide its circular no. MCX/MEM/017/2018 dated January 17, 2018.



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**Late Fees:**

Further, the New Member (transferee) shall be liable to pay the '**Late Fees**' as per the below table if new member fails to complete the procedure for transfer of business within 180 days from date of approval of the Exchange:

| Sr. No. | Extension of Timeline for Transfer of Business | Fees payable by Transferee |
|---|---|---|
| 1. | Initial extension of 30 days (after completion of 180 days) | ₹5,000/- |
| 2. | For extension beyond the period of 210 days (180 days plus 30 days as mentioned in point 5.1.1 above) | ₹500/- per calendar day upto a maximum of 270 days from date of approval. |

In case the transferee fails to complete the procedure for transfer of business within Exchange specified period or within the extended timelines, the admission of the transferee shall be liable for cancellation. *Refer Exchange Circular no. MCX/MEM/488/2020 dated July 08, 2020.*

5.7 The processing charges / Transfer Fees will be applicable as specified by the Exchange from time to time.

5.8 The guidelines issued by the Exchange / SEBI from time to time shall be applicable.

## 6. TRANSMISSION OF MEMBERSHIP / NOMINATION OF MEMBERSHIP

### 6.1 Transmission of Membership

1. Transmission of Membership will be allowed to Individual/Proprietary Firms, having Trading-cum-Clearing Membership/ Trading Membership of the Exchange subject to Bye-laws, Rules and Business Rules of the Exchange.
2. Membership of the Exchange will be transmitted in the name of legal heir (in whose name the interest in property, of the deceased, devolves by testamentary or intestate succession).
3. The legal heir, applying for transmission, will be required to submit following:-
   a) Processing charges as per para no. 44 of Schedule of Charges
   b) Written request for transmission of membership.
   c) Attested copy of the Death Certificate.
   d) In case of:
      - **Intestate Succession**
        1. Succession Certificate / Legal Heir Certificate granted by Competent Authority.
        2. No objection Certificate from other legal heirs.

      - **Testamentary Succession**
        a) Authentic copy of Will duly notarized by Notary Public U/s. 14 of Notaries Act.
        b) Identification of the legatee of the Will.
        c) Affidavit of attesting witness of the Will.
        d) No objection Certificate from other legal heirs.



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e) Undertaking of legal heir applying for transmission of membership on non-judicial stamp paper of Rs.500/- duly Notarized.
f) Membership Application Form.
g) Net worth certificate in the L.C. Gupta format from the legal heir applying for transmission duly issued by practicing Chartered Accountant.

4. The legal heir applying for transmission will pay security deposit as applicable including Base Minimum Capital / Base Capital / Cash deposit as the case may be, annual subscription and any other fees/ charges as per the prevailing deposits/ fees/ charges applicable for new members.

5. The legal heir applying for transmission will be required to maintain the net worth as specified in the Bye Laws, Rules and Business Rules by the Exchange including Circulars and instructions issued by the Exchange and SEBI from time to time.
6. The legal heir applying for transmission shall be responsible to pay all the outstanding fees/charges/dues etc., interest payable thereon etc. of the Exchange/ SEBI.
   Request for transmission of membership will be considered only on fulfilment of above stated conditions and submission of documents as per the specified formats / requirements of the Exchange by the legal heir applying for transmission which can be granted to the applicant at the discretion of the Exchange.
   The Exchange reserves the right to reject / decline the transmission of membership without assigning any reason(s) whatsoever and the same shall be binding on the applicant/s.

7. SEBI Circular no. SEBI/HO/MIRSD/DOR/CIR/P/2021/42 dated March 25, 2021 (Exchange circular no. MCX/MEM/212/2021 dated April 5, 2021), MIRSD / MSS / Cir-30 / 13289 / 03 dated July 09, 2003, Cir/MIRSD/2/2011 dated June 03, 2011 and Cir/MIRSD/14/2011 dated August 02, 2011 also be referred in this regard.

### 6.2 Nomination of Membership

1. An individual with sole proprietorship having membership with his own name / with trade name may make a nomination to his (its) membership rights of MCX. The nominee has to be one of his family members / Legal heir(s) and shall in all case be eligible to become member of MCX. (Nominee must have complied all the relevant conditions / eligibility criteria of membership).
2. Nomination of any outsider [other than family member / legal heir(s)] will not be accepted unless and otherwise this is supported by a valid will, letter of probate and letter of Administration.
3. The Nominator (Member of the Exchange) as well as Nominee, along with witness will have to sign the nomination form.
4. The nomination shall not be effective unless the nominating member of the Exchange, and in the case of a deceased member, his legal heirs or any of the family member in whose favor the nomination has been made shall have paid and satisfied all dues, fines, claims, charges, complaints against the main member.
5. If the nomination is such that it cannot be approved at the time of date of its implementation, Member will have to submit fresh nomination /successor of the member will have to nominate fresh among themselves.



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6. If the member has appointed more than one nominee / or the successor to the member has appointed more than one nominee, then such all nominated persons will have to form a company/ Partnership firm to effect nomination to new entity (if the member has revised/ changed the nomination, the latest nomination received by the Exchange shall prevail).
7. Nomination shall become effective from the date of death of member or final approval of Relevant Authority whichever is later (subject to the fulfillment of all outstanding dues, claims, charges, liabilities if any) and in case of nomination made by successors the date of nomination shall be the date duly approved by the Relevant Authority (subject to the fulfillment of all outstanding dues, claims, charges, liabilities if any).
8. Nomination made by the member may be revoked by the Exchange / Relevant Authority with prior written notice duly approved by Relevant Authority.
9. Exchange / Relevant Authority reserves right to reject the nomination request.

## 7. SURRENDER OF TRADING MEMBERSHIP

1. A Trading Member desirous of surrendering its membership of the Exchange shall submit its request to the Exchange.
2. Trading Members shall, before submission of an application for surrender of membership, be required to comply with all the pre-requisites for application of surrender as given below:
   i. Cancellation of Authorised Person (“AP/s”)
   ii. Surrender of all connectivity
   iii. Clearance of all dues
3. The application of surrender of trading membership is subject to fulfilment of the following conditions:
   i. Submission of original SEBI registration certificate(s) (as applicable) on which the Trading Member is registered.
   ii. Submission of computation chart of turnover fee liability payable to SEBI in and proof of payment made to SEBI. As per the requirements of SEBI, Trading Member opting to surrender their trading membership shall have paid the SEBI fees before the application could be accepted by the Exchange.
   iii. Submission of an undertaking / declaration that no investigation/enquiry/disciplinary action is pending against the Trading Member or any of its shareholders/ directors.
   iv. Submission of details of Directors and shareholders as on date of surrender application.
4. A notice to public by way of a public notification in newspapers, SMS and email shall be made by the Exchange. The cost of public notification with respect to newspaper shall be incurred by the surrendering Trading Member at actuals. The time period (from the date of public notification) given to investors, public, etc. to lodge claims against the surrendering Trading Member will be as follows:

   The Exchange will inform the Members about the resignation through a suitable intimation. It will also make a public notification in newspapers except in following cases:
   i. Members whose applications are under consideration with SEBI for registration.
   ii. Members who are registered with SEBI but not activated for trading.
   iii. Members who are activated for trading but have not traded at all.



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A time span of two months shall be provided to the investors, members, public, etc. to lodge claims if any, against the resigning Member.

5. Payment of Processing fees for surrender of membership as mentioned in the para no. 44 of Schedule of Charges.

6. Details as sought by SEBI w.r.t the pending dues, if any, shall be sought from Trading Member.

7. Upon the application for surrender being approved by the Exchange / SEBI, the Exchange shall notify to all the Trading Members the fact of such approval. The concerned Trading Member, whose application has been approved, shall also be accordingly informed.

8. In case, a Trading Member desires to withdraw the application for surrender and the Exchange in its discretion approves the same in writing, the application and levy of annual subscription, interest and penal charges shall be as if the Trading Member had not applied for the surrender of trading membership. All the costs related to the installation of new VSAT(s) will also be borne by the concerned Trading Member.

9. The interest free security deposits lying with Exchange/Clearing Corporation shall be refunded to the Trading members as per the below provisions mentioned in SEBI circular SEBI/HO/MIRSD/FCR/CIR/P/2021/01 dated January 06, 2021:

   A. On approval of application for surrender of Trading Member's registration by SEBI, the Exchange shall release Security Deposit of the Trading Member (engaged in trading on behalf of clients) after the period mentioned at point a) or b), whichever is earlier: -

      (a) After completion of three years from the date of receipt of surrender application by Exchange from the Trading Member (in order to meet any investor claims), or

      (b) After completion of five years from the date of disablement of Trading Member's trading terminals by the Exchange.

   B. On approval of application for surrender of Trading Member's registration by SEBI, the Exchange shall release Security Deposit of the Trading Member (engaged only in proprietary trading in last three years prior to the date of application) after the period mentioned at point a) or b), whichever is earlier:

      (a) one year from the date of receipt of surrender application by exchange from the Trading Member, or

      (b) three years from the date of disablement of Trading Member's trading terminals by the Exchange

   Such refund shall be subject to fulfilment by Trading Member of all dues under Rules/Regulations/Bye- Laws of the Exchange

10. Refund of any part component of the deposits is subject to the Trading Member:
    i. Making payment to SEBI of all the turnover fees, interest payable thereon etc. as may be applicable to such Trading Members in respect of all the segments



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they have been admitted to.

ii. Obtaining confirmation of cancellation of registration from SEBI.

iii. Redressing, to the satisfaction of the Exchange, all investors' complaints and other grievances pending against the Trading Member.

iv. Making, in respect of arbitration proceedings, suitable arrangements to the satisfaction of the Exchange so as to meet any obligation that may arise out of awards that may be made against them.

11. The Exchange, at its sole discretion, may waive, add, modify or relax one or more of the above requirements wherever it feels appropriate.

## 8. PROCEDURE FOR VOLUNTARY DISABLEMENT AND SUBSEQUENT RE-ENABLEMENT

8.1 Trading Members desirous of applying for voluntary disablement in all/selected segments shall follow the procedure as detailed below:

- The request should be made in writing by the Trading Member specifically seeking voluntary disablement mentioning the reasons for the same.
- The request should be signed by Designated Director/Partner / Proprietor (as applicable) duly authorized.
- The request should mention that the Trading Member has no open positions as on the date of application.

8.2 Trading Members who are disabled on the trading platform on account of voluntary disablement can make an application for re-enablement subject to submission / compliance with the following:

- Request in writing and duly signed by one of the Designated Director/Partner/Proprietor.
- Submit all the annual documents/statements for the latest financial year in accordance with our Circular issued for this purpose (including the ones for the earlier years if not submitted).
- Submission of latest Net-worth Certificate meeting minimum Net-worth requirement.
- Submit details of mode of connectivity.
- Submit details of approved users with relevant certification details.
- Declaration on the letter-head of the Trading Member regarding the Bank name, account no. and account type (including exchange dues account).
- Correspondence and registered office address confirmation.
- Compliant with applicable deposits as prescribed by SEBI / Exchange.
- Any other requirement that may be specified by the Exchange from time to time.

## 9. TRADING MEMBERS LEADING TO DEFAULT:

9.1 SEBI vide its circular dated July 01, 2020, has specified SOP with timelines for the steps/ actions to be taken by the Exchange(s) pertaining to trading members who are likely to default in repayment of funds or securities to its clients. The TM shall make good the default of its clients to the Clearing Member (CM) and the CM shall make good the default of its clients/ TM to the Clearing Corporation (CC). The default of TM may not necessarily lead to default of CM, if the CM continues to fulfill the settlement obligation with the CC. The SOP is to protect the interest of non-defaulting clients of a TM and /or non-defaulting clients / TM(s) of the CM, in the likely event of



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default by TM / CM where Stock Exchange (SE) / CC is of the view that TM or CM is likely to default in repayment of funds or securities to its clients and / or fail to meet the settlement obligations to CM/CC, where:

i) There is shortage of funds/securities payable to the clients by Rs.10 crores (SE may have their own criteria)/ and /or

ii) TM/CM has failed to meet the settlement obligations to CM/CC and /or

iii) There is sudden increase in the number of investor's complaints against the TM/CM for non-payment of funds and /or transfer of securities.

9.2 When Show Cause Notice (SCN) has been issued for declaring a TM / CM as a defaulter by any SE, its subsidiary / associate companies which are also member(s) on other segment / SE / CC shall also be put in suspension mode. All their open positions shall be squared off and their assets shall be frozen.

9.3 Once the Member is disabled or SCN is issued for declaration of defaulter to TM / CM (whichever is earlier), no further Conciliation / Arbitration meetings shall be conducted.

9.4 The SOP enumerates the minimum action which shall be initiated by the respective SEs / CCs / Depositories in accordance with law. However, the respective SEs / CCs / Depositories are free to initiate any other actions as may be necessary in compliance with their bye laws / rules / regulations and / or to protect the interest of investors. The SEs/ CCs and Depositories are expected to follow the timelines with respect to each action as enumerated, reasons shall be recorded in case of for any deviation in timelines prescribed.

9.5 Undertaking to freeze the bank account pursuant to SOP in the cases of Trading Member leading to default.

9.5.1 This is with reference to SEBI circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020, and Exchange Circulars MCX/ISD/654/2020 dated September 08, 2020, MCX/ISD/732/2020 dated October 01, 2020 and MCX/ISD/801/2020 dated October 27, 2020.

9.5.2 The Undertaking shall empower the Exchange to instruct the bank(s) of the Trading Member to freeze the bank account(s) for debits, in case of Trading Member leading to default. Also, Members shall submit a revised Undertaking to the Exchange within seven working days of opening of any new bank account or change in details of any existing bank account, failing which applicable penalty and disciplinary action shall be levied as informed by the Exchange from time to time. *Refer Exchange Circular no. MCX/ISD/955/2020 dated December 18, 2020.*

9.5.3 In accordance of the abovementioned SEBI circular all members are advised to provide.

i. A list of all its bank accounts.

ii. An undertaking enabling the Exchanges / Clearing Corporations to instruct the bank(s) of the members to freeze the bank account(s) for debits under the conditions specified in the above mentioned SEBI circular.

9.5.4 Members are requested to note that.

i. As per SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated Sep 26, 2016, as and when any new bank accounts are opened,

ii. Members are required to submit the details of the same within seven days



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of the opening of the account.

9.5.5 The Undertaking shall empower the Exchange to instruct the bank(s) of the Trading Member to freeze the bank account(s) for debits, in case of Trading Member leading to default. Also, Members shall submit a revised Undertaking to the Exchange within seven working days of opening of any new bank account or change in details of any existing bank account, failing which applicable penalty and disciplinary action shall be levied as informed by the Exchange from time to time.

## 10. CESSATION OF MEMBERSHIP OF EXISTING MEMBERS WHO FAIL TO APPLY FOR SEBI REGISTRATION

i. All existing Members who have not applied for registration with SEBI shall apply for registration in accordance with provisions contained in MCX Rules on or before August 31, 2017 by providing all relevant documents complete in all respects along with applicable SEBI fees as specified by the Exchange (available on www.mcxindia.com) and by clearing all Exchange dues and meeting all the criteria for registration with SEBI as a new member failing which such existing Members shall cease to be Members of the Exchange.

ii. Existing Members who have already made an application for SEBI registration but did not submit necessary documents shall be required to provide, by August 31, 2017, all relevant documents complete in all respects along with applicable SEBI fees as specified by the Exchange (available on www.mcxindia.com) and clear all Exchange dues and meet all the criteria for registration with SEBI as a new member, failing which such existing Members shall cease to be Members of the Exchange.

iii. In case of cessation of membership as stated above, provisions of Rules shall apply.

iv. In case of any ongoing disciplinary action(s) / proceeding(s) or pending inquiry against any existing Member(s) who fail to apply for SEBI registration or whose application for SEBI registration is rejected, such Member(s) would cease to be Member of the Exchange only upon completion of such action(s) / proceeding(s) / inquiry.

Explanation: For the purpose of this Business Rule, ‘existing Member’ means a Member of the Exchange admitted as such by the Exchange till September 28, 2015 for trading, clearing or settlement of contracts permitted on the Exchange under the Rules, Byelaws and Business Rules of the Exchange.

## 11. ONLINE REGISTRATION MECHANISM

i. SEBI Intermediary Portal (https://siportal.sebi.gov.in) has been operationalized for the intermediaries to submit all the registration applications online. The SEBI Intermediary Portal includes online application for registration, processing of application, grant of final registration, application for surrender / cancellation, submission of periodical reports, requests for change of name / address / other details etc.

ii. All applications for registration / surrender / other requests shall be made through

SEBI Intermediary Portal only. The application in respect of stock brokers and depository participants shall continue to be made through the Stock Exchanges and Depositories respectively.

iii. The applicants will be separately required to submit relevant documents viz. declarations / undertakings, in physical form, only for records without impacting the online processing of applications for registration.

iv. Where applications are made through the Stock Exchanges / Depositories, the hard copy of the applications made by their members shall be preserved by them and shall be made available to SEBI, as and when called for.



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## ITEM No. 2: EXCHANGE APPROVALS

### 12. TECHNOLOGY BASED SHARING MECHANISMS OF COMMON SUBMISSIONS AMONG EXCHANGES

i. As part of reporting requirements, Stockbrokers currently submit various compliance reports/submission periodically to all the stock exchanges where stockbrokers are registered as a member. Stockbrokers who are registered with multiple Exchanges, are required to submit the same compliance reports to each Exchange separately. Hence there are multiple repetitions for Stockbrokers while carrying out report submission activities across the exchanges.

ii. For promoting ease of doing business for the Stockbrokers and to avoid submission of same compliance report multiple times, Stock Exchanges have developed a technology-based sharing mechanism for the sharing of compliance report/information among exchanges. The objective behind the same is to do away with the duplication of activities to be carried out by Stockbrokers for common periodic submission of data/documents to multiple Exchanges. The submissions which are common across exchanges and do not have exchange specific data/submissions will be considered for Common Reporting.

iii. In view of the above, it is decided that henceforth, Members of the exchange who are also registered with NSE are required to submit their compliance reports to NSE only. NSE in turn will share such compliance reports (including data/documents) with the Exchange. Submitting data to NSE alone will be treated as submission to Exchange and the same will be in compliance of the regulatory requirements for such stockbrokers.

iv. The technology-based sharing mechanisms of common submissions among Exchanges is for the purpose of ease in the reporting requirement for stockbrokers, however the processing of the submission along with the monitoring and supervision of compliance will continue to be carried out by respective stock exchanges as per the existing process.

v. The technology-based sharing mechanisms of common submissions among Exchanges was be operational in phase manner with effective from August 01, 2025. Members of the exchange who are not registered with NSE will continue to make submissions to the exchange as per existing process.

vi. In continuation to the same, as part of Phase II, Exchange has vide its Circular no. MCX/MEM/499/2025 September 29, 2025 has informed that members of the exchange who are also a member of NSE are not required to submit 30 compliance reports/submissions as mentioned in **Annexure-A (to the aforesaid circular)** to the exchange. The Phase-II of technology-based sharing mechanisms of common submissions among Exchanges will be operational **with effect from October 15, 2025.**

### 13. REVISED FORMATS FOR COMMON SUBMISSION OF APPLICATIONS

In furtherance to Exchange Circular no. MCX/MEM/348/2025 dated July 18, 2025 and Exchange Circular no. MCX/MEM/499/2025 dated September 29, 2025 with regards to



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technology-based sharing mechanisms of common submissions among Exchanges, Accordingly, the Exchanges have jointly updated the formats for applications and supporting documents required for the submissions (as listed below) and the revised formats are provided as annexures to the referred Exchange circular.

| Sr. No. | Application Type |
|---|---|
| 1. | Change in designated/non designated Directors/Partners |
| 2. | Change in shareholding / Increase in Share Capital |
| 3. | Change in Control |
| 4. | Change in name of Member |
| 5. | Change in Registered Office Address |
| 6. | Merger, demerger or business transfer not amounting to change in control |
| 7. | Change in constitution |
| 8. | NOC for setting up Wholly Owned Subsidiaries, Joint Ventures in GIFT IFSC/Abroad |
| 9. | Advertisements |

It is reiterated that the submissions which are common across exchanges and do not have exchange specific data/submissions will be considered for Common Reporting. Members of the Exchange who are also registered with NSE are required to submit their compliance reports/applications to NSE only. NSE in turn will share such compliance reports/applications (including data/documents) with the Exchange. Submitting data to NSE alone will be treated as submission to the Exchange and the same will be in compliance of the regulatory requirements for such stockbrokers.

