Membership

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1) 1.1 Membership

A] Types / Categories of Membership

A person who is desirous of becoming a registered Member of Exchange may apply for any of the following types / categories as per the Rules and Bye-laws of the Exchange:-

a. Trading-cum-Clearing Member (TCM) / Self Clearing Member (SCM) - A sole proprietor, a Partnership firm, LLP, a company, a public sector organization, statutory organization or any other Government or non-Government entity can apply for TCM. This type of Membership class relates to a Member of the Exchange which is also a Clearing member of the concerned Clearing Corporation. This category of member can deal / trade for itself and / or on behalf of its clients and shall not be allowed to Clear and Settle the deals / trades of any other Trading member of the Exchange.

b. **Institutional Trading-cum-Clearing Member (ITCM) / Trading Member & Clearing Member** – A company, LLP and an institution only can apply for ITCM. This type of Membership class relates to a Member of the Exchange which is also a Clearing member of the concerned Clearing Corporation. This category of member can deal / trade on the trading platform of the Exchange and clear & settle trades transacted for itself and / or for its clients / Custodial Participants and shall also be entitled to clear & settle deals / trades for other Trading members / Trading cum Clearing Member of the Exchange / Clearing Corporation respectively.

c. **Trading Member (TM) / Stock Brokers** – Such member shall be affiliated with any one of the Institutional Trading-cum-Clearing Member (ITCM) or Professional Clearing Member (PCM). A sole proprietor, a Partnership firm, LLP, a company, a public sector organization, statutory organization or any other Government or non-Government entity can apply for TM.

B] Eligibility for Admission:

For conditions precedent for eligibility, one has to refer to Rules, Bye-laws and Business Rules of the Exchange, Securities Contracts (Regulation) Rules, 1957 (SCRR) and SEBI (Stock Brokers) Regulations, 2022. In addition, individual / sole proprietor / managing partner /designated partner/ designated director of the applicant entity should be atleast 12th standard passed or equivalent examination from an institution recognized by the Government.

Explanation: 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 11th when there was no requirement of passing class 12th, 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 12th standard pass or equivalent (in case they presently do not meet with the requirement).

d) In case of loss of documents pertaining to educational qualifications, Members are required to submit appropriate documentary evidence in support of the educational qualification.

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."

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'. In terms of Rule 8(1)(f) and Rule 8(3)(f) of the Securities Contract (Regulation) Rules, 1957, member is allowed to trade only in (a) Business in goods related to the underlying; and/ or (b) Business in connection with or incidental to or consequential to trades in commodity derivatives.

The applicant shall have minimum 2 (two) Designated Directors / Designated Partners / Managing Partners at all points of time meeting the eligibility criteria as under:

Sr.No.	Particulars	Requirement
1.	Age	Minimum 21 Years
2.	Experience	The Designated Director / 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:
Sr.No.	**Particulars**	**Requirement**
	Experience	• Stock Broker (previous / present experience) • Sub-broker / Authorised Person / Remiser • Asset Management Company • Merchant Banker • IOSCO affiliated foreign entity • Mutual Fund • 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 Director / 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.
3.	Education qualification	Minimum 12th Pass / HSC / equivalent examination from an institution recognized by the Government. (for , individual / sole proprietor / managing Partner /designated Partner / Designated Director of the applicant entity)

C] [1]Fee and Deposit Structure:

The Admission Fee, Deposits (as applicable) and other fees / charges would be applicable to the applicant / members as specified by the Exchange / Concerned Clearing Corporation and / or SEBI from time to time. The Exchange / Concerned Clearing Corporation may review, modify and relax the admission fee and / or other fees / charges / deposits (as applicable) and / or other charges or criteria of membership at any time.

The fee and deposit structure of Membership are as under:

Particulars	Trading Member (TM)	Trading-Cum-Clearing Member (TCM)	Institutional Trading-Cum-Clearing Member (ITCM)
	Members of MCX	Members of MCX & MCXCCL	Members of MCX & MCXCCL
Admission Fees (plus taxes)	Rs. 7.5 Lakh	Rs. 10 Lakh	Rs. 25 Lakh
Initial Security Deposit (ISD)	PCM / ITCM shall suitably collect deposits from TMs	Rs. 50 Lakh	Rs. 100 Lakh
Particulars	**Trading Member (TM)**	**Trading-Cum-Clearing Member (TCM)**	**Institutional Trading-Cum-Clearing Member (ITCM)**
Base Capital	Rs. 5 Lakh	Not applicable	Not applicable
Base Minimum Capital	• Member with Algo Trading: Rs. 50 Lakh • Member without Algo Trading: Rs. 10 Lakh		• Member who clears and settle Algo trades: Rs. 50 Lakh • Member who clears and settle only Non-Algo trades: Rs. 25 Lakh
Annual Subscription (plus taxes)	Rs. 40,000/-*	Rs. 75,000/-	Rs. 1 Lakh
Cash Deposit	All ITCMs and PCMs are required to provide cash deposits of Rs.5,00,000/- in respect of each Trading Member of the Exchange who are affiliated to the said Clearing Member concerned for clearing their Deals/ trade		
SEBI Application Fees (plus taxes)	As may be specified by SEBI from time to time.		

Notes:

1. Corporate entities /LLP should have a minimum paid-up capital/capital contribution of Rs.30 Lakhs or as may be specified by SEBI from time to time.
2. [2]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 depending on the category of Member, 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%

[1]*Exchange circular no.MCX/MEM/096/2022 February 22, 2022*

[2]*Exchange circular no.MCX/MEM/315/2019 dated June 17, 2019*

D] Admission Fee

The admission fee paid by a member is non-refundable. However, a Member is entitled to surrender or transfer his membership.

E] Base Capital (Interest Free)

A Trading Member is required to pay Base Capital 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.

F] Cash Deposit from Clearing Member

All Institutional Trading-cum-Clearing Members / Professional Clearing Members 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 each Trading Member affiliated to clear the trade through them. No exposure would be provided on Cash deposit.

G] 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 Rs.10 lakhs and Rs.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 Rs.10 Lakhs which is to be increased to Rs.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 Rs.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. [3]The Base Minimum Capital Deposit lying with the Exchange will be refunded to the Member subject to lock-in period of three years from the date of receipt of surrender application (in the prescribed format) from the member 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. However, the said deposit(s) may be further retained, if there are any unfulfilled obligations, including arbitration claims, investor complaints, other grievances / claims, disciplinary action, etc., against the Member which comes to notice of the Exchange, before the date of release of deposit(s).