Member of the Exchange who are not registered with NSE will continue to make submissions to the Exchange as per existing process. *Refer Exchange Circular - MCX/MEM/534/2025 dated October 15, 2025.*

## 14. CHANGE IN SHAREHOLDING / PROFIT SHARING PATTERN / CHANGE IN CONTROL

### 14.1 Uniform Norms for Change in Shareholding/Change in Control

*(Refer Exchange Circular no. MCX/MEM/496/2021 dated August 06, 2021.*

**1. Submission of list of Promoters, Non-Promoters/Partners:**

i. Members will be required to submit Shareholding/Sharing Pattern and list of Promoters, Non-Promoters/Partners through periodical /ongoing compliances.

ii. Members shall provide a list of Promoters, Non-Promoters/Partners along with their interest, if any (shareholding/ Partnership share) in the stock broking entity. The Promoters can be identified as under:



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| Constitution | Details |
|---|---|
| **Corporate (Listed entity)** | The Promoter shall be as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.<br>"Promoter" shall include a person:<br><br>i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or<br>ii) who has **control**[1] over the affairs of the issuer, directly or indirectly whether as a shareholder, Director or otherwise; or<br>iii) in accordance with whose advice, directions or instructions the Board of Directors of the issuer is accustomed to act:<br><br>Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity.<br>Provided further that a financial institution, scheduled commercial bank, foreign portfolio investor other than Category III foreign portfolio investor, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty per cent or more of the equity share capital of the issuer is held by such person unless such person satisfy other requirements prescribed under these regulations;<br><br>[1]**Contro**l as defined under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011<br>Further, persons having controlling interest in the entity in terms of SEBI (Stock Broker) Regulations shall also be treated as Promoters. |
| **Corporate (Unlisted)** | The Promoter shall be as per Companies Act, 2013, Section 69<br>"Promoter" means a person—<br><br>a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or<br>b) who has control over the affairs of the company, directly or indirectly whether as a shareholder, Director or otherwise; or<br>c) in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act.<br><br>Provided that nothing in Clause (c) shall apply to a person who is acting merely in a professional capacity. |



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| Constitution | Details |
|---|---|
| | Control as defined under SAST Regulations.<br>Further, persons having controlling interest in the entity in terms of SEBI (Stock Broker) Regulations shall also be treated as Promoters. |
| **Partnership Firms/LLP** | All Partners |
| **Individual/ Proprietorship** | Individual / Proprietor |

**14.2 Change in Control**

1. **The following scenarios will amount to change in control:**

| Sr. No. | Change in Control scenarios | Whether Approval required |
|---|---|---|
| 1 | Any change in the promoters/Partners resulting in change in control of the member as defined in SEBI (Stock Brokers) Regulations, 2026 & SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 **(SAST)** | NOC from Exchanges & Prior Approval of SEBI. |
| 2 | Change in legal formation or ownership with regards to Partnership/ LLP/ individual members | NOC from Exchanges & Prior Approval of SEBI. |

**SEBI (Stock Brokers) Regulations, 2026 ("SB Regs") defines "change in control" as under:**

*(c) "*change *in control" –*

(i) in case of a body corporate –

*(*A) whose shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulation 2(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

*(B) whose shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in Section 2(27) of the Companies Act, 2013 (18 of 2013);

*(ii) in a case other than that of a body corporate, shall be construed as any change in its legal formation or ownership or change in controlling interest.

Explanation – For the purpose of sub-clause (ii), the expression "controlling interest" means an interest, to the extent of not less than fifty percent of voting rights or interest either directly or indirectly;"

Amended as per SEBI gazette notification No. SEBI/LAD-NRO/GN/2026/291 dated January 07, 2026 and Exchange Circular no. MCX/MEM/069/2023 dated February 02, 2023.

**SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (SAST) defines "control" as under:**

*"Control" includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting*



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*individually or in **concert**, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.*

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.

**Persons Acting in concert** shall have the same meeting as defined under 2 (q) of Chapter I of SEBI (SAST) Regulations, 2011.

## 2. Procedure of seeking prior approval for Change in Control

1. SEBI vide circular no. CIR/MIRSD/14/2011 dated August 02, 2011 had specified the procedure for seeking prior approval for change in control of certain intermediaries including Stock Brokers, depository participants and RTAs.
2. Regulation 9(c) of SEBI (Stock Brokers) Regulation, 2026 and Regulation 9(c) read with Regulation 10B of SEBI (Stock Brokers) Regulation, 2026, provide respectively that Stock Broker and clearing member shall obtain prior approval of SEBI in case of change in control. Similarly, Regulation 36(1)(d) of SEBI (Depositories and Participants) Regulations, 2018, Regulation 15(11) of SEBI (Investment Advisors) Regulation, 2013, Regulation 24(3) of SEBI (Research Analysts) Regulations, 2014, Annexure 1 Page 2 of 7 Regulation 9A(1)(a) of SEBI (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 and Regulation 7(5) of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 provide that depository participant, investment Advisor, research analyst or research entity, registrar to an issue and share transfer agent and KRA respectively shall obtain prior approval of SEBI in case of change in control.
3. To streamline the process of providing approval to the proposed change in control of Stock Broker/clearing member, depository participant, investment Advisor, research analyst or research entity, Registrar to an issue and share transfer agent and KRA (hereinafter referred as intermediary or applicant), it has been decided as under:
    i. The Intermediary shall make an online application to SEBI for prior approval.
    ii. The online application in SI portal shall be accompanied by the following information/declaration/undertaking about itself, the acquirer(s)/the person(s) who shall have the control and the Directors/Partners of the acquirer(s)/ the person(s) who shall have the control:
        a. Current and proposed shareholding pattern of the applicant
        b. Whether any application was made in the past to SEBI seeking registration in any capacity but was not granted? If yes, details thereof.
        c. Whether any action has been initiated / taken under Securities Contracts (Regulation) Act, 1956 (SCRA) / SEBI Act 2026 or rules and regulations made there under? If yes, the status thereof along with the corrective action taken to avoid such violations in the future. The acquirer/ the person who shall have the control shall also confirm that it shall honor all past liabilities / obligations of the applicant, if any.



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d. Whether any investor complaint is pending? If yes, steps taken and confirmation that the acquirer/ the person who shall have the control shall resolve the same.
e. Details of litigation(s), if any.
f. Confirmation that all the fees due to SEBI have been paid.
g. Declaration cum undertaking of the applicant and the acquirer/ the person who shall have the control (in a prescribed format) duly stamped and signed by their authorized signatories that:
   i. there will not be any change in the Board of Directors of incumbent, till the time prior approval is granted.
   ii. pursuant to grant of prior approval by SEBI, the incumbent shall inform all the existing investors/ clients about the proposed change prior to effecting the same, in order to enable them to take informed decision regarding their continuance or otherwise with the new management; and
   iii. the 'fit and proper person' criteria as specified in Schedule II of SEBI (Intermediaries) (third amendment) Regulations, 2021 are complied with.
h. In case the incumbent is a registered Stock Broker, clearing member, depository participant, in addition to the above, it shall obtain approval /NOC from all the stock exchanges/clearing corporations/depositories, where the incumbent is a member/depository participant and submit self-attested copy of the same to SEBI.
i. The prior approval granted by SEBI shall be valid for a period of six months from the date of such approval within which the applicant shall file application for fresh registration pursuant to Change in Control.

**3. Scheme of arrangement which require sanction of the National Company Law Tribunal ("NCLT") involving change in control**

To streamline the process of providing approval to the proposed change in control of an intermediary in matters which involve scheme(s) of arrangement which needs Page 4 of 7 sanction of the National Company Law Tribunal ("NCLT") in terms of the provisions of the Companies Act, 2013, the following has been decided:

i. The application seeking approval for the proposed change in control of the intermediary shall be filed with SEBI prior to filing the application with NCLT.
ii. Upon being satisfied with compliance of the applicable regulatory requirements, an in-principle approval will be granted by SEBI;
iii. The validity of such in-principle approval shall be three months from the date issuance, within which the relevant application shall be made to NCLT.
iv. Within 15 days from the date of order of NCLT, the intermediary shall submit an online application in terms of paragraph 3 of this circular along with the following documents to SEBI for final approval:
   a. Copy of the NCLT Order approving the scheme.
   b. Copy of the approved scheme.
   c. Statement explaining modifications, if any, in the approved scheme vis-à-vis the draft scheme and the reasons for the same; and
   d. Details of compliance with the conditions / observations, if any, mentioned in the in-principle approval provided by SEBI.



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With respect to Stock Brokers/Clearing Members, Depository Participants and RTAs, this circular shall supersede the circular no. CIR/MIRSD/14/2011 dated August 02, 2011 with effect from the date of applicability of this circular.
*Refer SEBI Circular no. SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2022/163 dated November 28, 2022 and Exchange Circular no. MCX/MEM/682/2022 dated November 29, 2022.*

**4. Exception to the aforementioned rule for Change in Control**

| SN. | Exception |
|---|---|
| 1. | In view of the SEBI Circular Ref No. SEBI/HO/MIRSD/DOR/CIR/P/2021/42 dated March 25, 2021, in the following the scenarios, the change in shareholding will not be construed as change in control and hence SEBI prior approval shall not be required:<br><br>-In case of unlisted Body Corporate<br>• Transfer of shareholding among immediate relatives (as defined under Regulation 2(l) of SEBI (SAST) Regulations<br>• Transfer of shareholding by way of transmission<br><br>-In case of Partnership firm<br>• Transfer of interest amongst the Partners<br>• Transfer of interest by way of transmission to a legal heir of a deceased Partner provided the same is mentioned in Partnership deed |

**5. Ultimate Beneficiary Owner (UBO) Identification**

SEBI vide Master circular no. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2024/078 dated June 06, 2024 issued Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT)/Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under for Intermediaries registered with SEBI under Section 12 of the SEBI Act, 1992 and Stock Exchanges.

In accordance with the provisions of Prevention of Money Laundering Act (PMLA) and SEBI circular no. SEBI/ HO/MIRSD /MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, SEBI /HO /MIRSD /MIRSDSECFATF /P/ CIR /2023/091 dated June 16, 2023 and SEBI/HO/MIRSD/SEC-FATF/P/CIR/2023/0170 dated 13 October, 2023, the beneficial owner shall be identified through the following information:

The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest;

Explanation: Controlling ownership interest means ownership of / entitlement to:



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i. more than 10% of shares or capital or profits of the juridical person, where the juridical person is a company;
ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership.

In cases where there exists doubt on the aforesaid as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the judicial person through other means;

Explanation: Control through other means can be exercised through voting rights, agreement, arrangements or in any other manner.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

In case of non-individuals except listed entities, the immediate Promoter / Partner and the Ultimate Beneficial Owner should be provided.

**6.** Exceptions where UBO is/are not to be identified:

i) Where the client or the owner of the controlling interest is a company listed on a stock exchange or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of the ultimate beneficial owner of such companies.
ii) In case the identification of promoters/promoter group is not practically possible in terms of the aforesaid norms, then the Exchange, at its sole discretion, reserves the right on deciding on identification of promoters/promoter group by adding certain conditions, if required.
iii) Where all the promoters in a Scheduled Bank or any Financial Institution registered with or regulated by any regulatory authority such as RBI, SEBI, IRDA, PFRDA or as decided by the Exchange from time to time.
iv) Where all the promoters are Central/State Government owned financial institutions.

**7. Other Important Points:**

i) Promoters shall meet the condition of fit and proper person similar to the criteria envisaged in the SEBI (Intermediaries) Regulations, 2008 and being applied to intermediaries seeking registration from SEBI*. Refer Exchange Circular no. MCX/MEM/783/2021 dated December 17, 2021.*
ii) The Stock Broker shall provide reasons for any change in the shareholding of Promoter (member entity, holding company, corporate promoter etc); whether or not constituting change in control.
iii) Intermediaries dealing with foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client.
iv) The nominated list of promoters may or may not be holding any shareholding/ Partnership interest in entity.



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v) Inclusion or addition of another shareholder as a part of promoter shall not be treated as change in control so far as the earlier group of promoters hold the controlling stake. In case the existing promoters dilute its controlling stake below 51%, the same shall be treated as change in control.

vi) Members are required to obtain prior approval of the Exchange for any change in shareholding pattern and change in composition of Promoter Group of Member entity:

a) In case of change in shareholding/sharing pattern of Corporate Promoter / Holding Company / Ultimate Holding Company the same needs to be intimated to the Exchange, if such changes do not lead to change in control. In case such changes result in change in control of the member entity (directly or indirectly), the same would require prior approval from Exchange & SEBI.

b) In case of unlisted public limited entity if there is a change in less than 2% shareholding in non- promoter group, then only intimation will be required to be done to Exchange.

c) In case of Member being a listed company or corporate shareholder being listed, it is not required to take prior approval for any changes in non-promoter holdings or for changes in holdings of promoter group, if it does not lead to change in control. However, Members are required to inform about such changes to the Exchange on quarterly basis. In any case, any change leading to Change in Control requires prior approval from the Exchange & SEBI.

vii) With respect to transfer of shareholding among immediate relatives and transmission of shareholding, certain provisions are mentioned below:

Transfer of shareholding among immediate relatives and transmission of shareholdings and their effect on change in control. *Refer SEBI Circular no. SEBI/HO/MIRSD/DOR/CIR/P/2021/42 dated March 25, 2021 and refer Exchange Circular no. MCX/MEM/212/2021 dated April 5, 2021.*

8. **Transfer / Transmission of shareholding in case of unlisted body corporate intermediary:** In following scenarios, change in shareholding of the intermediary will not be construed as change in control:

i) Transfer of shareholding among immediate relatives shall not result into Change in Control. Immediate relative shall be construed as defined under Regulation 2(l) of SEBI SAST Regulations which inter-alia includes any spouse of that person, or any parent, brother, sister or child of the person or of the spouse;

ii) Transfer of shareholding by way of transmission to immediate relative or not, shall not result into Change in Control.

9. **Transfer / Transmission of shareholding in case of a proprietary firm type intermediary:** In case of an intermediary being a proprietary concern, the transfer of bequeathing of the business/capital by way of transmission to another person is a change in control, such transmission or transfer shall be considered as change in control. The legal heir / transferee in such cases is required to obtain prior approval and thereafter fresh registration shall be obtained in the name of legal heir/transferee.



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10. **Transfer / Transmission of ownership interest in case of Partnership firm type intermediary:** Change in Partners and their ownership interest of the Partnership firm type intermediary shall be dealt in following manner:

    i) **Transfer of ownership interest in case of Partnership firm:** In case a SEBI registered entity is registered as a Partnership firm with more than two Partners, then inter-se transfer amongst the Partners shall not construed to be change in control. Where the Partnership firm consists of two Partners only, the same would stand as dissolved upon the death of one of the Partners. However, if a new Partner is inducted in the firm, then the same would be considered as a change in control, requiring fresh registration and prior approval of SEBI.

    ii) **Transmission of ownership interest in case of Partnership firm:** Where the Partnership deed contains a clause that in case of death of a Partner, the legal heir (s) of deceased Partner be admitted, then the legal heir(s) may become the Partner (s) of the Partnership firm. In such a scenario the Partnership firm is reconstituted. Bequeathing of Partnership right to legal heir(s) by way of transmission shall not be considered as change in control.

    Incoming entities / shareholders becoming part of controlling interest in the intermediary pursuant to transfer of shares from immediate relative / transmission of shares (immediate relative or not), need to satisfy the fit and proper person criteria stipulated in Schedule II of SEBI (Intermediaries) Regulations, 2008.

11. In case the member fails to submit the complete documents for obtaining the prior approval of the Exchange for changes in shareholding pattern/sharing pattern within 60 calendar days from the date of first observation email/letter sent by the Exchange to the member, then such applications will be returned / rejected by the Exchange. In such cases, Member need to re-apply for obtaining Exchange prior approval.

12. If in the opinion of the Exchange, it is evident that the identification of Promoter Group is not practically possible in terms of the aforesaid norms, then the Exchange, at its sole discretion, reserves the right on deciding on the identification of Promoter Group norms, by adding certain conditions, if required.

13. Members are advised to note that any change as mentioned above is subject to fulfillment of membership eligibility criteria laid down by the Exchange / SEBI from time to time.

14. Preference shareholding Pattern (if any) is required to be submitted separately as per the format specified by the Exchange.

15. Processing Charges / Fees for any such changes would be levied as per para no. 44 of Schedule of Charges and disciplinary Penalty.

16. In case prior approval is not obtained, action, as applicable, shall be initiated.

17. The guidelines issued by Exchange / SEBI from time to time shall be applicable.



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**14.3 Following are the guidelines for identification of Foreign Entity / Person as Promoter with respect to identification of foreign entity/person as a promoter:**

1. Foreign citizens/nationals cannot be identified as promoter.
2. Foreign entity/ies can be identified as promoter/promoter group subject to the following conditions:
   i) They need to comply with Reserve Bank of India norms and any other requirements of the Securities and Exchange Board of India and / or Exchange as may be applicable from time to time.
   ii) They shall meet the condition of fit and proper person as envisaged in the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.
   iii) The identified foreign entities have to comply with any of the following norms:
      a) The promoting foreign entity or any of its holding company/subsidiary should be either a bank or insurance company regulated by the Central Bank or such other relevant regulatory authority of that respective country and has a networth of at least ₹50 crores.
      b) The promoting foreign entity or any of its holding company/subsidiary should be broking house/participant in the securities market that is registered or regulated by the relevant regulatory authority of that respective country and that the relevant authority should be a member of International Organization of Securities Commission (IOSCO). The promoting foreign entity should have networth of at least ₹50 crores.
      c) The promoting foreign entity or any of its holding company/subsidiary should be Government owned Finance and/or Development Institution and has a networth of at least Rs.50 crores.
      d) The promoting foreign entity or any of its holding company/subsidiary should be Pension fund, Sovereign Wealth Fund, Broad Based Investment Fund which are registered or regulated by relevant regulatory authority of that respective country or specifically exempt from such registration. Pension fund, Sovereign Wealth Fund or broad based investment fund should have minimum of USD 50 million Asset Under Management (AUM). The ultimate fund needs to be a large fund having AUM of at least USD 200 million and the direct investing fund/scheme having AUM of USD 50 million.
   iv) In case of post facto changes without exchange prior approval / Intimation (as applicable), monetary penalty / disciplinary action as specified in Exchange Circular No. MCX/COMP/213/2026 dated April 17, 2026 shall be levied.