[3]MCX Circular No. MCX/MEM/533/2019 dated September 27, 2019

1.2 Other Pre-Conditions:

a. The applicant is required to submit an application for Membership in the specified format. Applicant is also required to give 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 mentioned in the table above or as specified by the Exchange /SEBI from time to time.

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

   In case the application is rejected for any reason whatsoever, the fee paid above shall be refunded by the Exchange to the applicant except the processing fee, if applicable.

c. 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.

d. 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. However, the Applicant in such case is required to obtain Single Registration from SEBI and apply for Single Registration with the Exchange.

e. [4]**Late Fees:** Newly Admitted member shall be liable to pay the 'Late Fees' as per the below table if:

   The new 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 such period as specified by the Exchange from date of approval of the Exchange:

   Late Fee Table:

Sr. No.	Extension of Timeline for payment of fees and deposits and completion of documents for activation of membership.	Late Fees payable for extension by Newly Admitted Member
1.	Initial extension of 30 days (after completion of 90 days).	Rs.5,000/-
2.	For extension beyond the period of 120 days (90 days plus 30 days as mentioned in point 1 above).	Rs.500/- per calendar day upto a maximum of 180 days from the date of approval of the Exchange.

   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.

   [4]*Exchange Circular no. MCX/MEM/661/2020 dated September 10, 2020.*

f. The Applicant shall have minimum Paid Up Capital of Rs. 30 Lakh at all points of time.

g. The Applicant its Directors, promoters, compliance officer and KMPs shall be Fit and proper *(Refer Exchange Circular no. MCXMEM/783/2021 dated December 17, 2021, attaching Gazette Notification of SEBI w.r.t. "Fit and Proper Person" Criteria*).

h. Every member is required to: –

1) Maintain the net worth as specified by the Exchange and / or SEBI during the entire period of his membership of the Exchange. The minimum net worth specified for the

Members of Commodity Derivative Exchanges is provided hereunder. It shall have to be necessarily computed as per the LC Gupta Format.

[5]Networth specified for the members is provided hereunder: -

Type of member	**Base Net-worth#** {within 1 year of the date of notification of the SEBI (Stock Brokers) (Amendment) Regulations, 2022} (in Rs.)	**Base Net-worth#** {within 2 years of the date of notification of the SEBI (Stock Brokers) (Amendment) Regulations, 2022} (in Rs.)	**Variable Net-worth#** {within 1 year of the date of notification of the SEBI (Stock Brokers) (Amendment) Regulations, 2022} (in Rs.)
TM	-	1 crore	10% of average daily cash balance of clients retained with the member across segments / exchanges in the previous 6 months.
TCM	3 crores	5 crores	
ITCM	10 crores	15 crores	
PCM	25 crores	50 crores	

Members are requested to adhere and comply with the applicable Networth (i.e., higher of the Base Networth or Variable Networth) as stated in the SEBI gazette notification No. SEBI/LADNRO/GN/2022/73 dated February 23, 2022.

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 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.

[5]*Exchange Circular no.MCX/MEM/133/2022 dated March 07, 2022.*
[5]*Exchange Circular no.MCX/MEM/068/2023 dated February 02, 2023*
(for clarification on ascertaining Networth as per said SEBI gazette notification).

2) 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. [6]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.]
   [6]*Exchange circular no. MCX/MEM/187/2019 dated April 05, 2019, and circular no. MCX/MEM/382/2017 dated October 13, 2017*

3) Obtain [7]Indemnity insurance policy/cover every year as may be specified by the Exchange / SEBI from time to time.
   [7]*Exchange Circular no.MCX/FIN-ACCT/306/2016 dated September 29, 2016.*

4) Appoint a Compliance Officer as per the [8]Guidelines issued by the Exchange / SEBI circulars issued from time to time.

   As per the provisions of Regulation 18A of SEBI (Stockbroker) Regulation, 1992, every Stock Broker shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government 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.

   To have a robust compliance system, all the members should have an effective compliance culture and a strong compliance risk management program. 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, Compliance Officers should be selected through a suitable

process with an appropriate 'fit and proper' evaluation/selection criteria to manage the compliance risk effectively.

[8]*Exchange Circulars no. MCX/MEM/681/2022 dated Nov.29, 2022, MCX/MEM/ 783/2021 dated Dec.17, 2021, MCX/MEM/679/2019 dated Nov.29, 2019, MCX/ MEM/124/2019 dated March 6, 2019.*

5) Appoint a Principal Officer with FIU-IND and a Designated Director with FIU-IND (any change, if any, has to be intimated to the Exchange).
Principal Officer with FIU-IND and a Designated Director 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)*

[9]Registration on FIU-India's FINnet 2.0 system for Principal Officer and Designated Director of Member Entity.
[9]*Exchange Circular no. MCX/MEM/322/2022 dated May 31, 2022, Circular no. MCX/MEM/707/2022 dated December 8, 2022.*

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

7) 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.

8) Have atleast one person in their office who has passed applicable certification examination as may be specified by the Exchange / SEBI from time to time.

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

j. 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, 1992 or Circulars issued by Exchange / SEBI from time to time, as amended from time to time. However, borrowing and lending of funds, by a Member, in connection with or incidental to or consequential upon the commodities business, would not be disqualified under Rule 8 (1) (f) and 8 (3)(f).

[10]Also a member would not be disqualified if such member is engaged in "business in goods related to the underlying' and/or "business in connection with or incidental to or consequential to trades in derivatives" under Rule 8(1) (f) and 8 (3) (f) of the Securities Contracts (Regulation) Rules, 1957.
[10]*Circular no. MCX/MEM/268/2015 dated Sept. 29, 2015- Annexure 4.*

2) Ongoing Compliance / Continuing Compliance:

2.1 Change in Designated Director / Partner / Director / Managing Partner / Partner:

Corporate Members / Partnership Firms / LLPs of the Exchange shall take prior approval from the Exchange and furnish necessary documents for any change in the Designated Director / Designated Partner / Director / Managing Partner / Partners.

i. In case of any changes, Processing Charges / Fees would be levied as per Schedule of Charges. Processing Charges / Fees.

ii. Member shall have at least 2 (two) Designated Directors or 2 (two) Managing Partners or 2 (two) Designated Partners, as the case may be, at all points of time meeting the

eligibility criteria including education qualification as specified in Rule 8 of Securities Contract (Regulation) Rules, 1957 (SCRR) /SEBI/ Exchange from time to time.

iii. No new Partner shall be admitted without the prior approval of the Exchange. The Exchange shall be informed of any change in the Partnership deed within one (1) month of such change.

iv. In case prior approval is not obtained, penalty / disciplinary action as applicable, will be levied.

v. [The Members shall take prior approval from the Exchange and furnish necessary documents for appointment of the Non-Designated Directors/Partners. In case of changes in non-designated directors arising due to situations such as death, resignation, removal, completion of tenure, etc. members are required to intimate the Exchange within 10 days from date of such change in Board of Directors, followed subsequently with complete documents as prescribed by the Exchange from time to time, within 30 days of such changes.][1]

vi. SEBI circular MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003, Cir / MIRSD / 2 / 2011 dated June 03, 2011, Cir/MIRSD/14/2011 dated August 02, 2011, and Exchange circular no. MCX / MEM / 783 / 2021 dated December 17, 2021 also be referred in this regard.

vii. In case the member fails to submit the complete documents for obtaining the prior approval of the Exchange for changes in Directors / Partners 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.

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

2.2 [11]Uniform Norms for Change in Shareholding/Change in Control

[11]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:

Constitution	Details
Corporate (Listed entity)	The promoter shall be as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. "promoter" shall include a person: 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 ii) who has **control**[1] over the affairs of the issuer, directly or indirectly whether as a shareholder, Director or otherwise; or

[1] Substituted vide MCX Circular no. MCX/MEM/170/2024 dated March 22, 2024. Prior to substitution, it read as, " *The members are required to intimate any change in non-designated Directors / Partners within 15 days from the date of such change in ROC.*

Constitution	Details
	iii) in accordance with whose advice, directions or instructions the board of Directors of the issuer is accustomed to act: Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity. 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; [1]**Contro**l as defined under SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 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 "promoter" means a person— 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 b) who has control over the affairs of the company, directly or indirectly whether as a shareholder, Director or otherwise; or c) in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act. Provided that nothing in Clause (c) shall apply to a person who is acting merely in a professional capacity. Control as defined under SAST Regulations. 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/Sole Proprietorship	Individual /Sole Proprietor

2. Change in Control

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, **1992**[2] & SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 **(SAST)**[3]	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.

[2]SEBI (Stock Brokers) Regulations, 1992 ("SB Regs") defines "change in control" as under:

(ac) "change in control" –

(i) in case of a body corporate –

(A) if its shares are listed on any recognised stock exchange, shall be construed with reference to the definition of control in terms of regulations framed under clause (h) of sub-section (2) of section 11 of the Act;

[*](B) if its shares are not listed on any recognised stock exchange, shall be construed with reference to the definition of control as provided in sub-section (27) of Section 2 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, direct or indirect, to the extent of not less than fifty percent of voting rights or interest;"

[*]Amended as per SEBI Gazette Notification No. SEBI/LAD-NRO/GN/2023/115 dated January 17, 2023, Exchange Circular MCX/MEM/069/2023 dated February 02, 2023.

[3]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 individually or in **concert**[4], directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.*

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

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: -In case of unlisted Body Corporate • Transfer of shareholding among immediate relatives (as defined under Regulation 2(l) of SEBI (SAST) Regulations • Transfer of shareholding by way of transmission -In case of Partnership firm • Transfer of interest amongst the Partners • Transfer of interest by way of transmission to a legal heir of a deceased Partner provided the same in mentioned in Partnership deed

3. Ultimate Beneficiary Owner (UBO) Identification

In accordance with the provisions of Prevention of Money Laundering Act (PMLA) and SEBI circular CIR/MIRSD/2/2013 dated January 24, 2013, the beneficial owner shall be identified as per below criteria:

i. more than 25% 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; or
iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.
iv. In case of a Trust, the identity of the settler of the Trust, the Trustee, the protector, the beneficiaries with 15% or more interest in the Trust and any other natural person exercising ultimate effective control over the trust.

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

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.

4. Important Notes:

1. 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 *(Exchange circular no. MCX / MEM / 783 / 2021 dated December 17, 2021).*

2. 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.
3. 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.
4. The nominated list of promoters may or may not be holding any shareholding/ Partnership interest in entity.
5. 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.
6. 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:
   i) 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.
   ii) 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 Exchanges.
   iii) 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 would be requiring prior approval from the Exchange & SEBI.

   iv) [13]**Transfer of shareholdings** among immediate relatives and transmission of shareholdings and their effect on change in control*:

      1. **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:
         a. 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;
         b. Transfer of shareholding by way of transmission to immediate relative or not, shall not result into Change in Control.

      2. 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.

3. **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:
   a) **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.
   b) **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.
4. 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.

[13]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*

v) 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.

vi) 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.

vii) 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.

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

ix) Processing Charges / Fees for any such changes would be levied as per Schedule of Charges / Penalty.

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

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

2.3 [14]Procedure of seeking prior approval for Change in Control

1. Securities and Exchange Board of India ('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, 1992 and Regulation 9(c) read with Regulation 10B of SEBI (Stock Brokers) Regulation, 1992, 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)/Securities and Exchange Board of India Act, 1992 (SEBI Act) or rules and regulations made thereunder? 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.
      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

4. 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.
5. 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

[14]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*

2.4 Change in Designated Email ID

Members shall designate one contact email ID as "Designated Email ID". The Exchange would be sending all email communications to the said Email ID. Also, all emails received

from the Members' specified "Designated Email ID" would be considered as official communications from the Member. It will be Members responsibility to:

a. Access the "Designated Email ID" regularly to see whether the Exchange has sent any communications.
b. Monitor and manage storage capacity of this email to ensure that the storage space in the mail box does not get exceeded leading to bouncing of emails.
c. To keep the Exchange informed about change in the Designated Email ID.
d. To take precautions necessary at its end to ensure confidentiality of emails.

2.5 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 for a period of atleast 3 years.
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% stake in the new entity for a period of atleast 3 years.
c) The processing charge for conversion of membership would be levied as per Schedule of Charges.
d) SEBI circular 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.

2.6 Change of Name[15]

1. The Members of the Exchange are required to obtain prior approval from the Exchange for effecting change of name as per the procedure specified by the Exchange from time to time. The process of the name change will be 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.

2. 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.

3. [16]The new name of the entity should not have the following words in the trade name: Commex / Comdex / Exchange / Commodity Exchange / Stock Exchange / National.

4. The processing fee/charge for change of name would be levied as per Schedule of Charges.

5. SEBI circular 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. [17]Restriction on use of certain words by Trading Member / Authorized person in their name.