## 15. CHANGE IN DESIGNATED EMAIL ADDRESS

Members shall designate one contact email address as “Designated Email”. The Exchange would be sending all email communications to the said Email address. All emails received from the Members’ specified “Designated Email address” would be considered as official communications from the Member. It will be Members responsibility to:



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a) Access the "Designated Email address" regularly to see whether the Exchange has sent any communications and please respond or take action/ note on the emails sent by Exchange.
b) Monitor and manage storage capacity of the designated email box to ensure that the storage space in the email box does not get exceeded, leading to bouncing of emails.
c) To keep the Exchange informed about change in the Designated Email address.
d) To take precautions necessary at its end to ensure confidentiality of emails.

## 16. CONVERSION OF MEMBERSHIP / CHANGE IN STATUS OF MEMBER

Members are required to obtain prior approval from the Exchange for effecting the said change meeting the following criteria:

a. Where a Corporate / Partnership / LLP entity has been formed by converting the Individual / HUF Membership of the Exchange, the erstwhile Individual / HUF will also continue to hold a minimum of 51% stake in the new entity.
b. Where a Corporate entity has been formed by converting the Partnership Firm / LLP Membership of the Exchange and the Dominant Promoter Group of the erstwhile Partnership Firm / LLP will continue to hold a minimum of 51%.
c. The processing charge for conversion of membership would be levied as per para no. 44 of Schedule of Charges.
d. There should be at least 2 Designated Directors who should not be less than 21 years of age, have minimum education of 12th /HSC and possess minimum 2 years' experience in stock broking related activities.
e. The proposed corporate should have a minimum paid up capital of Rs. 30 lakhs and meet the net worth requirements of the Exchange from time to time.
f. After the upgradation is approved by the Exchange, the Trading Member will have to pay the differential deposits as applicable to corporate Trading Members.

*Refer SEBI Circulars no. MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003, Cir/MIRSD/2/2011 dated June 03, 2011 and Cir/MIRSD/14/2011 dated August 02, 2011. Refer Exchange Circular no. MCX/MEM/040/2019 dated January 29, 2019.*

## 17. MERGER/ AMALGAMATION OF TRADING MEMBERS, TRANSFER OF BUSINESS TO OTHER LEGAL ENTITY.

i) When two or more corporate broking firms merge leading to creation of a new entity, the SEBI registration granted to the extinguishing entity does not automatically devolve upon the emerging entity and the new entity has to fulfil the eligibility criteria and apply afresh for registration and pay the registration fees.

ii) Members shall be required to seek prior approval of the Exchange in case of any amalgamation, demerger, consolidation, or any kind of corporate restructuring falling within the Companies Act, 2013 or the corresponding provision of any other law for the time being in force.

iii) With respect to transfer of business/membership by SEBI registered intermediaries to other legal entity the following is clarified:

a) The transferee shall obtain fresh registration from SEBI in the same capacity before the transfer of business if it is not registered with SEBI in the same



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capacity. SEBI shall issue new registration number to transferee different from transferor's registration number in the following scenario:

"Business is transferred through regulatory process (pursuant to merger/ amalgamation / corporate restructuring by way of order of primary regulator /govt / NCLT, etc) or non-regulatory process (as per private agreement /*MOU* pursuant to commercial dealing / private arrangement) irrespective of transferor continues to exist or ceases to exist after the said transfer."

b) In case of change in control pursuant to both regulatory process and non-regulatory process, prior approval and fresh registration shall be obtained. While granting fresh registration to same legal entity pursuant to change in control, same registration number shall be retained.

c) If the transferor ceases to exist, its certificate of registration shall be surrendered.

d) In case of complete transfer of business by transferor, it shall surrender its certificate of registration.

e) In case of partial transfer of business by transferor, it can continue to hold certificate of registration.

In case any of the aforementioned arrangement results in transfer of control, prior approval of SEBI shall also be sought.

In case of post facto changes without exchange prior approval / Intimation (as applicable), monetary penalty / disciplinary action as specified in Exchange Circular No. MCX/COMP/213/2026 dated April 17, 2026 shall be levied.

## 18. CHANGE IN DIRECTORS / PARTNERS

i) Paragraph 67.2.1(b) of the Stock Broker Master Circular, requires all Trading Members to seek prior approval of the Exchange for change in Directors/partners.

ii) The application format for applying to the Exchange for the Directors / Partners is available on the Exchange website.

**Eligibility requirements of Designated Directors**

a) There shall be at least 2 Designated Directors in a corporate Member who would be managing its day-to-day trading operations.
b) Minimum age of Designated Director(s) shall be 21 years.
c) Each of the Designated Directors should be at least HSC or equivalent qualification.
d) Designated Director should have a minimum of 2 years' experience in the securities market.
e) All Directors of the Trading Member shall meet the condition of fit and proper person like the criteria envisaged in the SEBI Intermediaries Regulations.
f) The directors are not disqualified for being Trading Members of a stock exchange under clause (1) of Rule 8 of SCRR [except sub-clauses (b) and (f) thereof] or clause (3) of Rule 8 of SCRR [except sub-clauses (a) and (f) thereof] of the SCRR and the directors had not held the offices of the directors in any company which had been a Trading Member of the stock exchange and had been declared defaulter or expelled by the stock exchange.



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In case of post facto changes without exchange prior approval / Intimation (as applicable), monetary penalty / disciplinary action as specified in Exchange Circular No. MCX/COMP/213/2026 dated April 17, 2026 shall be levied.

## 19. CHANGE IN NAME OF TRADING MEMBERS

i) The Members of the Exchange are required to obtain prior approval from the Exchange to effect change of name as per the procedure specified by the Exchange from time to time. The process of the name change is routed through 3 stages as under:

**Stage I** – Submission of application seeking prior approval of the Exchange for change in name prior to making an application to ROC/ROF.
**Stage II** – Submission of documents to the Exchange for incorporating name change in the SEBI Registration Certificate after completing requisite formalities of the ROC/ROF.
**Stage III** – Submission of documents to the Exchange / Clearing Corporation for updation of new name in the Exchange / Clearing Corporation records i.e. after receipt of SEBI Registration Certificate in new name.

ii) Change of name applications should be accompanied by information as to whether the change in name is accompanied by / associated with change in majority shareholding / management / control.

iii) The new name of the entity should not have the following words in the trade name: Commex / Comdex / Exchange / Commodity Exchange / Stock Exchange / National.

iv) The processing fee/charge for change of name would be levied as per para no. 44 of Schedule of Charges.

*Refer SEBI circulars MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003, Cir/MIRSD/2/2011 dated June 03, 2011 and Cir/MIRSD/14/2011 dated August 02, 2011.*

v) Restriction on use of certain words by Trading Member / Authorised person in their name.

The name of the member should reflect the registration held by the entity and should not in any way create the impression of performing a role for which the entity is not registered. Indicative list of words restricted are mentioned in Exchange Circular no. MCX/MEM/191/2023 dated March 24, 2023 - restriction-on-use-of-certain-words-by-trading-member-authorised-person-in-their-name.

*Refer Exchange Circulars no. MCX/MEM/224/2017 dated July 6, 2017, MCX/MEM/003/2020 dated January 02, 2020, MCX/MEM/191/2023 dated March 24, 2023, MCX/MEM/186/2024 dated March 28, 2024.*



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## 20. CHANGE IN ADDRESS (REGISTERED / CORRESPONDENCE / BRANCH)

Members are required to intimate the Exchange for any change in Address Registered / Correspondence office address and its contact details. Members are required to submit all documents along with ROC details (as applicable) for change in address as per prescribed format of the Exchange available on Exchange website.

On receipt of complete documents, new address is updated in Exchange records. Processing charges as applicable will be levied for change in Registered office address of the Member.

For addition and removal of Branch office details, members are required to continuously update the details through 'MMPI' – MCX Member Profile Interface.

As per provisions of Regulation 10 of SEBI (Stockbroker) Regulations,2026 in the event of change in registered office address, the Trading Members are required to inform the Exchange.

## 21. REQUEST FOR STATUS REPORT

Members can submit requests for Status Reports by emailing in the prescribed format on their company letterhead.

## 22. GRANT OF PRIOR APPROVAL TO MEMBERS OF STOCK EXCHANGES.

i. With the amendment in the Stock Brokers Regulations 2026 vide Notification No. LAD-NRO/GN/2011-12/03/12650 dated April 19, 2011, the requirement of members of the Stock Exchanges to obtain prior approval from SEBI for change in status or constitution has been done away with. However, the members of the Stock Exchanges would be required to take prior approval from SEBI for change in control.

ii. The Stock Exchanges will continue to grant prior approval to their members for change in status or constitution, which would include the following:

a) In case of a body corporate

- Amalgamation, demerger, consolidation or any other kind of corporate restructuring falling within the scope of section 230 of the Companies Act, 2013 or the corresponding provision of any other law for the time being in force;
- Change in its managing director, whole-time director or director appointed in compliance with clause (v) of sub-rule (4A) of rule 8 of the SCRR 1957; and.
- Any change in control over the body corporate;.

b) Any change between the following legal forms - individual, partnership firm, Hindu undivided family, private company, public company, unlimited company or statutory corporation and other similar changes;

c) In case of a partnership firm any change in partners not amounting to dissolution of the firm;

d) Any other purpose as may be considered appropriate by the Stock Exchanges.



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iii. The Stock Exchanges shall submit a periodical report with details of the changes in status or constitution of the members, as per the format prescribed by SEBI.

In case of post facto changes without exchange prior approval / Intimation (as applicable), monetary penalty / disciplinary action as specified in Exchange Circular No. MCX/COMP/213/2026 dated April 17, 2026 shall be levied.

iv. SEBI fee clearance would be required for all such change(s) in the Constitution/ changes in the status or any other requirement / confirmation as may be specified by Exchange / SEBI from time to time.

v. Any changes such as contact number, office address, authorised signatory, etc. has to be informed to the Exchange as and when there are any changes.

vi. Member, its Directors, Promoters, Partners, Principal Officer, Compliance Officer and Key Management Persons, at all the time, shall be Fit and Proper Persons as per the criteria specified by Exchange / SEBI from time to time.

vii. Members are requested to ensure that all the Certificates / Reports submitted to Concerned Exchange and / or Clearing Corporation by the Members (issued / certified by full time Practicing Chartered Accountant / Company Secretary) shall mandatorily contain the Unique Document Identification Number (UDIN). In absence of UDIN, the Concerned Exchange and / or Clearing Corporation will not accept such submission(s) from the Member.

Generation of Unique Document Identification Number (UDIN) is made mandatory for every signature of a full time Practicing Chartered Accountant by the Institute of Chartered Accountants of India (ICAI) at its 379th Council Meeting held on 17th – 18th December, 2018. Institute of Company Secretaries of India has also mandated the UDIN for every document except an e-form, signed or certified by a Practicing Company Secretaries with effect from October 01, 2019.

*Refer Exchange Circulars no. MCX/MEM/390/2019 dated July 26, 2019 and MCX/MEM/593/2019 dated October 18, 2019.*

viii. Members should be aware of the guidelines issued by Financial Intelligence Unit-India (FIU-INDIA) for detecting suspicious transactions under Rule 7(3) of prevention of Money laundering (Maintenance of Records) Rules, 2005 and have taken necessary steps required for implementation of these guidelines. Please refer guidelines of FIU India vide F.No. 9-6/AG-II/2012/FIU-IND dated March 11, 2016 & F.No. 15/02/AG-2/2016-FIU India dated January 02, 2018.

*Refer Exchange Circular nos.: MCX/MEM/523/2022 dated September 09, 2022, MCX/MEM /707/2022 dated December 8, 2022 and MCX/MEM /322 / 2022 dated May 31, 2022.*

## 23. CHANGE IN STATUTORY AUDITOR:

**Members are advised to intimate the Exchange of any change in statutory auditor within 30 days from the date of such change.**

*Appointment and Re-appointment of Statutory Auditor:*

*No Stock Broker shall appoint or re-appoint:*

*a) an individual as statutory auditor for more than one term of five consecutive years;and*



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*b) an audit firm as statutory auditor for more than two terms of five consecutive years:*

Provided that—

i) An individual statutory auditor who has completed his term under clause 5.3 (a) as mentioned in *SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016* shall not be eligible for re-appointment as statutory auditor in the same Stock Broker for five years from the completion of his term;
ii) A statutory audit firm which has completed its term under clause 5.3 (b) as mentioned in *SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016*, shall not be eligible for re-appointment as statutory auditor in the same Stock Broker for five years from the completion of such term;
iii) Provided further that as on the date of appointment no statutory audit firm having a common Partner or Partners to the other audit firm, whose tenure has expired in a Stock Broker immediately preceding the financial year, shall be appointed as statutory auditor of the same Stock Broker for a period of five years;

*Refer Exchange Circular no. MCX/MEM/104/2019 dated February 28, 2019 / SEBI Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 / Exchange Circular no. MCX/INSP/294/2016 dated September 26, 2016.*

## 24. NAMING / TAGGING

Stock Broker shall obtain permission from Stock Exchanges to allow appropriate naming / tagging of such demat accounts (maintained by Stock Brokers) freezed by the depositories for not complying with the provisions of the SEBI circular no. SEBI/HO/MIRSD/ MIRSD_DPIEA/P/CIR/2022/83 dated June 20, 2022.

## 25. COMPLIANCE OFFICER

### 25.1 Appointment of Compliance Officer

(a) As per the provisions of SEBI (Stockbroker) Regulation, 2026, every Stock Broker shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, the Securities Contracts (Regulation) Act, 1956 or any rules or regulations made thereunder as well as the bye-laws, notifications, guidelines, instructions, etc., issued by the Board or recognised stock exchange and for redressal of investors' grievances. The Compliance Officer is required to immediately and independently report to SEBI / Exchanges any non-compliance observed by him/her.

(b) Further, as per the current regulatory requirement, Compliance Officers are required to be NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination certified, within one year from the date of their employment, in terms of Gazette of India notification dated March 11, 2013, issued by SEBI. The certification is valid for a period of 3 years. The recertification can be undertaken either by clearing the NISM exam or attending the CPE program of NISM. Currently there are no guidelines prescribed by SEBI/Exchange w.r.t the eligibility of compliance officers, tenure and their continued suitability on an ongoing basis.



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(c) In order to have a robust compliance system, Members should have an effective compliance culture and a strong compliance risk management programme. The Compliance Officer plays an important role in facilitating compliance by promoting strong regulatory practices that ensure risk management, investor protection and market integrity. Hence, the Compliance Officer should be selected through a suitable process with an appropriate 'fit and proper' evaluation/selection criteria to manage the compliance risk effectively. In this regard, the following guidelines are proposed:

**Eligibility criteria for appointment of Compliance Officers post December 01, 2022:**

(a) **Educational qualification:** An individual shall be eligible to be appointed as Compliance Officer if he/she has passed graduation or an equivalent examination from a Government recognized institution.
All the existing Compliance Officer of Members on record of the Exchange having experience of 2 years or more shall be exempted from the above-mentioned criteria for educational qualification.

(b) **Experience:** At the time of appointment, the candidate should at least have 2 years of prior work experience in banking or financial services, handling Audit/Finance/Compliance/Legal/Operations/Risk Management functions.

(c) **Skills:** The eligible candidate should have good understanding of securities market industry, risk management, knowledge of regulations, legal framework and regulatory expectations.

(d) **Certification Requirement:**

i. Compliance Officers are required to be NISM-Series-IIIA: Securities Intermediaries Compliance (Non-Fund) Certification Examination certified within 1 year from the date of employment in terms of SEBI notification dated March 11, 2013.

The Compliance Officer shall ensure that the certification is renewed before the completion of its validity, as per the procedure specified by NISM, from time to time.

ii. In order to ensure that the Compliance Officer is well informed of all relevant laws and amendments thereof, it is essential that there should be a continuing education program for him/her. In this regard, Members shall impart half-yearly training to their compliance officers which will cover subject-wise key regulatory requirements and regulatory changes made in the last six months.

(e) **Tenure:**

i. Members shall ensure that any transfer / removal of Compliance Officer is done with explicit prior approval of the Board/ Partners as the case may be and, after following a well-defined and transparent internal administrative procedure and reasons be recorded in writing.



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ii. In case of any change in Compliance Officer due to any reasons beyond the control of the Member such as death, resignation etc., Members are required to intimate the Exchange within 7 working days of such a change. In case of such unforeseen change, the Compliance Officer should be appointed within three months from the date of death/resignation of the erstwhile Compliance Officer and confirm the same to the Exchange.

iii. Notwithstanding the above, the office of the Compliance Officer shall not remain vacant for more than 15 calendar days. In the event of resignation/demise etc. Trading Member should appoint an interim Compliance Officer till such time a regular Compliance Officer is appointed within 3 months from the date of vacation of office.

(f) **Due diligence requirements:** Members shall ensure that the person appointed as Compliance Officer is "fit and proper" in terms of Schedule II of SEBI Intermediaries Regulations, 2008.

(g) **Familiarization program:** Members shall provide half yearly compliance training program to all the compliance officers including newly appointed officials. It will be mandatory to attend the said program. Individuals who have served as compliance officers for more than a year and have joined another Member in the same capacity, shall be excluded from the aforesaid program. The training content will include all compliance requirements with respect to trading, Clearing/settlement, inspections, Membership compliance, investor grievance redressal mechanism, surveillance related compliance requirements.

(h) **Authority:** The Compliance Officer shall have the ability to independently exercise judgement in all matters of compliance and regulations. The Compliance Officer should have the freedom and sufficient authority to interact with regulators/supervisors directly and ensure compliance. In addition, he/she shall have the necessary authority to communicate with any staff member and have access to all records or files that are necessary to carry out entrusted responsibilities in respect of the compliance issues. It should be ensured that the Compliance Officer or any staff of his office is not assigned any responsibility which brings elements of conflict of interest, especially any role relating to business development/sales. The Compliance Officer shall under no circumstances act in such a dual capacity.

(i) **Allotment of Trading Terminals:** Members shall ensure that no trading terminal is allotted to the Compliance Officer or any staff of his/her office except for the purpose of risk management /monitoring/testing or for view only purpose and no trades shall be executed from such terminals.