[15]*Exchange Circular no. MCX/MEM/224/2017 July 6, 2017*
[16]*Exchange Circular no. MCX/MEM/003/2020 dated January 02, 2020*
[17]*Exchange Circular no. MCX/MEM/191/2023 dated March 24, 2023*

2.7 Annual Returns and Annual Confirmation

1. 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.
2. Members are requested to adhere and comply with the applicable Networth (i.e., higher of the Base Networth or Variable Networth) as stated in the SEBI gazette notification No. SEBI/LADNRO/GN/2022/73 dated February 23, 2022. Members are also advised to refer to *Exchange Circular no. MCX/MEM/068/2023 dated February 02, 2023* for clarification on ascertaining Networth as per said SEBI gazette notification.
3. 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. No physical submission should be made by the Members.
4. 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. *[Exchange circular no. MCX/MEM/207/2018 dated May 30, 2018]*
5. 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.
6. 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.
7. Actions for Non-compliance with the above will be taken as specified by the Exchange / SEBI in its circulars issued from time to time.
8. The guidelines issued by the Exchange / SEBI from time to time shall be applicable.

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

2.8 Submission of Half Yearly Networth Certificate and Computation of Networth

1. Members are required to submit Half Yearly Networth Certificate and Computation of Net worth to the Exchange:
    i) within 60 days for half year ending September 30th and Half year ending March 31st.
    ii) only in the electronic form through online portal of the Exchange.
    iii) strictly in L.C.Gupta Format.

2. 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.

2.9 Annual subscription

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.

[18]**At least 3 years** of Annual Subscription amount (plus applicable taxes) shall be recovered from the deposits of such newly admitted members who surrenders their membership within three years from the date of approval of their membership by the Exchange.*

*[18]**MCX Circular No**. MCX/MEM/636/2020 dated September 01, 2020.*

2.10 Guidelines for seeking NOC by Stock Brokers for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC[19].

Stock Brokers and Clearing Members shall apply to SEBI 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.

*[19]**SEBI** Circular no. SEBI/HO/MIRSD/DoR/P/CIR/2022/61 dated May 13, 2022*
*[19]**Exchange** Circular no.: MCX/MEM/289/2022 dated May 16, 2022*

2.11 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' shall 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.

2.12 Continuous updation (Intimation) of details of Members in MMPI Portal of Exchange

As per the provisions of *Exchange Circular no. MCX/MEM/311/2018 dated August 13, 2018 and Circular no. 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 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
   - 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.

2.13 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.

2.14 Important notes for ongoing / continuing compliances:

i. 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.

ii. 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.

iii. 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.

iv. Members are required to maintain at all the time the required:
   1. Minimum Networth
   2. Minimum Paid up Capital / Capital Contribution of Rs.30 Lakh.

   Or as specified by the Exchange and SEBI from time to time.

v. [20]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 Practising 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.

[20]*Exchange Circular no.MCX/MEM/390/2019 dated July 26, 2019 and Circular no. MCX/MEM/593/2019 dated October 18, 2019.*

vi. All submission of Annual Returns / Audited Accounts / Financial Strength details / Half Yearly Networth Certificate and Computation of Net worth are required to be made through Exchange Enhance Supervision Portal.

vii. [21]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.

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

viii. [22]Authorised Person Annual Subscription' will be levied to the members on quarterly basis (i.e. after the end of every quarter) for all the registered Active Authorized Persons who are active at any point of time in that quarter and are affiliated to members who are active at any point of time in that quarter. Such members will be required to submit / update the list of active authorized persons within the last week of every quarter.

[22]*Exchange Circular no. MCX/MEM/148/2021 dated March 12, 2021 and Circular no. MCX/MEM/164/2021 dated March 17, 2021.*

[23]Members have to submit the Active/Inactive status of their affiliated Authorised Persons on the AP portal till 15th of the following month from the end of that quarter.

[23]*Exchange Circular No. MCX/MEM/433/2021 July 16, 2021.*

ix. **[24]**Members are required to submit Authorised Persons (APs) inspection report undertaken and the inspection report shall be uploaded on the MCX AP Portal on yearly basis.

[24]*Exchange Circular No. MCX/MEM/052/2022 January 28, 2022.*

x. **[25]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
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) above 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) above, 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;

[25]*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.*

xi. 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.

2.15 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 twenty percent or more voting rights, irrespective of whether they hold controlling interest or exercise control, shall be required to fulfill the 'fit and proper person' criteria.
   Explanation– For the purpose of this sub-clause, the expressions —controlling interestǁ and —controlǁ in case of an applicant or intermediary, 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 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 December 17, 2021]

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

Exchange had issued circulars no. 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, wherein Trading Members were informed to submit an undertaking to the Exchange by October 31, 2020.

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 MCX/ISD/955/2020 dated December 18, 2020).*

3) 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.

[28]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, 1992 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.*

[28]Exchange circular no. MCX/MEM/017/2018 dated January 17, 2018, circular no. MCX/MEM/016/2018 dated January 16, 2018 and circular no. MCX/MEM/488/2020 dated July 08, 2020.

1. Conditions of Transfer of Membership

1.1 The transferor member is required to pay Processing fees / Transfer fees, as specified by the Exchange from time to time in the Schedule of Charges[29].

[29]Exchange circular no. MCX/MEM/096/2022 dated February 22, 2022

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 wherever applicable. A transfer of Membership becomes effective only upon approval thereof by the Exchange.

1.3 [30]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.

1.4 In case of Merger / Amalgamation of trading members 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 admission / registration of the Exchange/Clearing Corporation/SEBI.

[30]*SEBI Circular no. SEBI/HO/MIRSD/DOR/CIR/P/2021/46 dated March 26, 2021. Exchange Circular no. MCX/MEM/211/2021 dated April 5, 2021 (also refer Exchange circular no. MCX/MEM/212/2021 dated April 5, 2021*).

1.5 Transferor shall be responsible to pay all the outstanding dues of the Exchange and SEBI, if any, including the payment of annual subscription of the Exchange.

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

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

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.

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

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

1.11 The Transferor has no enforcement action pending from SEBI.

1.12 There are no investor claims pending against the Transferor.

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.

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.

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

   2.1 Agreement for transfer of membership on non-judicial stamp paper of appropriate value duly notarized.
   2.2 Undertaking by transferor on non-judicial stamp paper of appropriate value duly notarized.
   2.3 Undertaking by transferee on non-judicial stamp paper of appropriate value duly notarized.
   2.4 Board resolution for transfer of membership for Corporate only.
   2.5 Net worth certificate of the transferee as per the L.C. Gupta format specified by SEBI duly certified by a Chartered Accountant
   2.6 Shareholding-pattern / Sharing-pattern & details of Promoter Group (PG) of the Transferee for Corporate / LLP / Partnership Firm reference of website.

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

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. SEBI circular 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. 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.

[31]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	Late Fees payable by Transferee
1.	Initial extension of 30 days (after completion of 180 days)	Rs.5000/-
2.	For extension beyond the period of 210 days (180 days plus 30 days as mentioned in point 1 above)	Rs.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.

[31]Exchange circular no. MCX/MEM/488/2020 dated July 08, 2020.

7. The processing charges / Transfer Fees will be applicable as specified by the Exchange from time to time.
8. The guidelines issued by the Exchange / SEBI from time to time shall be applicable.

4) Transmission of Membership / Nomination of Membership

4.1 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 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.
     (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, 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.

4.2 Nomination of Membership

a) 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).
b) 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.
c) The Nominator (Member of the Exchange) as well as Nominee, along with witness will have to sign the nomination form.
d) 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.
e) 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.
f) 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).
g) 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).
h) Nomination made by the member may be revoked by the Exchange / Relevant Authority with prior written notice duly approved by Relevant Authority.
i) Exchange / Relevant Authority reserves right to reject the nomination request.

5) Surrender of Membership

a. A Member of the Exchange desirous of surrendering the membership shall before making an application for surrender of membership comply with the following:
    i. Intimate all his clients/ constituents/ Authorised Person(s) regarding surrender of membership at least 21 days prior to date of application of surrender of membership of the Exchange.
    ii. Ensure that his open positions as on the date of the application are Nil.
    iii. Surrender existing connectivity like VSATs, leased lines, etc. and User IDs availed by the Member.
    iv. Ensure that there are no pending dues towards the Exchange, Clients, Authorised Persons and SEBI.
    v. There are no investor complaints/ arbitrations pending against the Member.

vi. There are no pending disciplinary proceedings against the Member from the Exchange or SEBI.
vii. Ensure that all the existing User IDs are inactive.
viii. Ensure that they do not have in its custody any funds or collaterals or securities which are payable to any of its client (s) as on date.

b. [32]Surrender Fees*: The Member has to make an application for surrender of membership to the Exchange along with necessary documents, the description and format of which is available on the Exchange Website. The Member applying for surrender of membership is also required to pay 'Surrender Fees' of Rs.50,000/- plus applicable taxes (Non-refundable) as per the modes specified by the Exchange with effect from October 01, 2020.

[32]Exchange circular no. MCX/MEM/695/2020 dated September 22, 2020

c. Upon receipt of unequivocal request for surrender, the Exchange would not charge any charges to the Member. However, Member would be required to settle any outstanding bills raised by the Exchange and / or any service provider for the services rendered during their membership with the Exchange. Any other dues, penalties, fines, etc. which may arise after receipt of surrender request and which has not been crystallized would be applicable and payable by the Member.

d. [33]Upon receipt of the application, the Exchange will deactivate the membership and advertise the same (at the cost of the Member), for the Member who has executed trades on the Exchange platform, for public information and clients' complaints, if any. A notice to public by way of an advertisement in newspapers, a local newspaper where the Member's Registered Office, Head Office / Corporate Office is situated and another in English daily newspaper with wide circulation will be issued.

No Advertisement shall be issued (subject to Exchange discretion) in case of following:
i. Member has not executed any trade on the Exchange platform.
ii. Member has transferred its business to another member of the Exchange by way of 'Sale of Business Agreement / Memorandum of Understanding prior to submission of surrender of membership.

[33]Exchange circular no. MCX/MEM/006/2021 dated January 05, 2021.

e. [34]The Exchange shall provide below mentioned timeline for receiving legitimate complaints/claims after publication of the advertisement as stated under sub-clause-d, against the Members who have executed trade on the Exchange platform:

Members applied for Surrender	**Specified Period/ Time Lines**
i. who have traded during 12 months preceding the date of receipt of surrender application	60 days
ii. who have traded during 24 months preceding the date of receipt of surrender application (cases other than those covered in {i} above)	30 days
iii. who have not traded during 24 months preceding the date of receipt of surrender application, i.e., have traded before 24 months	15 days

[34]Exchange circular no. MCX/MEM/140/2017 dated May 10, 2017.

f. The Exchange shall process claims/complaints, if any, received from legitimate claimants in accordance with the provisions of relevant Bye-laws, Rules and business Rules of the Exchange, subject to period of limitation prescribed under Bye law 15.11

and circulars issued by the Exchange /SEBI from time to time. Any claim(s) received after the specified period shall not be entertained by the Exchange against such Member and it shall be deemed that no such claims exist against such Member or such claims, if any, shall be deemed to have been waived and would not be considered for apportionment from Member's deposits, if any, lying with the Exchange.

g. Refund of Deposits:
   i. For Members registered with SEBI:
      a) After satisfactory redressal of all the Investor Grievance Complaints / Arbitration (if any) against the Member and after completion of all formalities and when the application is considered as eligible for surrender by the Exchange, the application of surrender of membership would be forwarded to SEBI for prior approval.
      b) Upon approval from SEBI, the Exchange may refund the excess deposit(s) of the Member like Security Deposits and other monies lying with the Exchange subject to fulfillment of all dues/compliances of Exchange/Clearing Corporation and Arbitration claims under Bye-laws, Rules and Business Rules of the Exchange and circulars/directives issued by SEBI from time to time. Admission fee once paid is not refundable.
      [35]Further, as per the directives of SEBI, the Exchange shall keep the Base Minimum Capital (BMC) for at least three years (lock-in period) from the date of receipt of surrender application (in the prescribed format) from the member. The said lock-in period for BMC will be applicable to all surrender applications received by the Exchange after June 12, 2019.
      [35]Exchange Circular no.MCX/MEM/533/2019 dated September 27, 2019.

      c) **[36]Revised lock-in period norms** for security deposit on surrender of membership by Trading Members:
         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) 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) 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.

      d) SEBI circular MIRSD/MSS/Cir-30/13289/03 dated July 09, 2003 also be referred in this regard.

   ii. For Members who have not applied for SEBI registration or are not registered with SEBI:

After satisfactory redressal of all the Investor Grievance Complaints / Arbitration (if any) against the Member, and after completion of all the formalities and when the application is considered as eligible for surrender by the Exchange, the Exchange would approve the surrender application and the Exchange may refund the excess deposit(s) of the Member like Base Minimum Capital, Security Deposits and other monies lying with the Exchange subject to fulfillment of all dues/compliances under Bye-laws, Rules and Business Rules of the Exchange, SEBI and circulars issued thereunder. However, the said deposit(s) may be retained, if there are any unfulfilled obligations including arbitration claims, investor complaints, other grievances/claims, disciplinary action, etc., against the Member which comes to notice of the Exchange, before the release of deposit(s). Admission fee once paid is not refundable.

h. The Member shall be required to replace/renew the maturing non-cash component of the deposit suitably till the release of the same by the Exchange.

i. Members may note that if any User ID / connectivity including handover of equipment etc. / other facility is not surrendered or cancelled or handed over by the Member, all relevant charges will continue to be applicable and payable by the Member till such time.