(j) **Action by Exchange:** The Exchange shall also reserve the right to seek necessary explanations from the Compliance Officer or record his/her statements in terms of the relevant rules/regulations of the Exchange and initiate suitable disciplinary action against him/her including debarment or directing the Member for removal, if he/she is found to have failed to carry out his/her responsibilities in a reasonable manner. All actions shall be initiated by the Exchange, after following due process and providing an opportunity of hearing to the Member /Compliance officer.

*Refer Exchange Circulars no. MCX/MEM/681/2022 dated November 29, 2022,*



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*MCX/MEM/681/2022 dated Nov.29, 2022, MCX/MEM/783/2021 dated Dec.17, 2021, MCX/MEM/679/2019 dated Nov.29, 2019MCX/ MEM/124/2019 dated March 6, 2019, and SEBI gazette notification No. SEBI/LAD-NRO/GN/2026/291 dated January 07, 2026.*

## 26. DESIGNATION AS QUALIFIED STOCK BROKERS (QSBs)

SEBI, vide Gazette Notification dated January 17, 2023, amended the SEBI (Stock Brokers) Regulations, 2026 for designating certain Stock Brokers as QSBs. Subsequently, SEBI vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023, on "Enhanced obligations and responsibilities on Qualified Stock Brokers (QSBs)" enumerated the parameters for designating certain Stock Brokers, having regard to their size and scale of operations, likely impact on investors and securities market, as well as governance and service standards, as Qualified Stock Brokers (QSBs), on the basis of certain parameters and appropriate weightages thereon.

The following four parameters were considered for designating a Stock Broker / Trading Member as QSB, on an annual basis:

i. the total number of active clients of the Stock Broker / Trading Member;
ii. the available total assets of clients with the Stock Broker / Trading Member;
iii. the client trading volumes of the Stock Broker / Trading Member (excluding the proprietary trading volume of the Stock Broker / Trading Member);
iv. the end of day margin obligations of all clients of a Stock Broker / Trading Member (excluding the proprietary margin obligation).

Accordingly, on the basis of the parameters defined in the aforesaid circular, the list of designated Qualified Stock Brokers (QSBs) was released vide Exchange Circular no. MCX/MEM/154/2023 dated March 06, 2023.
Further, SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/14 dated March 11, 2024, on "Measures to instill trust in securities market – Expanding the framework of Qualified Stock Brokers (QSBs) to more stock brokers" has extended the framework of QSBs to more stock brokers and enumerated the following parameters, in addition to the aforementioned four parameters:

v. the proprietary trading volumes of the stock broker who are engaged in clients' trading;
vi. compliance score of the stock broker, derived by assigning highest score to stock brokers with highest penalties levied across Exchanges;
vii. grievance redressal score of the stock broker, derived by assigning highest score to stock brokers with highest count of investor complaints received across Exchanges;
viii. the proprietary trading volumes of the Stock Broker who are engaged in clients' trading.

Accordingly, on the basis of the parameters defined in the aforesaid Circular, the revised list of designated Qualified Stock Brokers (QSBs) was issued vide Exchange Circular no. MCX/MEM/160/2024 dated March 19, 2024.

QSBs shall be required to meet enhanced obligations and discharge additional responsibilities as specified in Comprehensive Operating Guidelines issued vide



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Exchange Circular No. MCX/MEM/358/2023 dated June 02, 2023, and MCX/MEM/146/2024 dated March 15, 2024.

Stock Brokers designated as QSBs vide Exchange Circulars No. MCX/MEM/154/2023 dated March 06, 2023, MCX/MEM/486/2024 dated July 22, 2024, MCX/MEM/580/2024 dated August 30, 2024, MCX/MEM/245/2025 May 12, 2025 and MCX/MEM/170/2026 dated April 01, 2026, shall continue to comply with the enhanced obligations and responsibilities, for an additional period of 3 financial years from the year when they were designated as QSB or such time, as may be specified by the Exchange, in consultation with SEBI.

## 27. ADVERTISEMENT & COMPLIANCE REQUIREMENTS

27.1 Advertisement shall include all forms of communication issued by or on behalf of or in relation to Stockbroker in publicly available media that may influence investment / trading decisions of any investor / prospective investors. It also includes internal communication to registered clients that may influence investment/trading decisions.

27.2 Forms of communications shall include but shall not be limited to all written or audio or visual form including social media forms including use of workshops and the like.

27.3 Broad guidelines:

27.3.1 Prior approval for all Advertisement should be obtained from the Exchange before issuance of Advertisement.

27.3.2 Any Advertisement issued by Authorised Persons/Business Partner / Channel Partner of the members or Influencer / Blogger being paid by members, shall require prior Exchange approval. Any advertisement issued by Authorised Person on their own shall not be entertained by the Exchange.

27.3.3 Members are hereby advised to undertake adequate due diligence to ensure that content used by the above strictly adheres to the Code of Advertisement prescribed by the Exchange/SEBI from time to time.

27.3.4 In the event of suspension of any Member by the Exchange, the Member so suspended shall not issue any Advertisement either singly or jointly with any other Member, during the period of suspension.

27.3.5 In the event of any proceeding / action initiated against a Member by a regulatory body other than the Exchange, the Exchange reserves the right to direct the Member to refrain from issuing any Advertisement for such period as it may deem fit.

27.3.6 Members should have an internal policy / framework to ensure compliance by itself and Authorized Persons / Business Partner / Channel Partner of the members or Influencer / Blogger being paid by members, with the circulars / guidelines issued by the Exchange / SEBI for Advertisements.

27.3.7 Any promotion for the mobile application of the Member (with or without account opening or Products / Services info) will require prior Exchange approval.

27.3.8 In case of any third-party issuing Advertisement on any platform without the consent of the Member and the Member disowns the said Advertisement, in **such case, the** Member is required to take appropriate legal action against such entity and inform the Exchange regarding such action and outcome thereof.

27.3.9 Information contained in the Advertisement should be accurate, complete



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and unambiguous.

27.4 **Advertisement shall contain:**

27.4.1 Name of the Member, complete registered office address, SEBI Registration number (all registration numbers and names of the Exchanges in case of multiple memberships) / Member ID allotted by Exchange and logo of the Member, if any.

27.4.2 Standard warning in legible fonts (minimum font size 10) which states 'investments in securities market are subject to market risks, read all the related documents carefully before investing.' No addition or deletion of words shall be made to the standard warning.

27.4.3 In audio-visual media-based advertisements, the standard warning in visual and accompanying voice over reiteration shall be audible in a clear and understandable manner. For example, in standard warning both the visual and the voice over reiteration containing 14 words running for at least 5 seconds may be considered as clear and understandable. This is also applicable for video content, or any other content / information issued by Authorised Persons / Business Partner / Channel Partner of the members or Influencer / Blogger.

27.4.4 In case the mode of advertisement is in the form of SMS / Message / Pop-up, etc. and the details such as full name, logo, complete registered office address, SEBI registration numbers and standard disclaimer are not mentioned, then a hyperlink to the official website must be provided in such SMS / Message / Pop-up, etc. and the website must contain all such prescribed details.

27.4.5 If there is a mention of content pertaining to any other business activity such as Mutual Funds, IPO, Insurance, Commodities, Bonds, Loans, etc., in the advertisement, then respective registration number(s) where applicable must be mentioned.

27.4.6 If the member is only a distributor/s for any of the products mentioned in the advertisement, disclaimer that they are only distributor/s of such products must be specifically mentioned in the disclaimer.

27.4.7 In case any specific security / securities are displayed in the Advertisement as examples, disclaimer that "The securities are quoted as an example and not as a recommendation" must be mentioned on the same slide of the written creative / frame of the video where the same is displayed and not at the end of the creative / advertisement. The logos of the securities quoted shall not be used in the creative.

27.4.8 If the Advertisement contains prepaid Brokerage schemes, then a disclaimer stating that the "Brokerage will not exceed the SEBI prescribed limit" must be mentioned.

27.4.9 Statistical information, charts, graphs, etc. when used should be supported by their source (certification by practicing professional or other authentic verifiable source, if any).

27.4.10 Where advertising claims are expressly stated to be based on, or supported by independent research or assessment, source of such data and the period it relates to, must be indicated in the advertisement. Further, authentic source of such information must be provided in the Advertisement.

27.4.11 Name and Logo of the Exchange shall not be used by the members in their creative / advertisement.



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27.5 **Advertisement/Material shall not contain**:

27.5.1 Superlative terms, such as best, no. 1, among market leaders, etc. unless such terms are provided by an entity independent of the Member and its affiliates, and whose services are not procured by the Member or any of its affiliates in order to assign the Member such term.

27.5.2 Any statement which directly or indirectly discredits other advertisements or Member or makes unfair comparisons. The advertisement issued should not imitate any advertisement by other Members.

27.5.3 Any recommendation / promotion of a specific scrip / contract, in any manner including by way of reference to past performance or research material, shall not be permitted.

27.5.4 Celebrities shall not form part of the advertisements including but not limited to, in the form of cartoons / memes, etc. The word 'celebrity' means and includes any person:

a. who feature in the top 50 rankings in any celebrity index published by a national publication of repute which is publicly available. The celebrity index should be latest available or at the most one-year old.
b. who has played lead role or one of the lead roles in any mainstream / prominent / popular movies / TV serials / TV shows / web-series on any of the OTT platforms.
c. who is an Influencer with more than 10 Lacs followers / subscribers (per social media handle) on any social media platform that includes but not limited to YouTube, Instagram, Facebook, Twitter, etc.
d. who being a Sports person has been part of National team of the country to which he belongs or has represented his country in international tournaments / events such as Olympic Games, Asian Games, Commonwealth Games, popular sports events telecasted on television such as Kabaddi, Cricket IPL, etc. and competitive games at international level for that given sport, etc.
e. who has been host or one of the hosts or anchors or one of the anchors for any TV programs such as quizzes, cooking shows, news channels, comedy shows, dance shows, song shows, award functions and such other entertainment programs at least for one season or for a minimum of 10 episodes, as the case may be.
f. who has been winner or runners-up in any prominent / popular competitive program aired on TV / OTT platform or any prominent personality who has gone through a series of qualifying rounds (for elimination of competitors) which may be known as qualifying round, quarter finals, semifinals and finals or by any other name.
g. who is a virtual character (fictional computer 'people' or avatars who have the realistic characteristics, features and personalities of humans) that bears influence on their audience/followers.
h. who in the view of Exchange is capable of influencing the opinion of viewers of the advertisement.

Notwithstanding anything contained in these guidelines, decision of the Exchange shall be final in determining if the person who made a part of the advertisement / material is a celebrity or not.



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27.5.5 Incentive/referral schemes:

a. Members shall refrain from providing any form of incentive / vouchers / coupons / certificates / tokens, by whatever name called, to their clients for account opening / trading / activating inactive trading accounts of clients or any kind of subscription plan or for downloading mobile application etc. Members shall not offer any scheme / plan to clients which compel them to undertake / execute trades / transactions with the Member, in order to avail / continue to avail of certain benefits, previously given, under brokerage plan / upon account opening.

b. Members or anybody associated with the Member including the Authorized Persons / Associates / Channel Partners / Influencers / Bloggers shall not promote or incentivize trading / transactions, in any form including but not limited to distribution of brokerage waivers / cashback / certificates / medals /gifts /prizes /coupons /tokens.

27.5.6 Schemes / leagues / competitions:

a. Member shall not deal or directly /indirectly sponsor or be associated in any kind of scheme / league / competition / quiz / game / lottery / engagement programs with general public / clients etc. which involves distribution of money / certificates / medals / gifts / prizes / coupons / tokens/etc. or any form of incentive monetary or otherwise, by whatever name called and has the effect of inducing the investors / clients to promote their brand in any manner or promote / incentivize trading / transactions.
b. No reference of Member's name, logo, etc. can be made in any schemes / leagues / competition, etc.
c. Members shall not share any information of their clients with a third party, even with the clients' consent, in case any third party is involved in launching schemes / leagues / competition, etc.
d. Members shall not take any financial liability, including any contingent financial liability, on account of any schemes / leagues / competition, etc. launched by a third party.

27.5.7 Algorithmic trading services / strategies: Members who are providing algorithmic trading services / strategies as well as Members who feature in any of the platform offering such services are advised to refrain from undertaking the following:

a. directly or indirectly make any reference to the past performance or expected return out of algorithmic trading services / strategies in any form of advertisements / business communication on publicly accessible platforms including and not limited to social media / websites / digital & print media etc.
b. not make any reference to the past performance or expected return out of algorithmic trading services / strategies, during any presentation / account opening forms / pamphlets / banners / forums / gatherings organized to onboard new clients / pitching new segment / product to existing clients including, exhibiting of past performance, or expected return on any of the platforms used by Authorized Persons / Vendor / associated entities of the Member, except as permitted.
c. directly or indirectly associate with any platform providing any reference to the past or expected future return / performance of the algorithm.



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27.5.8 Anything which is otherwise prohibited for publication under the relevant Act.

27.5.9 Any false / misleading / biased / exaggerated / deceptive / ambiguous statement or any misleading testimonials/ slogans.

27.5.10 Any statement is designed as likely to be misunderstood or likely to disguise the significance of the statement.

27.5.11 Any promise or assurance of any fixed / guaranteed / indicative returns to prospective / existing clients. Members are not permitted to undertake any business / activity that is not allowed under the Byelaws, Rules & Regulations and circulars of SEBI / Exchanges including operating any scheme of unauthorized collective investment / portfolio management, promising indicative / guaranteed / fixed returns / payments etc.

27.5.12 Recommendations such as BTST (Buy Today and Sell Tomorrow), ATST (Acquire Today and Sell Tomorrow) etc. cannot be mentioned in the Advertisement.

27.5.13 Logo of other entities cannot be used unless specific approval is obtained from the respective entities.

27.6 **Advertisements which do not require Exchange Approval**

Following shall be exempted from seeking Exchange prior approval, provided there is no reference to the Member's product or services or Brokerage plans, or any other promotional activities etc. in the said communication:

27.6.1 All communications /material / articles issued by the Member subject to holding necessary registrations required under SEBI regulation:

a. For educational / information purposes, knowledge sharing / training and has no influence the investment / trading decisions of any investors.
b. To clients in the capacity of a research analyst / investment advisor covered under SEBI (Research Analysts) Regulations, 2014.
c. To clients in the capacity of distributor.
d. To promote activities covered under SEBI (Investment Advisers) Regulations 2013.
e. To promote activities covered under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
f. Any communication that is limited to market commentary concerning overall changes in the market on a particular day, or a discussion of economic news wherein there is no mention of any information that can influence the investment/trading decisions of any investor.

27.6.2 Wishes /Greetings from company on events/festivals by the Member which does not involve any form of promotional activities.

27.6.3 Press Release / audio & video interviews by members which cannot influence the investment / trading decisions of any investors.



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27.6.4 All public communications, inviting applications for franchisees / authorized persons, etc. to drive the business expansion of the Member, provided such communication does not have any information that can influence the investment / trading decisions of any investor.

27.6.5 Sponsorship for TV shows / Talk show and events which does not involve any form of promotional activities and is only limited to sponsorship.

27.6.6 Content which is exclusively for Non-Broking Products / Services e.g., Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the Member is just a distributor. This should contain specific disclosure that these are not Exchange traded products, and the Member is just acting as distributor. It should also state that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

27.6.7 Advertisements that have been approved previously and that are to be used without any change except changes to factual information whether it is issued by Member, Channel Partner or employee. However, such advertisements should be issued within 180 days from the date of approval by the Exchange.

27.6.8 Third party can publish any content related to the products / services offered by them, that has been approved by the Exchange as content to be used by a Member within 180 days from the date of such approval.

27.6.9 If an advertisement is approved by Exchange for a specific medium (e.g., print media) and the same advertisement without any change in the content is redesigned for a different medium (e.g., social media, etc.) then no further approval would be required. However, such advertisements should be issued within 180 days from the date of approval by the Exchange.

27.7 **Approval provisions:**

27.7.1 Members can apply for Advertisement approval through emails / post.

27.7.2 Copy of the complete advertisement including contents provided in the link shall be submitted in the form of pdf (videos to be provided either through email / CDs / Pen drives, any other acceptable mode) to the Exchange at least seven working days in advance before issuing the advertisement.

27.7.3 Members shall provide an undertaking as per the format confirming compliance with the code of advertisement.

27.7.4 Members shall provide an undertaking as per the format while submitting the draft content / script / advertisement that has individuals forming a part of it, to the Exchange for approval.

27.7.5 In case a creative is issued in more than one language, Member shall provide an Undertaking that the same is verbatim to the one issued in Hindi / English.



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27.8 **Penalties:**

Members not complying with the Code for Advertisement may have to face disciplinary proceedings as specified in Exchange circular MCX/INSP/400/2017 dated October 30, 2017 or any other penalty as prescribed by the Exchange from time to time.

Notwithstanding anything contained in these guidelines:

27.8.1 Members must comply with code of conduct prescribed under Chapter-VIII of SEBI (Stock Brokers) Regulations, 2026 and all relevant Byelaws, rules & regulations and of SEBI/Exchange with respect to sharing of Brokerage, account opening, inducement to trade, sales practices, orders placement etc. issued from time to time.

27.8.2 Decision of the Exchange shall be final in determining whether the advertisement is complying with this Code.

Information contained in the Advertisement should be accurate, complete and unambiguous.

*Refer Exchange Circular no. MCX/MEM/089/2023 dated February 09, 2023.*

## 28. FIT AND PROPER – SEBI REGULATIONS:

Fit and Proper criteria as per the provisions of Schedule II of the SEBI (Intermediaries) (Third Amendment) Regulations, 2021:

1. The applicant or intermediary shall meet the criteria, as provided in the respective regulations applicable to such an applicant or intermediary including:

   (a) the competence and capability in terms of infrastructure and manpower requirements; and
   (b) the financial soundness, which includes meeting the net worth requirements.

2. The 'fit and proper person' criteria shall apply to the following persons:

   (a) the applicant or the intermediary.
   (b) the principal officer, the Directors or Managing Partners, the Compliance Officer and the Key Management Persons by whatever name called; and
   (c) the promoters or persons holding controlling interest or persons exercising control over the applicant or intermediary, directly or indirectly:

   Provided that in case of an unlisted applicant or intermediary, any person holding ten percent or more voting rights, irrespective of whether they hold controlling interest or exercise control, shall be required to fulfil the 'fit and proper person' criteria.

   Explanation– For the purpose of this sub-clause, the expressions —controlling interestll and —control in case of an applicant or intermediary,



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shall be construed with reference to the respective regulations applicable to the applicant or intermediary.