[36]*SEBI Circular no. SEBI/HO/MIRSD/FCR/CIR/P/2021/01 dated January 06, 2021 Exchange Circular no. MCX/MEM/017/2021 dated January 08, 2021, also refer Exchange Circular no. MCX/MEM/198/2016 July 8, 2016.*

6) Authorised Persons

A. Appointment and Cancellation

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, duly completed in all respects to the Membership Department of the Exchange as per the regulatory framework of the SEBI and also the 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. [37]The following words should not be part of the trade name:
   - Commex / Comdex / Exchange / Commodity Exchange / Stock Exchange / National*

[37]*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
   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 will be charged processing fee. (Please refer 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:
   1. is a citizen of India;
   2. is not less than 18 years of age;
   3. has not been convicted of any offence involving fraud or dishonesty;
   4. has a good reputation and character;
   5. 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 condition 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 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.

v. 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.

vi. **Obligations of the Members of the Exchange**

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.

vii. **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.

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. [38]Inspection of AP

Every trading member has to submit the inspection report (as per prescribed format) on yearly basis for the inspection conducted of 30% of its active Authorised Person/Branches.

[38]Exchange Circular MCX/MEM/052/2022 dated January 28, 2022 in continuation to circular no. MCX/INSP/601/2019 dated Oct 22, 2019.

C. [39]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 along with the AP application.

[39]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

[40]Authorised Person Annual Subscription' will be levied to the members on quarterly basis (i.e. after the end of every quarter) for all the registered Active Authorized Persons who are active at any point of time in that quarter and are affiliated to members who are active at any point of time in that quarter. Such members will be required to submit / update the list of active authorized persons within the last week of every quarter.

[41]Members have to submit the Active/Inactive status of their affiliated Authorised Persons on the AP portal till 15th of the following month from the end of that quarter.

[40]Exchange Circular no. MCX/MEM/148/2021 dated March 12, 2021 and Circular no. MCX/MEM/164/2021 dated March 17, 2021.
[41]Exchange Circular No. MCX/MEM/433/2021 July 16, 2021.

7) Code of Advertisement

7.1 Code of Advertisement & Compliance requirements

The Exchange has compiled the compliance that has to be ensured by Stock Brokers (Members) prior to issue of advertisements. The same are provided hereunder.

1. Code of Advertisement

1.1 Advertisement shall include all forms of communications issued by or on behalf of Stock Broker (Member) in publicly available media that may influence investment/sale decisions of any investor/prospective investors.

1.2. Forms of communications shall include, form of document, pamphlets, circulars, brochures, notice or any research reports or any other literature or information, material published, or designed for use in a newspaper, magazine, SMS or other periodical, radio, television, telephone or tape recording, video tape display, signs or bill boards, motion pictures, telephone Directories (other than routine listings) or other public media including websites or emails, whether in print or audio visual form or used in workshop/seminar or public speaking or in any other manner.

1.3. Advertisement/Material shall contain:

a) name of the Stock Broker, Registered Office Address of the member, SEBI Registration No (all registration numbers and names of the Exchanges in case of multiple memberships) / Stock Broker ID allotted by Exchange and logo of the Stock Broker, if any.

b) information which is accurate, true, fair, clear, complete, unambiguous and concise.

c) standard warning in legible fonts (minimum 10 font size) which states "*investment 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.

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.

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

1.4. The advertisement/material shall not contain:

a) anything which is otherwise prohibited for publication under the relevant Act, unwarranted, or make any promises.
b) statements which are false, misleading, biased or deceptive, based on assumptions/projections.
c) shall not contain any misleading or deceptive testimonials.
d) statements which directly or by implication or by omission may mislead the investor.
e) any statement designed as likely to be misunderstood or likely to disguise the significance of the statement.
f) any statement designed to exploit the lack of experience or knowledge of the investors.
g) any slogan that is exaggerated or unwarranted or slogan that is inconsistent with or unrelated to the nature and risk and return profile of the product.
h) any promise or guarantee of assured return to the general investors.
i) any statement which directly or indirectly discredits other advertisements or Stock Broker or makes unfair comparisons.
j) representations made about the performance or activities of the broker unless accompanied by data regarding performance, disclosures of all the risk factors, etc. and a disclaimer that 'such representations are not indicative of future results'. Such disclaimer shall be in the same font as the rest of the advertisement.
k) superlative terms, such as best, No.1, One of the Best among market leaders, etc. unless such terms is provided by an entity independent of the Stock Broker and its affiliates, and whose services are not procured by the Stock Broker or any of its affiliates to assign the Stock Broker such term.

1.5. Compliance and Other Requirements:

a) Prior approval for the advertisement/material to be obtained from the Stock Exchange before issue.
b) No celebrities shall form part of the advertisement/material.
c) Statistical information, charts, graphs, etc. when used should be supported by their source.
d) Where advertising claims are expressly stated to be based on or supported by independent research or assessment, the source and date of this should be indicated in the advertisement.
e) In the event of suspension of any Stock Broker by the Exchange, the Stock Broker so suspended shall not issue any advertisement either singly or jointly with any other Stock Broker, during the period of suspension.
f) In the event of any proceeding/action initiated against a Stock Broker by a regulatory body other than the Exchange, the Exchange reserves the right to direct the Stock Broker to refrain from issuing any advertisement for such a period as it may deem fit.
g) The Stock Broker shall not involve/engage in games/leagues/schemes/competitions etc. which may involve distribution of prize monies/medals/gifts, etc.

h) These norms shall be applicable to any other investment/consultancy agencies associated with the Stock Broker concerned and issuing advertisement wherein the Stock Broker has been named in the advertisement.

2. Schemes/Leagues/Competitions launched by registered Stock Brokers[42]:

Stock Brokers shall ensure strict compliance with the following requirements:

a. Stock Broker or its associates/group company cannot directly or indirectly, sponsor or be associated with any schemes/leagues/competition, etc. which may involve distribution of monies/prizes/gifts/medals, etc.
b. No reference to Stock Broker's name, logo etc. can be made in any schemes/leagues/competition, etc
c. Stock Broker cannot 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. Stock Broker cannot take any financial liability, including any contingent financial liability, on account of any schemes/leagues/competition, etc. launched by a third party.
e. The Stock Broker shall not enter into any tripartite agreement with clients/participants and the third party.
f. The following practice, given as part of 'Client information' under the heading 'Rights and obligations of Stock Brokers, Sub-brokers and Clients', as specified by SEBI vide circular CIR/MIRSD/16/2011 dated August 22, 2011 and MCX circular no. MCX/INSP/325/2016 dated September 29, 2016, Point 1(1.1)(i)(aiii)Annexure 3 shall continue to apply as given below:

"The Stock Broker and sub-broker shall maintain all the details of the clients as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the Stock Broker may so disclose information about his client to any person or authority with express permission of the client."

g. The Stock Broker shall obtain written confirmation from the client that the client shall not have recourse to dispute redressal mechanism/arbitration mechanism/investor protection schemes of the Exchange/SEBI in case the client avails the services under any schemes/leagues/competitions etc. offered by any third party.

3. Members are also required to be guided by the following points:

- A Stock Broker shall abide by all the provisions of the Act and the Rules, Regulations issued by the Government, the SEBI and the Exchange from time to time as may be applicable to them.
- A Stock Broker shall not advertise his business publicly unless permitted by the Exchange.
- A Stock Broker shall not resort to unfair means of inducing clients from other Stock Brokers.
- A Stock Broker may use the brand name/logo of its group companies, it must display more prominently:

i. its name as registered with SEBI, its own logo, if any, its registration number, and its complete address with telephone numbers, in its portal/ web site, if any, notice/ display boards, advertisements, publications, know your client forms, and member client agreements.
ii. its name as registered with SEBI, its own logo, if any, its registration number, and its complete address with telephone numbers, the name of the compliance officer, his telephone number and e-mail address in contract notes, statement of funds and securities, and correspondences with the clients.

4. Members are required to make an application for prior approval of the Exchange before issue of the advertisement and provide an undertaking duly signed by the Compliance Officer or Proprietor/Managing Partner/ Designated Director.

5. Members are advised to ensure that:
a. Advertisement shall not:
- recommend purchase or sale of any particular commodity.
- be so issued which harms the interest of the investors, create panic, doubts in the general investors.

b. advertisement shall not be so issued which harms interest of any other Member of the Exchange or make any reference to the Exchange itself.
c. Advertisement should not contain the logo of the Exchange in any manner whatsoever.
d. their clients/constituents do not issue advertisements soliciting the business for appropriation in their own name.
e. a copy of the advertisement be submitted to the Exchange at least seven days before the issue, for approval.
f. the Member shall not offer Portfolio Management Services and such other services that are prohibited in the commodities derivatives markets.
g. The copies of such advertisements be retained for verification by Inspection Teams.

[42]Exchange Circular no.: MCX/MEM/398/2016 November 18, 2016

7.2 [43]Guidelines to determine Celebrity Status

1] These guidelines are being issued to clarify the expression “Celebrity”. As per these guidelines, the expression ‘Celebrity’ means and includes any person:–

- who has played lead role or one of the lead roles in any movies/TV serials/ TV shows which includes but not limited to main actor, actress, child artist, villain, comedian, prominent support character.
- who has been the host or one of the hosts or anchor or one of the anchors for any TV programs such as quizzes, cooking shows, news channels, comedy show, dance shows, song show, award functions and such other entertainment programs.
- who has been winner or runner in a competitive program that 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 names.
- Sports person who has been part of National team of the country to which he belongs or represented his country in international tournaments / events such as Olympic Games, Asian Games and competitive games at international level for that given sport, etc.
- Other well-known personalities like Doctors, Authors, Activists, Educationists, Politicians, Preachers, Singers, Musicians, Radio Jockeys, Businessmen, Business Managers/ leaders of repute, recipients of awards such as Padma awards, recipients

of awards from international bodies, Government of India or any state government set up for recognition of special contribution to the field of expertise of such person.

- Any other person who in the view of Exchange is capable of influencing the opinion of viewers of the advertisement.
- Notwithstanding anything contained in these guidelines, the decision of Exchange shall be final in determining if the person made a part of the advertisement/material is a celebrity or not and such decision shall be final.

[43]Exchange Circular no.: MCX/MEM/184/2017 dated June 16, 2017
[43]Exchange Circular no.: MCX/MEM/434/2017 November 21, 2017

2] **[44]**Further to the Exchange Circular no. MCX/MEM/184/2017 dated June 16, 2017 wherein Members were informed guidelines to determine celebrity status as prescribed by SEBI under Code of Advertisement and further informing that 'No celebrities shall form a part of the advertisement / material'.

SEBI has now further provided the following guidelines vide its communication dated October 27, 2022 to determine the Celebrity status for the purpose of issuing advertisements:

2.1. The expression 'Celebrity' means and includes any person:–

a. who features 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 the 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 include but not limited to Youtube, Instagram, Facebook, Twitter, etc.
d. who being a sportsperson 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 or popular sport events telecast on television like kabaddi, Cricket IPL, etc. or competitive games at international level for that given sport, etc.
e. who has been host or one of the hosts or anchor or one of the anchors for any TV programs such as quiz, cooking shows, news channels, comedy show, dance shows, song show, 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 was / has been winner or runner-up in any prominent / popular competitive program aired on TV / OTT platform or any other prominent personality who has gone through a series of qualifying rounds (for elimination of competitors) which may be known as qualifying round, quarter finals, semi-finals and finals or by any other names.
g. who is a virtual character (fictional computer generated '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.

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

[44]*Exchange Circular no.: MCX/MEM/633/2022 November 07, 2022. Also refer Exchange circular no. MCX/INSP/193/2022 dated March 31, 2022.*

7.3 [45]Revised Code of Advertisement for Stockbrokers

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.

1 Prior approval for all Advertisement should be obtained from the Exchange before issuance of Advertisement.
2 Any Advertisement issued by Authorized Persons/Business Partner / Channel Partner of the members or Influencer / Blogger being paid by members, shall require prior Exchange approval. Any advertisement issued by Authorized Person on their own shall not be entertained by the Exchange.
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.
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.
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.
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.
7 Any promotion for the mobile application of the Member (with or without account opening or Products / Services info) will require prior Exchange approval.
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.
9 Information contained in the Advertisement should be accurate, complete and unambiguous.

[45]Exchange Circular no. MCX/MEM/089/2023 dated February 09, 2023

8) [46]Designation as Qualified Stock Brokers (QSBs)

SEBI, vide Gazette Notification dated January 17, 2023, amended the SEBI (Stock Brokers) Regulations, 1992 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. Accordingly, on the basis of the parameters defined in the aforesaid circular, the list of designated Qualified Stock Brokers (QSBs) are identified. These QSBs shall be required to meet enhanced obligations and discharge additional responsibilities. Enhanced monitoring of QSBs shall be carried out by all Exchanges w.e.f. July 01, 2023.