3. For the purpose of determining as to whether any person is a 'fit and proper person', the Board may take into account any criteria as it deems fit, including but not limited to the following:
   a) integrity, honesty, ethical behaviour, reputation, fairness and character of the person.
   b) the person not incurring any of the following disqualifications:
      i. criminal complaint or information under section 154 of the Code of Criminal Procedure, 1973 (2 of 1974) has been filed against such person by the Board and which is pending.
      ii. charge sheet has been filed against such person by any enforcement agency in matters concerning economic offences and is pending.
      iii. an order of restraint, prohibition or debarment has been passed against such person by the Board or any other regulatory authority or enforcement agency in any matter concerning securities laws or financial markets and such order is in force.
      iv. recovery proceedings have been initiated by the Board against such person and are pending.
      v. an order of conviction has been passed against such person by a court for any offence involving moral turpitude.
      vi. any winding up proceedings have been initiated or an order for winding up has been passed against such person.
      vii. such person has been declared insolvent and not discharged.
      viii. such person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force.
      ix. such person has been categorized as a wilful defaulter.
      x. such person has been declared a fugitive economic offender; or
      xi. any other disqualification as may be specified by the Board from time to time.

4. Where any person has been declared as not 'fit and proper person' by an order of the Board, such a person shall not be eligible to apply for any registration during the period provided in the said order or for a period of five years from the date of effect of the order, if no such period is specified in the order.

5. At the time of filing of an application for registration as an intermediary, if any notice to show cause has been issued for proceedings under these regulations or under section 11(4) or section 11B of the Act against the applicant or any other person referred in clause (2), then such an application shall not be considered for grant of registration for a period of one year from the date of issuance of such notice or until the conclusion of the proceedings, whichever is earlier.

6. Any disqualification of an associate or group entity of the applicant or intermediary of the nature as referred in sub-clause (b) of clause (3), shall not have any bearing on the 'fit and proper person' criteria of the applicant or intermediary unless the applicant or intermediary or any other person referred in clause (2), is also found to incur the same disqualification in the said matter:

   Provided that if any person as referred in sub-clause (b) of clause (2) fails to satisfy the 'fit and proper person' criteria, the intermediary shall replace such



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person within thirty days from the date of such disqualification failing which the 'fit and proper person' criteria may be invoked against the intermediary:

Provided further that if any person as referred in sub-clause (c) of clause (2) fails to satisfy the 'fit and proper person' criteria, the intermediary shall ensure that such person does not exercise any voting rights and that such person divests their holding within six months from the date of such disqualification failing which the 'fit and proper person' criteria may be invoked against such intermediary.

7. The 'fit and proper person' criteria shall be applicable at the time of application of registration and during the continuity of registration and the intermediary shall ensure that the persons as referred in sub-clauses (b) and (c) of clause (2) comply with the 'fit and proper person' criteria.

*Refer Exchange Circular no. MCX/MEM/783/2021 dated December 17, 2021. Member may also refer SEBI (Intermediaries)(Amendment) Regulations, 2026, Notification issued date April 15, 2026.*

## 29. AUTHORISED PERSON

### A. Appointment and Withdrawal

Members desirous of appointing Authorised Person(s) are required to seek approval of the Exchange by submitting an application as per the modes specified by the Exchange, duly completed in all respects to the Membership Department of the Exchange as per the regulatory framework of the SEBI and / or Circulars issued by the Exchange from time to time.

i. "Authorised Person" means and includes any person whether being an individual, a Partnership firm, a Limited Liability Partnership (LLP) or body corporate and who provides access to the trading platform of the Exchange as an agent of the member.

ii. **Appointment of Authorised Person**

1. Members of the Exchange may appoint one or more Authorised Persons after obtaining specific prior approval from the Exchange concerned for each such person.
2. The approval as well as the appointment shall be for specific segment of the Exchange.
3. The following words should not be part of the trade name:
   - Commex / Comdex / Exchange / Commodity Exchange / Stock Exchange / National

*Refer Exchange Circular no. MCX/MEM/003/2020 dated January 02, 2020.*

iii. **Procedure for Appointment**

a. Members shall select a person in compliance with the criteria laid down by the Exchange and as per the framework laid down by SEBI, from time to time, for appointment as authorised person and forward the application of the person to the Exchange for approval.

b. On receipt of the aforesaid application, the Exchange: -
   i. may accord approval on satisfying itself that the person is eligible for appointment as Authorised Person, or



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ii. may refuse approval on satisfying that the person is not eligible for appointment as Authorised Person.

c. All applications for Authorised Persons registration/withdrawal received by the Exchange are required to pay processing fees (Please refer para no. 44 of Schedule of Charges). The same would not be refunded in case of withdrawal of applications by the Member at any stage.

iv. **Eligibility Criteria**

i. An individual is eligible to be appointed as "Authorised Person" if he/she:
   a. is a citizen of India;
   b. is not less than 18 years of age;
   c. has not been convicted of any offence involving fraud or dishonesty;
   d. has a good reputation and character;
   e. has passed at least 10th standard or equivalent examination from an institution recognized by the Government; and

ii. A Partnership firm, LLP or a Body Corporate is eligible to be appointed as Authorised Person:
   a. if all the Partners or Directors, as the case may be comply with the requirements contained in clause iv(i) above.
   b. the object clause of the Partnership deed or of the Memorandum of Association contains a clause permitting the person to deal in securities business.

iii. **Infrastructure**: The Authorised Person must have necessary infrastructure, viz, adequate office space, equipment and manpower to effectively discharge the activities on behalf of the Member.

iv. The approved users and / or sales personnel of Authorised Persons shall have the necessary certification of the respective segments at all points of time.

v. **Conditions of Appointment:** The following are the conditions of appointment of an Authorised Person:

a) The Member shall be responsible for all acts of omission and commission of the Authorised Person.
b) All acts of omission and commission of the Authorised Person shall be deemed to be those of the Member.
c) The Authorised Person shall not receive or pay any money or securities in its own name or account. All receipts and payments of securities and funds shall be in the name or account of Member.
d) A person shall not be appointed as Authorised Person by more than one Member on the same Exchange.
e) A Partner or Director of an Authorised Person shall not be appointed as an Authorised Person of the same Exchange.
f) The Authorised Person shall receive his remuneration fees, charges, commission, salary etc. for his services only from the Member and he shall not charge any amount from the clients.
g) The Member and the "Authorised Person" shall enter into written agreement(s) in the form(s) specified by the Exchange. The agreement shall, inter alia, cover scope

of the activities, responsibilities, confidentiality of information, commission sharing, termination clause, etc.

vi. **Withdrawal of Approval**

Approval given to an Authorised Person may be withdrawn by the Exchange:

a) on receipt of a request to that effect from the Member concerned or the Authorised Person, subject to compliance with the requirements specified by the Exchange.
b) on being satisfied that the continuation of the Authorised Person is detrimental to the interest of investors or the securities market or the Authorised Person at a subsequent date becomes ineligible under clause 4 above.

vii. **Obligations of the Members**

a) The Member shall be responsible for all acts of omission and commission of his Authorised Person(s) and/or their employees, including liabilities arising there from.
b) If any trading terminal is provided by the Member to an "Authorised Person", the place where such trading terminal is located shall be treated as branch office of the Member.
c) The Member shall display at each such branch office, additional information such as, particulars of Authorised Person in charge of that branch, timelines for dealing through Authorised Person, etc. as may be specified by the Exchange.
d) The Member shall notify changes, if any, in the Authorised Person to all registered clients of that branch at least 30 days before the change.
e) The Member shall conduct periodic inspection of the branches assigned to Authorised Persons and records of the operations carried out by them.
f) The client shall be registered with the Member only. The funds and securities of the clients shall be settled directly between the Member and client. All documents like contract notes, statement of funds and commodities etc. would be issued to the client by the Member. Authorised Person may provide administrative assistance in procurement of documents and settlement but shall not issue any documents to client in its own name. No fund / securities of the clients shall go to account of an Authorised Person.
g) On noticing irregularities, if any, in the operations of an Authorised Person, the Member shall seek withdrawal of approval, withhold all moneys due to Authorised Person till resolution of investor problems, alert investor in the location where Authorised Person operates, file a complaint with the police, and take all measures required to protect the interest of its investor and the market.

viii. **Obligations of the Exchange**

a) The Exchange shall maintain a database of all the Authorised Persons, which shall include the following: -
   i. PAN number of Authorised Person and in case of Partnership or body corporate, PAN number of all the Partners or Directors as the case may be.
   ii. Details of the Member with whom the Authorised Person is registered.
   iii. Locations of the branch assigned to the Authorised Person(s).
   iv. Number of terminals and their details, given to each Authorised Person.
   v. Withdrawal of approval of an Authorised Person.
   vi. Change in the status or constitution of Authorised Person
   vii. Disciplinary action taken by the Exchange against Authorised person.

All the above details, except (i) above, shall be made available on the website of the Exchange.



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b) While conducting the inspection of the Member, the Exchange shall also conduct inspection of the branches where the terminals of Authorised Persons are located and records of the operations carried out by them.
c) Any dispute between a client and an Authorised Person shall be treated as a dispute between the client and the Member and the same shall be redressed by the Exchange accordingly.
d) In case of withdrawal of approval of an Authorised Person due to disciplinary action or upon the regulatory directive, the Exchange shall issue a press release and disseminate the names of such Authorised Person on its website citing the reason for withdrawal or cancellation of approval.

**B. Inspection of AP**

All Members are required to inspect at least 50% of their registered APs/Branches every year, irrespective of the AP/Branch inspections conducted in the previous year and ensure that each registered AP/Branch is inspected at least once in every two years. APs/Branches meeting any of the below criteria shall be inspected annually, irrespective of when the last inspection was carried out:

1. The top 50% of registered APs/Branches based on AP/Branch turnover for the previous year.
2. APs/Branches against whom one or more unauthorised trading complaints have been received.
3. Market intelligence/ Scanning of social media: In the case of any inputs or alerts about suspicious transactions, dealing, assured returns, mis-selling etc. by an AP or a Branch, Members shall carry out an immediate inspection, irrespective of when the last inspection was conducted and initiate appropriate action.
4. Sudden increase in AP Turnover/clients/commission paid by Member.

Submission Timelines: Members are required to submit Authorised Persons (APs) Inspection report undertaken and the Inspection report in Excel and in PDF format shall be uploaded on the AP portal on quarterly basis. The formats will be available on the AP portal under the tab – AP Inspection. The report shall be reported within one month from end of the said quarter.

For instance:

| **Inspections undertaken during the FY** | **Due date of reporting** |
|---|---|
| Inspections done during the Quarter-1 | July 31, XXXX |
| Inspections done during the Quarter-2 | Oct 31, XXXX |
| Inspections done during the Quarter-3 | Jan 31, XXXX |
| Inspections done during the Quarter-4 | April 30, XXXX |

*Refer Exchange Circular no. MCX/INSP/572/2024 dated August 29, 2024.*

*Also refer Exchange Circular no. MCX/MEM/052/2022 dated January 28, 2022 in continuation to Circular no. MCX/INSP/601/2019 dated Oct 22, 2019.*

**C. Online Submission of Digitally Signed Application and Documents for appointment / cancellation of Authorised Person (AP)**

To smoothen the AP process, the member can submit applications digitally signed by both, the member and the AP. However, the member must submit an undertaking



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along with the AP application.

*Refer Exchange Circular no. MCX/MEM/340/2021 dated June 8, 2021 in continuation to circular no. MCX/MEM/467/2018 dated November 09, 2018*

**D. Authorised Person Annual Subscription Charges effective April 1st 2026**

Authorised Person Annual Subscription to be levied to the members annually in advance for all the registered Authorised Persons who are registered with the members as at March 31st.The annual subscription charges will be collected in advance for the respective Financial Year. For newly registered APs the annual subscription charges would be applicable from April 1st of subsequent year basis AP registered with the members as of March 31st.

Annual Subscription to the Authorised Person will not be charged to the members whose terminal/s with whom such Authorised Person is affiliated are disabled as at March 31st pursuant to disciplinary action taken by the Exchange.

Transition period - For the Financial Year 2026-27 i.e. the first year where the base of annual subscription on AP is being changed, Members can avail a transition period, wherein some APs who may want to cancel their registration post payment of cancellation charges before billing is initiated for annual subscription charges for FY 2026-27. Hence, for the FY 2026-27, the annual subscription charges are to be billed based on closing count of Registered APs as of May 31st, 2026. From FY 2027-28 onwards it will be based on closing count of Registered APs as on March 31st, 2027.

*Refer Exchange Circulars MCX/MEM/187/2026 April 09, 2026, MCX/MEM/148/2021 dated March 12, 2021, MCX/MEM/164/2021 dated March 17, 2021 and MCX/MEM/433/2021 dated July 16, 2021.*

**E. Reporting of clients mapped to Authorised Persons (AP)**

In order to have additional information about the APs and to enhance the regulatory oversight over them, it has been decided, after mutual discussion with other Exchanges, to obtain and maintain the details of the clients that are mapped to the respective registered APs. In view of the same, all the members are hereby required to upload the details of such clients, if any, against the respective AP's on the AP Portal as per the following timelines.

a) For Approved APs registered up to 31 October 2023: Client details to be mapped latest by November 06, 2023.
b) For New clients mapped w.e.f. November 01, 2023: the details shall be uploaded on a weekly basis.

Procedure to upload the client details of respective APs and portal format are available at Exchange Circular no. MCX/MEM/748/2023 dated October 31, 2023 Reporting of clients mapped to Authorised Persons (AP).

Members are advised to ensure that details of clients reported should match with the Exchange UCC records.



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## 30. TRADE THROUGH OTHER MEMBERS

Provisions of SEBI Circular no. SEBI/MIRSD//Cir-06/2004 dated January 13, 2004 is given below:

a) A Stock Broker/ sub-broker of an exchange cannot deal with brokers/sub brokers of the same exchange either for proprietary trading or for trading on behalf of clients, except with the prior permission of the exchange. The stock exchanges while giving such permission, shall consider the reasons stated by the brokers/sub brokers for dealing with brokers/sub brokers of the same exchange and after carrying out due diligence allow such brokers/sub brokers to deal with only one Stock Broker/sub broker of the same exchange.
b) A Stock Broker/sub broker of an exchange can deal with only one broker/sub broker of another exchange for proprietary trading after intimating the names of such Stock Broker/sub broker to his parent stock exchange.

## 31. GUIDELINES FOR SEEKING NOC FOR STOCK BROKERS FOR SETTING UP WHOLLY OWNED SUBSIDIARIES, STEP DOWN SUBSIDIARIES, JOINT VENTURES IN GIFT IFSC.

a) SEBI has vide its circular SEBI/HO/MIRSD/DoR/P/CIR/2022/61 dated May 13, 2022 has issued Guidelines for seeking NOC by Stock Brokers / Clearing Members for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC. The above circular is attached as Annexure for information.

b) Stock Brokers and Clearing Members shall apply through a Stock Exchange where the applicant is a member, along with the required information, documents and NOC received from all Stock Exchanges/Clearing Corporations/Depositories in which the applicant is a member/participant.

c) Stock Exchanges / Clearing Corporations (where the applicant is only clearing member) are directed to forward the complete application to SEBI, after verification along with its recommendation.

The Trading Members of the Exchange are required to submit the below documents along with the documents prescribed by SEBI to obtain SEBI NOC:

a) Request Letter addressed to Exchange on the letter head of the Trading Member;
b) Board / Partners Resolution; and
c) Further SEBI vide circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/61 dated May 2, 2025 has issued measure for ease of doing business- Facilitation to SEBI registered Stock Brokers to undertake securities market related activities in Gujarat International Finance Tech-city – International Financial Services Centre (GIFT-IFSC) under a Separate Business Unit (SBU) wherein Stock brokers proposing to undertake securities market related activities in GIFT-IFSC are permitted to do so under a Separate Business Unit (SBU) of the stock broking entity itself. These activities can also be carried out if the branch qualifies as an SBU. To demarcate the regulatory obligations and to ring fence the activities of the stock brokers in Indian securities market and that of SBU in GIFT-IFSC, some of the key safeguards are being prescribed as under:

    i. Stock brokers shall ensure that securities market related activities of the SBU



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in GIFT-IFSC are segregated and ring-fenced from the Indian securities market related activities of the stock broker and arms-length relationship between these activities is maintained.

ii. Such SBU in GIFT-IFSC shall be exclusively engaged in providing securities market related activities as permitted by the IFSCA. Further that, the activities to be carried out by the SBU shall be as permitted by the IFSCA.

iii. Stock brokers shall prepare and maintain a separate account for the SBU on arms-length basis.

iv. The net worth of the SBU shall be kept segregated from the net worth of the stock broker in the Indian securities market. Net worth criteria for stock broker shall be satisfied after excluding account of the SBU. The net worth for the purpose of the SBU shall be as per regulatory framework issued by the concerned regulatory authority.

v. As the activities of the SBU shall be under the jurisdiction of another regulatory authority, Grievance Redressal Mechanism and Investor Protection Fund (IPF) of the stock exchanges and SCORES shall not be available for investors availing the services of the SBU.

vi. Stock brokers who have already floated subsidiary or entered into joint venture to undertake securities market related activities in GIFT-IFSC after obtaining approval from SEBI, shall have an option to dismantle at its discretion, such subsidiary/joint venture and carry out such services under an SBU of the stock broking entity itself.

*Refer SEBI Circular no. SEBI/HO/MIRSD/DoR/P/CIR/2022/61 dated May 13, 2022 and Exchange Circular no. MCX/MEM/289/2022 dated May 16, 2022.*

## 32. CHANGE IN AUTHORISED SIGNATORIES

The members of the Exchange are required to intimate the 'Authorised Signatories' along with the Board Resolution and their specimen signatures.
Any subsequent changes in the 'Authorized Signatories' is to be intimated to the Exchange within one month from the date of Board Resolution / Consent of Partners passed for such changes, failing, which the penalty / action shall be levied on the member as specified by the Exchange.

## 33. CONTINUOUS UPDATION (INTIMATION) OF DETAILS OF MEMBERS IN MMPI PORTAL OF THE EXCHANGE

As per the provisions of *Exchange Circular no. MCX/MEM/311/2018 dated August 13, 2018 and MCX/MEM/077/2020 February 06, 2020*, Members shall update their profile details and continuous membership compliances through 'MMPI' – MCX Member Profile Interface for Members, which is an internet-based application.

The following functions are facilitated through 'MMPI' – MCX Member Profile Interface for Members:

1. Updation of latest and complete details (as specified in MMPI) by the Members on continuous basis for the below submissions:

   - Compliance Officer and its Valid NISM certification
   - Designated Director-FIU-IND
   - Principal Officer-FIU-IND



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- Key Management Personal (KMP)
- Branch Office details
- Associates / Subsidiary details
- Authorised Signatories
- Membership of any other Stock Exchanges/ Clearing Corporation
- Details of Politically Exposed Persons (PEP)
- Brokers indemnity insurance details
- Statutory Auditor details

2. Submissions for change request for obtaining Exchange Prior approval

## 34. RULE 8(1)(F) AND 8(3)(F) OF SECURITIES CONTRACTS (REGULATION) RULES, 1957

1) The Rule 8(1)(f) and Rule 8(3)(f) of SCRR , requires that members of a Stock Exchange, except those provided under Rule 8 (8) of SCRR, shall not engage either as principal or employee, in any business, other than that of securities or commodity derivatives, except as a broker or agent, not involving any personal financial liability.

2) SEBI *vide* paragraph 26 of the Stock Broker Master Circular has clarified, *inter alia*, that borrowing and lending of funds by a Trading Member in connection with or incidental to or consequential upon the securities business would not be disqualified under rule(s) 8(1)(f) and 8(3)(f) of the SCRR. Further, SEBI *vide* paragraph 8.4 of the Stock Broker Master Circular has clarified that business in goods related to the underlying and/or business in connection with commodity derivatives", by a member of a commodity derivative or incidental to or consequential to trades in commodity derivatives exchange, would not be disqualified under Rule 8(1)(f) and Rule 8(3)(f) of the SCRR.

**Ministry of Finance (MOF) vide its Notification dated May 19, 2025 amended the following in the Securities Contracts (Regulation) Rules, 1957, in rule 8**

i. In sub-rule (1), in clause (f), after the first proviso, the following proviso shall be inserted, namely: —
"Provided further that investments made by a member shall, at all times, not be construed as business except when such investments involve client funds or client securities, or relate to arrangements which are in the nature of creating a financial liability on the broker".

ii. In sub-rule (3), after clause (f), after the first proviso, the following proviso shall be inserted, namely: —
"Provided further that investments made by a member shall, at all times, not be construed as business except when such investments involve client funds or client securities, or relate to arrangements which are in the nature of creating a financial liability on the broker".

Further MOF vide its letter dated June 17, 2025 had clarified the applicability of the aforesaid amendments to the Rule 8 stating that the amended provisions apply retrospectively on the past cases as well.



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*Refer Exchange Circular no. MCX/MEM/272/2025 dated May 28, 2025 Gazette notification dated May 19, 2025.*

## 35. CHANGE IN CLEARING MEMBER

All Trading Members intending to change their association / affiliation from one Clearing Member to another are required to submit the following documents:

- Letter from the Trading Member, requesting the change in affiliation
- Letter from the dis-affiliating / outgoing Clearing Member
- Letter from the affiliating / incoming Clearing Member
- Trading Member Clearing Member Agreement. (The said agreement shall be provided as per the applicable format of the designated Clearing Corporation of the incoming clearing member).



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## ITEM No.3: MANDATORY SUBMISSIONS / COMPLIANCES

### 36. SUBMISSION OF HALF YEARLY NET-WORTH CERTIFICATE

a) As per SB Regulations and the continuing membership norms of the Exchange, all Trading Members are required to maintain the prescribed minimum Net-worth all times and submit the Net-worth certificate on a half yearly basis to the Exchange strictly in Dr. L.C. Gupta Format.

b) Member shall be required to submit the half yearly Net-worth within 2 months from the end of the respective half year i.e., for the half year ending March, the due date shall be May 31st and for the half year ending September, the due date shall be November 30th.

c) Members are requested to adhere and comply with the applicable Net-worth (i.e., higher of the Base Net-worth or Variable Net-worth) as stated in Chapter X of the SB Regulations.

d) Members are advised to refer to Exchange Circular no. MCX/MEM/499/2025 September 29, 2025 and the circulars issued by the Exchange informing the members for submission of Networth Certificates.

e) In case the reported Net-worth is less than the minimum Net-worth required or reported Networth has a variation of 25% or more as compared to the last reported half yearly Net-worth, Trading Members are required to mention the reason for the same when submitting the latest Networth.

f) In case of any shortfall in Net-worth, a revised Net-worth certificate as on a subsequent date meeting the minimum required Net-worth shall be submitted along with the original Net-worth certificate before the due date.

g) Non-submission of Net-worth certificate within the due date or in case of any shortfall, failure to submit a revised Net-worth certificate along with the original Net-worth certificate, shall result in immediate withdrawal of trading rights, as the case may be.

h) Actions for Non-compliance for not meeting the Minimum Networth Requirement and Late / Non-submission of Net worth will be taken as specified by the Exchange / SEBI in its circulars issued from time to time.

### 37. SUBMISSION OF ANNUAL RETURNS

a) Members are required to submit ‘Annual Returns’ (including Financial Strength Details) and ‘Annual Confirmations’ every year at such frequency as may be specified by the Exchange / SEBI from time to time.

b) Members are advised to submit Annual Returns and Annual Confirmations strictly as per the format informed by the Exchange from time to time. Submission should only be in the electronic form through online portal of the Exchange/common



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portal of NSE. Members of the Exchange who are also registered with NSE are required to submit to NSE only. Member who are registered exclusively with MCX will continue to make submissions to the Exchange as per existing process. No physical submission is required to be made by the Members. *Refer Exchange Circular No. MCX/MEM/499/2025 dated September 29, 2025.*

c) As per SEBI circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, Stock Brokers shall submit financial statements to Stock Exchanges in the same format as prescribed under Companies Act, 2013 irrespective of whether they fall under the purview of Companies Act, 2013 or not. Accordingly, non-corporate Trading Members will also be required to adhere to the format as prescribed under the Companies Act, 2013.The 'due date' for submission of the aforesaid financial statements to Stock Exchanges shall be the same as prescribed under Companies Act, 2013 for submission to Registrar of Companies. *Refer Exchange Circular no. MCX/MEM/207/2018 dated May 30, 2018.*

d) Members having accounting year ending on any date other than March 31 are required to submit 'Annual Returns (including Financial Strength details) and 'Annual confirmation details' within a period of six months from the close of accounting year followed by them. Such Members are required to inform about the different accounting year followed by them within 15 days of this circular.

e) Mere submission of documents through Annual Confirmation will not result in simultaneous updation of records at the Exchange's end and Members are required to obtain prior approval / intimate the Exchange, as the case may be for any changes. Members are advised to ensure that their member details on MMPI Portal are correct and continuously updated.

f) Actions for Non-compliance with the above will be taken as specified by the Exchange / SEBI in its circulars issued from time to time.

g) The guidelines issued by the Exchange / SEBI from time to time shall be applicable.

*Refer Exchange Circular no. MCX/MEM/502/2021 dated August 9, 2021- Uniform formats for Annual Returns and Annual Confirmation submissions.*

## 38. SUBMISSION OF DECLARATION ON POLITICALLY EXPOSED PERSONS

Members are required to submit a declaration on Politically Exposed Persons ("PEP") on an annual basis. Kindly note that the submission of declaration of PEP is mandatory along with the submission of Annual Returns. Members shall undertake to update the PEP status of the Member and submit a revised declaration, as and when required.

The PEP declaration shall also be submitted by the Trading Members along with the application submitted to the Exchange for change in directors, partners, shareholding pattern, sharing pattern.

## 39. MANDATORY INSURANCE COVER

As per SEBI directive dated January 19, 1996 (ref no. SMD/SED/RCG/270/96), it is mandatory for every Trading Member to have an insurance cover. Hence, Trading



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Members are required Obtain Indemnity insurance policy/cover every year as may be specified by the Exchange / SEBI from time to time. *Refer Exchange Circular no. MCX/FIN-ACCT/306/2016 dated September 29, 2016.*

## 40. MAINTENANCE OF A WEBSITE BY STOCK BROKERS

SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/30 dated February 15, 2023 mandates maintenance of a website by Stock Brokers (SB) and Depository Participants (DP). A designated website brings in transparency and helps the investors to keep themselves well informed about the various activities of the SB/DP. In view of the same, considering the advancement in technology and need to provide better services to the investors, all SBs and DPs are hereby, mandated to maintain a designated website.

Such website shall mandatorily display the following information, in addition to all such information, which have been mandated by SEBI/stock exchanges/depositories from time to time.

i. Basic details of the SB/DP such as registration number, registered address of Head Office and branches, if any.
ii. Names and contact details such as email ids etc. of all Key Managerial Personnel (KMPs) including Compliance Officer.
iii. Step-by-step procedures for opening an account, filing a complaint on a designated email id, and finding out the status of the complaint, etc.
iv. Details of Authorised Persons.

The URL to the website of a SB/ DP shall be reported to the stock exchanges/ depositories within a week of this circular coming into effect. Any modification in the URL shall be reported to stock exchanges/depositories within 3 days of such changes.

The provisions of this SEBI circular shall come into effect from August 16, 2023.
All Members dealing in clientele business are advised to mandatorily display the information as provided in Annexure-A and confirmation of compliances as provided in Annexure B and Annexure C (as applicable) of the Exchange Circular no. MCX/MEM/254/2023 dated April 18, 2023 and update such information on the website from time to time.

Regulatory directive on maintenance of website and displaying of mandatory details on website by the Stock Brokers.

- Incase Member fails to display details as per SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/30 dated February 15, 2023 or any other such information, which are /may be mandated by SEBI / Stock Exchanges from time to time.
- Any modification in the URL which members failed to report to the Exchange within 3 working days of such change.
- If any incomplete details are displayed by stockbrokers on their website and same is observed by the Exchange the applicable penalty would be levied on Members as per Exchange Circular no. MCX/COMP/213/2026 dated April 17, 2026.

Refer *Exchange Circulars MCX/MEM/112/2023 dated February 17, 2023 and MCX/MEM/520/2023 dated August 10, 2023*.



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## 41. COMPLIANCE WITH DIGITAL ACCESSIBILITY REQUIREMENTS UNDER RIGHTS OF PERSONS WITH DISABILITIES ACT, 2016

To protect the rights and dignity of persons with disabilities and ensure their full and effective participation in securities market, it is necessary to provide for their access to Digital Platforms of SEBI Regulated Entities and hence SEBI vide its circular SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111 dated July 31, 2025 and subsequent Exchange circular MCX/MEM/426/2025 dated August 26, 2025 has mandated compliance with Rights of Persons with Disabilities Act, 2016 and rules made thereunder.

In order to facilitate such accessibility, it is mandated that all Digital Platforms of Regulated Entity's Shall be compliant with the provisions of the Rights of Persons with Disabilities Act, 2016 ("RPwD Act, 2016") and corresponding rules, specifically with regards to the following provisions (as amended or modified or substituted from time to time):

i. Section 40 of RPwD Act, 2016 - Accessibility
ii. Section 42 of RPwD Act, 2016 - Access to information and communication technology.
iii. Section 46 of RPwD Act, 2016 - Time limit for accessibility by service providers.
iv. Rule 15(1)(c) of the Rights of Persons with Disabilities Rules, 2017- Rules for Accessibility

Further SEBI vide circular SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/131 dated September 25, 2025 and subsequent Exchange circular MCX/MEM/490/2025 dated September 29, 2025 has issued Compliance Guidelines for Digital Accessibility Circular Rights of Person with Disabilities Act, 2016 and Rules made there under.

Further SEBI vide its circular No. HO/13/19/13(2)2025- ITD- 1_VIAP/I/187/2025 dated December 8, 2025 and subsequent Exchange circular MCX/MEM/139/2026 dated March 20, 2026 has informed Regulated Entities to submit details regarding the status of readiness and compliance with accessibility requirements for their digital platforms to the Exchange by March 31, 2026 as per Annexure B of the said SEBI circular.

*Refer Exchange Circulars no. MCX/MEM/426/2025 dated August 26, 2025, MCX/MEM/435/2025 dated September 01,2025, MCX/MEM/490/2025 dated September 29, 2025, MCX/MEM/629/2025 dated December 09, 2025 and MCX/MEM/139/2026 dated March 20, 2026.*

*SEBI vide its Circular no. HO/13/19/13(2)2025- ITD- 1_VIAP/I/187/2025 dated December 8, 2025.*

## 42. EASE OF DOING INVESTMENT (EoDI)-DISCLOSURE OF REGISTERED NAME AND REGISTRATION NUMBER BY SEBI REGULATED ENTITIES AND THEIR AGENTS ON SOCIAL MEDIA PLATFORMS (SMPs)

SEBI vide Circular no. HO/ (79)2026-MIRSD-PODMMC dated February 26, 2026, had mandates that all SEBI registered intermediaries and their agents must clearly display their registered name and SEBI registration number on Social Media Platforms (SMPs). The objective is to enhance transparency, investor protection, and authenticity of online investment related communications. This measure helps investors identify the genuine



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intermediaries, reduces the risk of fraudulent or misleading investment content, and strengthens trust in digital financial engagement.

The provisions of this circular shall come into effect from May 01, 2026 for all contents uploaded on/after the effective date.

*Refer Exchange Circular no. MCX/MEM/131/2026 dated March 17, 2026.*

**43. ADOPTION OF STANDARISED, VALIDATED AND EXCLUSIVE UPI IDs (@valid Handles) FOR INVESTOR PAYMENTS**

i. Pursuant to SEBI Circular No. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 dated June 11, 2025, a framework has been introduced for standardised, validated and exclusive UPI IDs for collection of funds from investors. This initiative aims to enhance security, transparency, and investor protection in payment mechanisms within the securities market.

ii. All SEBI-registered intermediaries shall adopt validated UPI IDs with the following structure: Format: <username.suffix>@valid<bank>

iii. Payments will be made only to verified intermediaries. A “thumbs-up inside a green triangle” will appear for validated UPI IDs. Absence of such indicator may signify unverified or fraudulent accounts.

**iv. Steps to be followed by the Member and the Exchange to create At Valid UPI ID:**

a. Members initiate their UPI id request through Enhance Supervision Portal of the Exchange.
b. After verification of their UPI id, Exchange uploads the @Valid UPI Id to their bank using SI portal.
c. Bank processes the application and allocates the UPI handle to the Applicant Member.
d. Exchange is notified for the approval and the same will be communicated to the Member alongwith with their QR Code and the status will be updated on the Enhancement portal.
e. Exchange requests the Member to make 1 Rupee transaction on the new UPI id and to inform their clients about new UPI id (to integrate with their system)

v. Transition & Implementation Timeline:

| | |
|---|---|
| Allocation of UPI IDs | From T+90 days |
| Adoption by intermediaries | T+90 to T+105 days |
| Discontinuation of old UPI IDs | By T+180 days |
| Go-live for investors | **October 1, 2025** |



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## ITEM No. 4: FEES CHARGES AND DISCIPLINARY ACTION

### 44. SCHEDULE OF CHARGES AND DISCIPLINARY ACTIONS:

| Sr. No. | Name of the Process | Fees (plus applicable taxes)# |
|---|---|---|
| 1 | New Membership | Processing Fee – ₹ 10,000/-<br>Admission Fee: ₹ 750,000/-<br>SEBI Application Fees - As may be specified by SEBI from time to time |
| 2 | Conversion of Membership | ₹ 25,000/- |
| 3 | Transmission of Membership | Nil |
| 4 | Change in Shareholding / Sharing Pattern (without change in control) | ₹ 5,000/- |
| 5 | Change in Name | ₹ 5,000/- |
| 6 | Change in Designated Directors(DD)/ Managing Partner (MP)/ Designated Partner (DP)/Non-Designated Directors (NDD)/ Partner (P) | ₹ 5,000/- per Director/ Partner (for change in DD/ NDD/MP/DP/P) |
| 7 | Issuance of Status Report | ₹ 5,000/- |
| 8 | Transfer of Membership / Merger / Amalgamation / De-merger | Processing Fee - ₹ 10,000/-<br>Transfer Fee - ₹ 500,000/- Change in Control<br>₹ 100,000/- if membership is transferred to group entity within same Promoter Group |
| 9 | Change in Shareholding/ Sharing pattern leading to change in control | Processing Fee - ₹ 10,000/-<br>Transfer Fee - ₹ 5,00,000/- |
| 10 | Appointment of Authorised Person | ₹ 2,000/- |
| 11 | Change in Registered Office Address | ₹ 5,000/- |
| 12 | Cancellation of Authorised Persons** | ₹ 2,000/- |
| 13 | Authorised Person - Annual Subscription | ₹ 1,000/- per registered AP |
| 14 | Advertisement | ₹ 5,000/- |
| 15 | Members - Annual Subscription$ | ₹ 40,000/- for TM and in case of Self clearing TM - ₹ 30,000/- |
| 16 | Surrender of Membership | ₹ 50,000/- |

# The processing fees / Transfer fees / Annual Subscription stated above is Non-Refundable. The admission fee paid by a member is non-refundable. However, a Member is entitled to request for transfer of membership. In case the application is rejected for any reason whatsoever, the admission fee paid above shall be refunded by the Exchange to the applicant except the processing fee.

****Processing fees** for 'Cancellation of Authorised Persons' **will not be levied** in the following cases:

a) Shifting of Authorised Person from one member to another pursuant to Transfer of Membership / Transfer of Business provided the Authorised Person continues to be affiliated with the Transferee entity. Any new registration with other member will be charged.



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b) Cancellation of Authorised Persons registration pursuant to the member being declared defaulter / expelled / ceased / cancellation of SEBI registration certificate/ death of Authorised Person.
c) Members whose trading terminals are disabled.

**$ Annual subscription**

Pursuant to admission of a new member, who is SEBI Registered or will get SEBI registration, in a particular quarter of a financial year, the applicable Annual subscription will be charged in the following manner for that financial year:

| Quarter | % of Applicable Annual Subscription |
|---|---|
| Quarter 1 : April-June | 100% |
| Quarter 2 : July-September | 75% |
| Quarter 3 : October-December | 50% |
| Quarter 4 : January-March | 25% |

A Member is required to pay annual subscription in advance or latest by April 30 of every financial year.

The Exchange shall debit the settlement account of the respective members (in case of TCMs / ITCMs) or the settlement account of their affiliated clearing members (in case of trading members) after the close of business hours of the respective due dates. In case of inadequacy / insufficiency of funds in the settlement accounts, interest @18% per annum on the balance payable till the time such default continues shall be charged.

**At least 3 years** of Annual Subscription amount (plus applicable taxes) shall be recovered from the deposits of such newly admitted members who surrender their membership within three years from the date of approval of their membership by the Exchange. *Refer Exchange Circular No. MCX/MEM/636/2020 dated September 01, 2020.*

- **Miscellaneous**

Member to make payment of following fees as may be specified by the Exchange / SEBI from time to time:

i. Annual subscription fee
ii. SEBI Annual Fees
iii. Turnover Fees (SEBI Fees) *
iv. Transaction fee etc.

*Turnover Fees (SEBI Fees) is payable @0.00010 per cent of the turnover (Rs.10 per crore) for Members dealing in the commodity derivatives and @ 0.00001 per cent of the turnover (Re. 1 per crore) for Members dealing in agriculture commodity derivatives. For the purpose of computing the SEBI fees, turnover is defined to include the value of the trades executed by the Stock Broker on the concerned recognized Stock Exchange and of the trades settled on the expiration of the contracts.

In case of Options Contract, 'turnover' shall be computed on the basis of premium traded for the option contracts and in case where the option is exercised or assigned, it shall be additionally computed on the basis of notional value of Option contracts exercised of assigned.



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*Refer Exchange Circulars no. MCX/MEM/187/2019 dated April 05, 2019 and MCX/MEM/382/2017 dated October 13, 2017*

***Mode of payment:*** Demand Draft / Cheque / RTGS /NEFT/ Debit instructions or any mode as may be specified by the Exchange/Clearing Corporation from time to time.

## 45. DISCIPLINARY ACTIONS FOR NON-COMPLIANCES

1. This is with reference to Exchange Circular no. MCX/INSP/525/2025 dated October 10, 2025 disciplinary actions and / or penalty are prescribed for various regulatory non-compliances. The said disciplinary actions were based on the recommendations of the Working Group constituted by SEBI, which comprised of members from all Exchanges and Stockbroker associations viz. ANMI, BBF & CPAI and approved by SEBI.

2. In continuation to the said objective of standardizing the disciplinary framework applicable to Trading Members across exchanges, the Working Group, after detailed deliberations, has proposed actions for additional set of violations where actions were not prescribed in the previous Circular No. MCX/INSP/525/2025 dated October 10, 2025, along with modifications to certain existing violations.

3. The revised consolidated list of violations / non-compliances, their classification and the corresponding prescribed actions, approved by SEBI is as detailed in Annexure **–** 1.3 of the Exchange Circular no. MCX/COMP/213/2026 date April 17, 2026.

4. The provisions of this circular shall be applicable with immediate effect as under:
   a) On all cases under process / all non-compliances identified or determined after the date of the circular where penalty is being reduced
   b) On all other cases where the date of violation falls after the date of the circular.
   c) On all submission-based compliances where due date falls after the date of the circular.

5. Further the Trading members are requested to note the following:
   I. Relevant Authority (Member Committee) shall have the discretion to levy any additional penalties or take any necessary actions such as imposing embargo on onboarding new clients / AP for any period of time as deemed necessary, disablement of terminals, suspension, expulsion, declaration of member as defaulter or such other action.
   II. In case of monetary penalty/ financial disincentive for any of the observed non-compliance is less than Rs. 1,000/-, Exchange shall 'Advise' the member instead of levying such monetary penalty/ financial disincentive.
   III. In case of escalations, maximum capped penalty wherever applicable shall also be escalated in accordance with mentioned escalation slab.

   IV. If the cumulative amount of penalty/financial disincentive arising out of inspection observations (i.e. emanating out of on-site/off-site or joint inspections) in a financial year exceeds Rs.1 crore or 20% of Member's latest reported networth whichever is lower, then such inspection matters of those members will be referred to Relevant Authority, for necessary action as deem fit.



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v. Any procedural / non-critical violations (i.e. which do not impact the eligibility of the entity as a Trading Member, and do not pose any risk to client funds or securities) that are not covered under the prescribed penalty structure in this Circular or any SEBI/Exchange Circulars issued introducing any compliance provisions after the date of this Circular, shall attract "Advice" followed by "Warning" and "Rs.5,000 (Financial Disincentive)" for 2nd and 3rd repeat instances respectively till the issuance of prescribed structure for the said non-compliance. All other cases shall continue to be placed before Relevant Authority, and the decisions thereon shall be communicated to Trading Members by way of Action Letters / Orders.

6. The existing process of placing matters before Relevant Authority will continue to be followed for observations involving disciplinary action like the prohibition of onboarding of new clients, restriction on the onboarding of Authorized Persons or any action like disablement of terminals, suspension, expulsion, declaration of default and any other critical violations deemed fit by the Relevant Authority. In such cases, the Exchange shall issue an Intimation of Observation (IO) to seek Trading Member response. Thereafter, based on the response received on the IO, if the observation persists, the Exchange shall issue Show Cause Notice (SCN). An opportunity of personal hearing before Relevant Authority may be provided. However, the actions like disablement of the trading terminals, prohibition of onboarding of new clients, blocking collateral etc. shall continue as specified under relevant Annexure/Circular mentioned below, without placing the matter before Relevant Authority:

   i. Violations mentioned in Annexure - 1.2 to 1.5
   ii. Monitoring corrective actions taken by Trading Member pursuant to SEBI inspection (MCX Circular No. MCX/INSP/322/2025 dated June 30, 2025, and other circulars issued from time to time)
   iii. Under SEBI SOP Circular SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020, regarding Trading Member / Clearing Member leading to default.

7. Trading Members must take note of the violations / non-compliances notified in the Letter of Observations (LO), Intimation of Observation (IO) and Show Cause Notice (SCN) along with the indicative penalties / penal actions / financial disincentives. It is in the interest of the Trading Members to submit complete, accurate and correct information in response to Exchange communications along with complete documentary evidence to substantiate their response within the timelines specified in the LO / IO / SCN. Upon receipt of Trading Members' response to LO / SCN, the Exchange shall consider the same as final and complete the enforcement actions by issuing an Action Letter / Orders. Failure to submit a response to the LO / SCN within the prescribed timelines would be construed as "No additional information is available", and the Exchange shall proceed to complete the enforcement action based on the available documents. It is brought to the notice of the Trading Members that any failure to adhere to the timelines, unless extended by the Exchange as specified in Exchange Communications, may be treated as non-cooperation, and appropriate disciplinary proceedings may be initiated under Rules, Bye-Laws and Business Rules of the Exchange.
8. The amount collected in the form of penalty and financial disincentives is credited to Investor Protection Fund Trust (IPFT) of the Exchange.
9. The provisions of the current Circular supersede the earlier penalty Circulars



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except mentioned in point 6 above.

10. New violiations items added are marked as "*", and modified itemsare marked as "#" in Annexures for easy reference of trading members.

*Refer Exchange Circular No. MCX/INSP/525/2025 dated October 10, 2025, also refer Exchange Circular No. MCX/COMP/213/2026 date April 17, 2026.*

Table below Annexure 1.3 - Actions for non-adherence to membership/ compliance requirements

| Sr. No. | Details of Contravention | Action in case of first instance | Action in case of repeat instance |
|---|---|---|---|
| 1 | Change in Control without Exchange approval | ₹. 2,00,000/- + Restriction on onboarding of new clients till approval of the Exchange | 2nd Time & Onwards - 50% escalation |
| 2 | Change in Designated Directors without Exchange approval | a) Post facto intimation - ₹ 10,000/- per Director with a maximum penalty of ₹ 1,00,000/-<br>b) In case of changes beyond the control of the member:<br>i) In case of any changes in Designated Directors due to death/resignation etc., member's are required to intimate Exchange within 30 working days of such change.<br><br>ii) If not intimated within 30 working days: Monetary penalty of ₹ 5,000/- for each Director.<br><br>iii) TM to appoint the requisite number of DDs within three months of the resignation/death etc. of the outgoing DD and confirm the same to the Exchange. In case of failure to appoint the DD within three months, member shall be levied a monetary penalty of ₹10,000/- per Director. | 2nd Time & Onwards (in Same FY) - 50% Escalation |
| 3 | Transfer of membership /business/ Merger without prior approval of the Exchange (with no change in control) | ₹ 1,00,000 per instance | - |



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| 4 | Change in shareholding (with no change in control) without Exchange approval | Monetary penalty of ₹ 10,000/- | 2nd Time & onwards-<br>50% Escalation |
| 5 | Change in non-Designated directors without Exchange approval | a) Post facto intimation - In case of any planned changes ₹ 2,000/- per Director with a maximum penalty of ₹ 50,000/-<br><br>b) In case of changes beyond the control of the member:<br>i) In case of any changes in NDD due to death/resignation etc., members are required to intimate Exchange within 30 working days of such change.<br><br>ii) If not intimated within 30 working days: Monetary penalty of ₹ 2,000/- per Director | 2nd Time & onwards-<br>In case of a repeat instance by the Member in the same Financial Year, the monetary penalty shall be levied along with escalation of 50%. |
| 6 | Non-appointment of Compliance officer | ₹ 50,000/- | 2nd time - 50% escalation<br>3rd Time & Onwards- 100% Escalation |
| 7 | Non-intimation of Compliance officer | Intimation for appointment of Compliance Officer - ₹ 5,000/- per instance, if not intimated within 7 working days (excluding date of appointment) of such an appointment<br><br>If any appointment of new compliance officer is observed during inspection and details of which are not reported to Exchange: ₹ 1,00,000/-. | 2nd Time & onwards-<br>In case of a repeat instance by the Member in the same Financial Year, the monetary penalty shall be levied along with escalation of 50%. |
| 8 | Non updating/ delayed updating of KMP Details | Monetary penalty of ₹ 2,000/- per instance with a maximum penalty of ₹ 50,000/- , if not intimated within 7 working days (excluding date of declaration) of the declaration of KMP<br><br>Exception - In case of changes beyond the control of the member<br>a) In case of any changes in KMP due to death/resignation etc., Member's are required to intimate Exchange within 30 working days of such change. | 2nd Time & Onwards -<br>In case of a repeat instance by the Member in same Financial Year, the monetary penalty shall be levied along with escalation of 50%. |



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| | | b) If not intimated within 30 working days: Monetary penalty of ₹ 2,000/- per instance except in case of death of KMP | |
| 9 | Change in status & constitution without prior approval of the Exchange without change in control | Monetary penalty of ₹20,000/- per instance. | 2nd Time & onwards-<br>In case of a repeat instance by the Member in same Financial Year, the monetary penalty shall be levied along with escalation of 50%. |
| 11 | Change in Member category | First 30 days – 0.07% per day of the difference in BMC amount Above 30 days – 0.10% per day of difference in BMC amount + disciplinary action including No new clients up to 3 months for cases where penalty is levied to member | - |
| 12 | Issue of Advertisement without Exchange approval | a) When advertisement issued was confirming to code - ₹5,000/- per advertisement with maximum capping of ₹71 lakh + direction to apply for approval for such advertisement within 15 days.<br><br>b) When advertisement issued does not confirm to code - ₹ 50,000/- per advertisement + direction to withdraw such advertisement + details of such advertisements and penalty levied to be disclosed on member's website for the period 1 year.<br><br>c) When advertisement issued despite Exchange rejection - In addition to action in point (b) | 2nd Time & Onwards - 50% Escalation + Directions as specified<br><br>* If advertisement issued does not confirm to code is observed for more than 3 occasions actions as prescribed in pt. (c) will be applicable along with the escalated monetary action. |



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| | | above, matter will be referred to Relevant Authority for further action including prominently display on the broker's website & trading app, in the manner and duration (up to 7 days) as deem fit by the relevant authority. | |
| 13 | Non-Submission of mandatory indemnity/insurance policy | Monetary penalty of ₹ 1,000/- per day after due date till the date of submission. (post 1 month grace period) | 2nd Time & Onwards - 50% Escalation |
| 14 | Failure to furnish "Annual Returns" within the due da7te | a) Charges ₹ 1,500/- per day for Non QSB & ₹ 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier.<br><br>b) Charges of ₹ 2,500/- per day for Non QSB & ₹ 5,000/- per day for QSB from 8th calendar day after the due date to 21st calendar day or submission of report, whichever is earlier.<br><br>c) In case of non-submission of report till 21st calendar days, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued.<br><br>d) The disablement notice issued to the member will be shared with all the Exchanges for information.<br><br>e) In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report. | 2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%.<br><br>In case of non-submission of report till 21st calendar days, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued.<br><br>The disablement notice issued to the member will be shared with all the Exchanges for information.<br><br>In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report. |



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| 15 | Non-conduct of AP/Branch Inspections as per defined framework | Monetary penalty of ₹ 20,000/- per AP/Branch, with maximum capping of ₹ 5,00,000/- | 2nd Time & Onwards - 50% Escalation + The relevant authority on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions. |
| 16 | Delay in reporting of AP inspection to the Exchange | Warning | 2nd Time & Onwards - ₹ 1,000/- per day per AP, maximum up to ₹ 1,00,000/- |
| 17 | Trade through other Members | A monetary penalty of ₹ 30,000/- per member applies for opening an account in a segment where the member already holds membership on the same exchange, along with instructions to seek approval from the Exchange.<br><br>₹5000/- penalty in case the member open account through brokers of other Exchanges without intimation to parent Exchange | 2nd Time & Onwards - (In Same FY) - 50% Escalation |
| 18 | a) Incorrect submission of information to the Exchange about the AP inspection<br><br>b) Non reporting/ partial reporting of UCC details mapped to the APs | a) Incorrect submission of information to the Exchange about the AP inspection- Monetary penalty of ₹ 20,000/- per AP, Maximum cap of ₹ 5,00,000/-<br><br>b) Non reporting/ partial reporting of UCC details mapped to the APs- Advise | a) Incorrect submission of information to the Exchange about the AP inspection-<br><br>2nd Time & Onwards - 50% Escalation<br><br>b) Non reporting/ partial reporting of UCC details mapped to the APs-<br><br>2nd Time & |



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| | | | onwards-<br>₹ 5,000/- per AP |
| 19 | Disciplinary action in case of Net worth shortfall and non-submission of Net worth | <u>For TMs providing MTF facility –</u><br>a) ₹ 5,000/- per day penalty till the date of submission of net worth certificate or till withdrawal of MTF whichever is earlier.<br>b) withdrawal of Margin Trading facility within 2 working days posts the due date.<br><br><u>For TMs other than providing MTF facility –</u><br>a) ₹ 5,000/- per day penalty till the date of submission of net worth certificate or till disablement of trading rights whichever is earlier.<br>b) Disablement of trading rights in all segments within two working days post due date | - |
| 20 | Non- rectification of deficiency observed in Annual Return/Half yearly net worth certificate submitted to exchange, within 15 calendar days from the date of intimation by Exchange | Post 15 days- ₹ 1,000/- per day till submission of correct details with maximum capping of ₹ 2,00,000/- | 2nd Time and onwards- 50% escalation |
| 21 | Maintenance of website:<br><br>a) Member has not maintained website.<br><br>b) Any modification in the URL which member failed to report to the Exchange.<br><br>c)The URL provided by the Members is not working. | Advise + direction to comply within 30 days | 2nd time- ₹25,000/- + direction to comply within 30 days<br><br>3rd time & Onwards- 50% escalation + direction to comply within 30 days |
| 22 | Not obtaining prior approval for setting up Wholly Owned Subsidiaries, Joint Ventures abroad, where required | Warning + direction to apply for approval within 30 days | 2nd Time & onwards- Penalty of ₹ 10,000/- per instance |



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|---|---|---|---|
| 23 | Non adherence to provisions related to term of appointment of Statutory Auditor | Warning + Direction to comply within 90 days<br><br>If direction is not complied within 90 days- ₹1,00,000/- | — |

*Member may also refer Exchange Circular no. MCX/COMP/213/2026 dated April 17, 2026*

## 46. CHARGING INTEREST ON DELAYED PAYMENT OF PENALITIES

Exchange from time to time, informs the Members and other intermediaries about the penalties / other disciplinary actions prescribed by the Exchange / SEBI for non-compliances / violations observed during the operations of various Departments of the Exchange.

These penalties are either remitted by the Member or recovered by the Exchange from respective Member or their Clearing Member.

It has come to the notice of the Exchange that in some instances, there is delay in remitting the penalty by the Member. To avoid delay in remitting the penalty, the Exchange has decided that:

a) If the penalty is less than ₹50,000/-, the Exchange would be directly debiting the penalty to the Settlement account of respective Member / their Clearing Member, after the due date.
b) If the penalty is ₹50,000/- or above, the Exchange would be charging interest @ 12%, per annum, for every day of delay (delay would be counted from the due date), along with applicable taxes, if any.

The aforesaid provisions shall be applicable with effect from June 1, 2023. *Refer Exchange Circular no. MCX/INSP/319/2023 dated May 15, 2023.*

## 47. ANNEXURES

All the relevant checklist and formats are made available on the Exchange website at the following link:

a) *For existing members : https://www.mcxindia.com/membership/existing-members*

b) *For new membership: https://www.mcxindia.com/membership/become-a-member/membership-documents*

## 48. REPORTING REQUIREMENTS / CONTINUOUS COMPLIANCE REQUIREMENTS

### (i) REPORTING REQUIREMENTS:

| Sr. No. | Para No. of the Master circular | Reporting requirement |
|---|---|---|
| 1. | 25<br>1(1.6) (V) (h) | Submit the details of any Change in Compliance Officer / Principal Officer-FIU / Designated Director-FIU. |
| 2. | 39 | Submit Indemnity insurance policy/cover every year as may be specified by the Exchange / SEBI from time to time. |



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| Sr. No. | Para No. of the Master circular | Reporting requirement |
|---|---|---|
| 3. | 18 | To obtain prior approval from the Exchange for change in director/ partner |
| 4. | 14 | To obtain prior approval of the Exchange for any change in shareholding / sharing pattern and change in composition of Promoter Group of Member entity |
| 5. | 14 | To obtain prior approval of the Exchange / SEBI in case of change in control. |
| 6. | 17 | In case of Merger / Amalgamation-The application seeking prior approval for the proposed change in control of the intermediary shall be filed with SEBI prior to filing the application with NCLT. |
| 7. | 15 | To keep the Exchange informed about change in the Designated Email ID. |
| 8. | 16 | To obtain prior approval of the Exchange in case of Conversion / Change in status and Constitution of member entity. |
| 9. | 19 | To obtain prior approval from the Exchange for effecting change of name. |
| 10. | 37 | Submit 'Annual Returns' (including Financial Strength Details) and 'Annual Confirmations' every year at such frequency as may be specified by the Exchange / SEBI from time to time.<br>Financial statements shall be in the same format as prescribed under the Companies Act, 2013 irrespective of whether they fall under the purview of the Companies Act, 2013 or not. |
| 11. | 38 | Submission of Half Yearly Networth Certificate and Computation of Net worth within 60 days for half year ending September 30th and Half year ending March 31st |
| 12. | 46(15) | To pay annual subscription in advance or latest by April 30 of every financial year. |
| 13. | 31 | To obtain NOC of Exchanges seeking SEBI's approval for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC |
| 14. | 32 | To intimate the 'Authorised Signatories' and subsequent changes in the Authorised Signatories along with the Board Resolution and their specimen signatures within one month from the date of Board Resolution / Consent of Partners passed for such changes. |
| 15. | 20 | To intimate for any change in Address Registered / Correspondence / Branch office address and its contact details along with the prescribed documents. |
| 16. | 29 (B) | To submit Authorised Persons (APs) inspection report (in the Exchange prescribed format) undertaken and the inspection reported shall be uploaded on the MCX AP Portal on yearly basis. |
| 17. | 23 | To intimate the Exchange of any change in statutory auditor within 30 days from the date of such change. |



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| Sr. No. | Para No. of the Master circular | Reporting requirement |
|---|---|---|
| 18. | 24 | To obtain permission from Exchange to allow appropriate naming / tagging of such demat accounts (maintained by Stock Brokers) freezed by the depositories for not complying with the provisions of the SEBI circular no. SEBI/HO/MIRSD/ MIRSD_DPIEA/P/CIR/2022/83 dated June 20, 2022. |
| 19. | 5 | To submit request for prior approval for transfer of membership (by regulatory or non-regulatory process) to the Exchange directly and the Exchange in turn will seek SEBI's prior approval wherever applicable. A transfer of Membership becomes effective only upon approval (prior and final approval) thereof by the Exchange / SEBI (wherever applicable) |
| 20. | 27 | Prior approval for the advertisement/material to be obtained from the Exchange before issue. |
| 21. | 26 | QSBs shall be required to meet enhanced obligations and discharge additional responsibilities. |
| 22. | 40 | Maintenance of a website by Stock Brokers. Such website shall mandatorily display the information which have been mandated by SEBI/Exchange from time to time.<br>The URL to the website of a Stock Broker shall be reported to the stock exchanges/ depositories within a week of the SEBI circular coming into effect i.e. by August 24, 2023. (The said circular shall come into effect from August 16, 2023) Any modification in the URL shall be reported to stock exchanges/depositories within 3 days of such changes. |
| 23. | 30 | To seek prior permission of the Exchange to deal with the Stock Broker (only one) of the same Exchange for proprietary trading.<br>A Stock Broker/sub broker of an exchange can deal with only one broker/sub broker of another exchange for proprietary trading after intimating the names of such Stock Broker/sub broker to his parent stock exchange. |
| 24. | 9(9.5) | Members shall submit a revised Undertaking to the Exchange within seven working days of opening of any new bank account or change in details of any existing bank account. |
| 25. | 38 | To intimate the details of Politically Exposed Persons (PEP) associated with the member entity in the prescribed format.<br>A revised details shall be submitted as and when there is change in any of the details of Politically Exposed Persons' (PEP). |
| 26. | 29 (A) | Members desirous of dealing through Authorised Person(s) are required to seek approval of the Exchange by submitting an application as per the modes specified by the Exchange. |



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**(ii) CONTINUOUS COMPLIANCE REQUIREMENTS:**

| Sr. No. | Para No. of the Master circular | Continuous Compliance requirement |
|---|---|---|
| 1. | 1(1.6)(V)(l) | Abide by the Rules, Bye-laws, Business Rules, Circulars and Notifications issued by SEBI / Exchange from time to time. |
| 2. | 1(1.6)(V)(h) | Designate the officers for ensuring compliance with provisions of PMLA. |
| 3. | 1(1.6)(V)(m) | Have necessary infrastructure, viz., adequate office space, equipment, manpower and such other infrastructural facilities, which the Exchange may specified from time to time, to effectively discharge the activities |
| 4. | 34 | Rule 8(1)(f) and Rule 8(3)(f) of the SCRR 1957, requires that members of a Stock Exchange, whether individual, Partnership or corporate, shall not engage in any business other than that of securities. |
| 5. | 25 (25.1) (b) | Compliance officer to have valid NISM Certification |
| 6. | 33 | Members shall update their profile details and continuous membership compliances through 'MMPI' – MCX Member Profile Interface for Members, which is an internet-based application. |
| 7. | 28 | Member, its Directors, Promoters, Partners, Principal Officer, Compliance Officer and Key Management Persons, at all the time, shall be Fit and Proper Persons as per the criteria specified by Exchange / SEBI from time to time. |
| 8. | 22 (vii) | To ensure that all the Certificates / Reports submitted to Exchange and / or Clearing Corporation by the Members (issued / certified by full time Practicing Chartered Accountant / Company Secretary) shall mandatorily contain the Unique Document Identification Number (UDIN). |
| 9. | 22 (viii) | Members should be aware of the guidelines issued by Financial Intelligence Unit-India (FIU-INDIA) for detecting suspicious transactions under Rule 7(3) of prevention of Money laundering (Maintenance of Records) Rules, 2005 and have taken necessary steps required for implementation of these guidelines. |
| 10. | 41 | Compliance requirement of digital accessibility<br>Annual compliance is to be submitted within 30 days of each financial year. |

## 49. APPENDIX: LIST OF CIRCULARS / NOTIFICATIONS / COMMUNICATIONS

| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 1. | MCX/MEM/268/2015 - 29-09-2015 | CIR/MIRSD/4/2015 - 29-09-2015<br>SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/92- 23-09-2016. | Registration of Members<br><br>Regulatory framework for Commodity Derivatives Brokers. |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 2. | MCX/FIN-ACCT/306/2016- 29-09-2016 | - | Indemnity insurance policy/cover by members |
| 3. | MCX/MEM/207/2018 – 30-05-2018 | SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 -26-09-2016 | Financial statements to Stock Exchanges in the same format as prescribed under Companies Act, 2013 |
| 4. | MCX/MEM/390/2019 – 26-07-2019<br><br>MCX/MEM/593/2019 – 18-10-2019 | - | Unique Document Identification Number (UDIN) made mandatory |
| 5. | MCX/MEM/315/2019 – 17-06-2019<br><br>MCX/MEM/636/2020 – 01-09-2020. | - | Annual subscription |
| 6. | MCX/MEM/187/2019 – 05-04-2019 | - | Turnover Fees (SEBI Fees) |
| 7. | MCX/MEM/460/2024 - 12-07-2024 | - | Late Fee for delay in activation of Newly admitted members. |
| 8. | MCX/MEM/502/2021 - 09-08- 2021 | - | Uniform formats for Annual Returns and Annual Confirmation submissions |
| 9. | MCX/MEM/170/2024 -22-03-2024<br><br>MCX/MEM/496/2021 -06-08-2021<br>MCX/MEM/069/2023 - 02-02-2023 | SEBI/LAD-RO/GN/2023/115 dated17-01- 2023.<br>Cir/MIRSD/14/2011 – 02-08-2011.<br>Cir/MIRSD/2/2011 – 03-06-2011<br>MIRSD/MSS/Cir-30/13289/03 – 09-07- 2003. | Uniform Norms for Change in Shareholding/Change in Control<br><br>Prior approval of Exchange / SEBI for change in directors |
| 10. | MCX/MEM/682/2022 29-11-2022 | SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2022/163 - 28-11-2022 | Procedure of seeking prior approval for change in Control |
| 11. | MCXMEM/783/2021 – 17-12-2021 | - | *Gazette Notification of SEBI on Fit and Proper Criteria* |
| 12. | MCX/MEM/096/2022 – 22-02-2022 | - | Fee & Deposit Structure |
| 13. | MEM/133/2022- 07-03-2022 | SEBI/LADNRO/GN/2022/73 – 23-02-2022 | *Gazette Notification of SEBI on* Networth requirement for the members. |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 14. | MCX/MEM/068/2023 – 02-02-2023 | - | *Clarification on ascertaining Networth as per said SEBI gazette notification.* |
| 15. | MCX/MEM/681/2022 – 29-11-2022<br>MCX/MEM/ 783/2021 – 17-12-2021<br><br>MCX/MEM/679/2019 – 29-11-2019<br><br>MCX/ MEM/124/2019 – 06-03-2019 | - | Compliance Officer: Appointment and Guidelines |
| 16. | MCX/MEM/523/2022 - 09-09-2022<br><br>MCX/MEM/707/2022 -08-12-2022<br><br>MCX/MEM/322/2022 -31-05-2022 | - | Guidelines issued by FIU-INDIA for detecting suspicious transactions. |
| 17. | MCX/MEM/224/2017- 06-07-2017 | - | Revised process for Prior Approval for Change of Name of Member. |
| 18. | MCX/MEM/289/2022- 16-05-2022 | SEBI/HO/MIRSD/DoR/P/CIR/2022/61 - 13-05-2022 | Guidelines for seeking NOC by Stock Brokers for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC. |
| 19 | MCX/MEM/311/2018- 13-08-2018<br><br>MCX/MEM/077/2020- 06-02-2020 | - | Continuous Updation (Intimation) of details in MMPI Portal of Exchange |
| 20. | MCX/MEM/104/2019 – 28-02-2019<br><br>MCX/INSP/294/2016 - 26-09-2016 | SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 -26-09-2016 | Appointment and Intimation of Statutory Auditors. |
| 21. | - | SEBI/HO/MIRSD/MIRSD_DPIEA/P/CIR/2022/83 -20-06-2022 | Exchange NOC for unfreezing demat account for appropriate naming / tagging (maintained by Stock Brokers). |
| 22. | MCX/ISD/654/2020- 08-09-2022. | SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 – 01-07-2020. | Undertaking to freeze the bank account pursuant to |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| | MCX/ISD/955/2020 -18-12-2020. | | SOP in the cases of Trading Member leading to default |
| 23. | MCX/MEM/017/2018 – 17-01-2018<br><br>MCX/MEM/016/2018 - 16-01-2018 | -<br>-<br><br>SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104- 21-09-2017 | Transfer of Membership<br><br>Integration of broking activities in Equity market & Commodity Derivatives market under single entity |
| 24. | MCX/MEM/488/2020 -08-07-2020 | - | Late Fee for delay in activation of Newly admitted transferee entity pursuant to transfer of membership. |
| 25. | MCX/MEM/211/2021 – 05-04-2021 | SEBI/HO/MIRSD/DOR/CIR/P/2021/46 – 26-03-2021 | Transfer of business by SEBI registered intermediaries to other legal entity |
| 26. | MCX/MEM/212/2021 - 05-04-2021 | SEBI/HO/MIRSD/DOR/CIR/P/2021/42-25-03-2021 | Transfer / Transmission of shareholding and their effect on change in control. |
| 27. | MCX/MEM/096/2022 – 22-02-2022 | - | Schedule of Charges / Fees |
| 28. | MCX/MEM/695/2020 -22-09-2020 | - | Surrender Fees |
| 29. | MCX/MEM/198/2016- 08-07-2016<br><br>MCX/MEM/140/2017 -10-05-2017<br><br>MCX/MEM/533/2019 – 27-09-2019<br>MCX/MEM/006/2021 -05-01-2021<br><br>MCX/MEM/017/2021- 08-01-2021 | MIRSD/MSS/Cir-30/ 13289/03–09-07-2003.<br><br>SEBI/HO/MIRSD/FCR/CIR/P/2021/01 – 06-01-2021<br><br>F.No.1/4/2009/MD-I dated Jul 20, 2009 | Surrender of Membership-Issuance of Public Advertisement & Deposit-Lock in period. |
| 30. | MCX/MEM/467/2018- 09-11-2018<br><br>MCX/MEM/340/2021 -08-06-2021 | - | Online Submission of Documents and Digitally Signed Application for appointment / cancellation of Authorised Person (AP). |
| 31. | MCX/MEM/188/2024 -28-03-2024<br><br>MCX/MEM/191/2023 -24-03-2023<br><br>MCX/MEM/003/2020-02-01-2020 | - | Restriction on use of certain words by Authorised person in their name. |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 32. | MCX/MEM/433/2021 - 15-07-2021 | | Time relaxation to update the status of Authorised Person (AP) Active/Inactive on MCX AP Portal. |
| 33 | MCX/MEM/748/2023 – 31-10-2023 | | Reporting of clients mapped to Authorised Persons. |
| 34. | MCX/INSP/572/2024 – 29-08-2024<br><br>MCX/MEM/052/2022 -28-01-2022<br><br>MCX/INSP/601/2019 -22-10-2019 | - | Framework for Supervision of Authorised Persons (APs) & Branches by Member<br>Scope and Indicative Methodology for Branch / AP Inspections by Members<br><br>Quarterly submissions of Authorised Persons (APs) inspection report undertaken by the member. |
| 35. | MCX/MEM/148/2021 – 12-03-2021<br><br>MCX/MEM/164/2021 – 17-03-2021 | - | Authorised Person Annual Subscription |
| 36. | MCX/MEM/089/2023 -09-02-2023 | - | Revised Code of Advertisement for Stockbrokers |
| 37. | MCX/MEM/154/2023-06-03-2023<br>MCX/MEM/146/2024-15-03-2024<br>MCX/MEM/486/2024-22-07-2024<br>MCX/MEM/160/2024-19-03-2024<br>MCX/MEM/580/2024-30-08-2024<br>MCX/MEM/159/2025 -28-03-2025<br>MCX/MEM/245/2025 – 12-05-2025 | SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/14 - 11-03-2024.<br><br>SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 - 06-02-2023 | Qualified Stock Broker (QSB) under Voluntary Category<br>Designation as Qualified Stock Brokers (QSBs) and list of QSBs;<br><br>Clarification on frequency of meetings of Nomination and Remuneration Committee for Qualified Stock Brokers (QSBs).<br><br>Measures to instill trust in securities market - Expanding the framework of Qualified Stock Brokers (QSBs) to more stock brokers |
| 38. | MCX/MEM/358/2023 -02-06-2023 | - | Comprehensive operating guidelines applicable to designated QSBs. |
| 39. | MCX/MEM/520/2023 – 10-08-2023 | SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ | Maintenance of a website by Stock Brokers |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| | MCX/MEM/112/2023 - 17-02-2023<br>MCX/MEM/254/2023 -18-04-2023<br>MCX/MEM/176/2025 - 04-04-2025 | 2023/30–15-02-2023 | |
| 40. | - | SEBI/MIRSD//Cir-06/2004 -13-01-2004 | **Permission to become client with another Member for proprietary Trading** |
| 41. | MCX/INSP/400/2017 -30-10-2017<br><br>MCX/MEM/327/2018 - 22-08-2018<br><br>MCX/MEM/604/2019 - 23-10-2019 | - | Penalties / Actions for –<br>➢ Non/ Delay submission of Annual Audited Accounts/ Returns and data with respect to monitoring of financial strength of Members and Half yearly Networth submission.<br>➢ not meeting Networth requirements |
| 42. | MCX/MEM/052/2018 – 16-02-2018 &<br>MCX/MEM/406/2024 - 19-06-2024 | - | Penalties / Actions for- Non-compliances with regards:<br>➢ to change in Directors /Partners<br>➢to change in Shareholding Pattern (SHP) / Sharing Pattern (SP) without prior approval of / Intimation to the Exchange.<br>➢ Appointment of Non-Designated Directors (NDD)/ Non-Designated Partners (NDP)/ Non-Managing Partners (NMP) without obtaining the prior approval of the Exchange.<br>➢ Failure to intimate the Exchange within 10 days from date of change in NDD, NDP, NMP followed subsequently with complete documents (as prescribed by the Exchange from time to time), within 30 days in case such changes arising due to situations |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| | | | such as death, resignation, removal, completion of tenure, etc. |
| 43. | MCX/ISD/654/2020 - 08-09-2020 &<br><br>MCX/ISD/955/2020 -18-12-2020 | SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020 | Submission of undertaking pursuant to Standard Operating Procedure for Trading Member leading to default.<br>Penalties / Actions for-<br>Late / Non submission of undertaking to freeze the bank account pursuant to SOP in the cases of Trading Member leading to default |
| 44. | MCX/INSP/319/2023 – 15-05-2023 | - | Charging Interest on delayed payment of Penalties |
| 45. | MCX/INSP/707/2023 – 16-10-2023 | SEBI/HO/MIRSD/ SEC-FATF / P/ CIR / 2023 / 0170 dated October 13, 2023.<br><br>SEBI/HO/ MIRSD / MIRSD-SEC-5/P /2023/022 dated February 03, 2023. | Appointment of Principal Officer-FIU and Designated Director-FIU ensuring compliance with provisions of PMLA & Guidelines on Anti-Money Laundering Standards and Combating Financing of Terrorism (CFT) under PMLA 2002. |
| 46. | MCX/MEM/131/2026 – 17-03-2026 | | Ease of Doing Investment (EoDI)- Disclosure of registered name and registration number by SEBI regulated entities and their agents on SMPs |
| 47 | MCX/MEM/295/2025 – 17-06-2025 | | Distribution of Third-Party Products by Members |
| 48 | MCX/MEM/348/2025 – 18-07-2025<br><br>MCX/MEM/499/2025 – 29-09-2025 | | Technology based sharing mechanisms of common submissions among Exchanges<br><br>Technology based sharing mechanisms of common submissions among Exchanges – Phase-II |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 49 | MCX/MEM/534/2025 – 15-10-2025 | | Revised formats for submission of applications |
| 50 | MCX/MEM/426/202 – 26-08-2025<br><br>MCX/MEM/490/2025 -29-09-2025<br><br>MCX/MEM/629/2025 – 09-12-2025<br><br>MCX/MEM/139/2026 - 20-03-2026 | | Rights of Persons with Disabilities Act, 2016 and rules made thereunder - mandatory compliance by all Regulated Entities<br><br>Compliance Guidelines for Digital Accessibility Circular 'Rights of Persons with Disabilities Act, 2016 and rules made thereunder mandatory compliance by all Regulated Entities' dated July 31, 2025 (Circular No. SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111)<br><br>Clarification on the Digital accessibility circulars of SEBI<br><br>Status of Readiness and Compliance with Accessibility Requirements for Investor-Facing Digital Platforms – Submission Due Date March 31, 2026 |
| 51 | MCX/MEM/102/2026 – 02-03-2026 | | Corrigendum to Master Circular – Membership-Version 3 |
| 52 | MCX/INSP/322/2025 – 30-06-2025 | | Monitoring corrective actions taken by the Members pursuant to Inspection by SEBI |
| 53 | MCX/INSP/525/2025 – 10-10-2025 | | Ease of Doing Business - Rationalization and Standardization of penalties levied on Trading Members |



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| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 54 | MCX/MEM/272/2025, 28-05-2025 | Gazette Notification - Amendment to the Securities Contracts (Regulations) Rules, 1957 | Rule 8(1)(F) And 8(3)(F) Of Securities Contracts (Regulation) Rules, 1957 |
| 55 | MCX/MEM/426/2025 - 26-08-2025<br><br>MCX/MEM/435/2025 - 01-09-2025 | | Rights of Persons with Disabilities Act, 2016 and rules made thereunder - mandatory compliance by all Regulated Entities.<br><br>Extension of timelines w.r.t. SEBI Circular- Rights of Persons with Disabilities Act, 2016 and Rules made thereunder- Mandatory compliance by all Regulated Entities |
| 56 | MCX/MEM/065/2026 - 06-02-2026 | | Clarification on computation of Variable Networth |
| 57 | MCX/MEM/079/2026 – 18-02-2026 | | Forms for Registration of Stock Brokers and Clearing Members |
| 58 | MCX/MEM/105/2026 – 02-03-2026 | | Revised Guidelines for Activation of Membership |
| 59 | MCX/MEM/131/2026 – 17-03-2026 | | Ease of Doing Investment (EoDI)- Disclosure of registered name and registration number by SEBI regulated entities and their agents on SMPs. |
| 60 | MCX/MEM/188/2024 - 28-03-2024 | | MCX/MEM/188/2024 -28-03-2024 Restriction on use of certain words by Trading Members / Authorized Person in their name |
| 61 | MCX/ISD/732/2020 - 01-10-2020 | | Extension for Submission of undertaking pursuant to SOP in the cases of Trading Member leading to default |
| 62 | MCX/ISD/801/2020 27-10-2020 | | Reminder for Submission of undertaking pursuant to SOP in the cases of Trading Member leading to default |
| 63 | MCX/MEM/826/2024 - 17-12-2024 | | Revised Penalty/Action for violation of Exchange guidelines by the Members |



Public

| Sr. No. | Exchange Circular/ Notification No. and Date | SEBI Circular / Notification No. - Date | Description |
|---|---|---|---|
| 64 | MCX/MEM/382/2017 - 13-10-2017 | | Methodology for Computation of Turnover for calculating turnover Fees on Commodity Options |
| 65. | MCX/MEM/473/2025 – 22-09-2025 | | Penalty / Action for violations of Exchange guidelines by the Members |



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