[46]SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023
[46]Exchange circular no. MCX/MEM/154/2023 March 06, 2023 and Circular no. MCX/MEM/083/2023 dated February 08, 2023.

Based on the parameters defined in the aforesaid circular, the list of Stock Brokers designated as Qualified Stockbrokers (QSBs) was released vide Exchange circular no. MCX/MEM/154/2023 dated March 06, 2023. MCX in consultation with SEBI and other Exchanges has formulated comprehensive **[46a]**operating guidelines applicable to designated QSBs along with timelines for adherence to said compliance requirements.

Stock Brokers designated as QSBs shall be required to comply with enhanced obligations as specified in aforesaid guidelines and discharge additional responsibilities w.e.f. July 01, 2023.
[46a]Exchange Circular no. MCX/MEM/358/2023 dated June 02, 2023.

9) [47]Maintenance of a website by Stock Brokers and Depository Participants

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.

The provisions of the aforesaid SEBI circular shall come into effect from August 16, 2023 and the URL of the website is to be reported to the Exchange within a week of the circular coming into effect i.e., by August 24, 2023.

Failure to submit the details within the prescribed timelines would be treated as noncompliance and attract penal / disciplinary action. The same will be communicated in due course.

[47]*Exchange Circular no.: MCX/MEM/112/2023 dated February 17, 2023*

10) Permission to become client with another Member for proprietary Trading.

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.

11) 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 Rule 39 (b) of 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 sub-rule (c) and (d) of Rule 39 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.

12) Schedule of Charges[48]

Sr. No.	Name of the Process	Processing fees (plus applicable taxes)#	Transfer Fees (plus applicable taxes)#
1.	New Membership	Rs.10,000/-	-
2.	Conversion of Membership	Rs.25,000/-	-
3.	Transmission of Membership	Nil	-
4.	Change in Shareholding / Sharing Pattern (without change in control)	Rs.5,000/-	-
5.	Change in Name	Rs.5,000/-	-
6.	Change in Designated Directors(DD)/ Managing Partner (MP)/ Designated Partner (DP)/Non-Designated Directors (NDD)/ Partner (P)	Rs.5,000/- per Director/ Partner (for change in DD/ NDD/MP/DP/P)	-
7.	Issuance of Status Report	Rs.5,000/-	-
8.	Transfer of Membership / Merger / Amalgamation / De-merger	Rs.10,000/-	Rs.5,00,000/- Rs.1,00,000/-@ (@- if membership is transferred to group entity within same Promoter Group)

9.	Change in Shareholding/ Sharing pattern leading to change in control	Rs.10,000/-	Rs.5,00,000/-
10.	Appointment of Authorized Person	Rs.2,000/-	-
11.	Change in Registered Office Address	Rs.5,000/-	-
12.	Cancellation of Authorised Persons $	Rs.2,000/-	-
13.	Authorised Person Annual Subscription	Rs.1,000/-	-
14	Advertisement	Rs. 5,000/-	-

The processing fees / Transfer fees / Annual Subscription stated above will be Non-Refundable

***Note:**

(1) 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.

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.

(2) (i) 'Authorised Person Annual Subscription' will be levied to the members on quarterly basis (i.e. after the end of every quarter) for all the registered Active Authorized Persons who are active at any point of time in that quarter and are affiliated to members who are active at any point of time in that quarter. Such members will be required to submit / update the list of active authorized persons on the AP Portal till 15th of the following month from the end of that quarter.

(ii) '**Annual Subscription to the Authorised Person'** will not be charged to the member for the quarter in which the terminals of the member with whom such Authorised Person is affiliated are disabled pursuant to disciplinary action taken by the Exchange.

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.*

[48]*Exchange circular no. MCX/MEM/096/2022 February 22, 2022*

13) (A) Penalties / Actions for Non-Compliance

[i] Non-compliances with respect to Non/ Delay submission of Annual Audited Accounts/ Returns and data with respect to monitoring of financial strength of Members and Half yearly Networth submission (refer Exchange Circular MCX/INSP/400/2017 dated October 30, 2017)		
Table 1		
Sr.	**Violations**	**Applicable Penalties / Disciplinary Action**
1	a) Failure to furnish Annual Audited Accounts/ returns by October 31 of the relevant year. In case Income Tax Dept. extend the due date, the same shall be applicable here. b) Delayed/non-submission of data with respect to monitoring of financial strength of Members (ratios/indicators)	1. Charges of Rs.200/- per day for 1st Month from the due date 2. Charges of Rs.500/- per day for 2nd month after due date till date of submission or disablement. 2 weeks' notice shall be given to the Member after the 2nd month from the due date, subsequent to which the Member shall be disabled (suspended square off mode) in all segments of the Exchange. The disablement notice issued to the Member shall be shared with all the Exchanges.
2	Failure to furnish correct Net worth certificate to Stock Exchange within 60 days for half year ending September 30th and half year ending March 31st (unaudited).	1. Charges of Rs.200/- per day for 1st Month after the due date 2. Charges of Rs.500/- per day for 2nd month after due date till date of submission or disablement. 2 weeks' notice shall be given to the Member after the 2nd month from the due date, subsequent to which the Member shall be disabled (suspended square off mode) in respective segments by the Exchange. The disablement notice issued to the Member shall be shared with all the Exchanges for information.
[ii] Non-compliances with regards to change in Directors/Partners without prior approval of / Intimation to the Exchange (Exchange circular MCX/MEM/052/2018 dated February 16, 2018)		
Table 2		

Sr.	Violations	Applicable Penalties / Disciplinary Action
1	Change in Designated Directors/ Designated Partners/ Managing Partners without obtaining the prior approval	Rs.5000/- per instance (i.e. per Director/Partner)
2	Change in Ordinary Directors/ Partners without intimation to the Exchange within 15 days from the date of such change in ROC/ROF	Issue of warning letter
3	Non-Submission of application/ complete documents (as per applicable checklist) by the member for Post facto approval for changes in Designated Directors/ Designated Partners / Managing Partners	On completion of 3 months from: The date of intimation by the Exchange sent to the member requiring him to submit the post facto application; or The date of receipt by the Exchange of the incomplete application from the members, whichever is earlier. Thereafter, 4 weeks' notice shall be given to the member to submit the complete documents (as per applicable checklist). On his failure to do so within the notice period, the member's terminals shall be disabled (suspended square off mode) till the time the member submits complete documents for such post facto changes. (the said disciplinary action is in addition to the penalties stated at Sr. No. 1 of Table 2 above)
[iii] Non-compliances with regards to change in Shareholding Pattern (SHP)/Sharing Pattern (SP) without the approval of the Exchange (refer Exchange circular MCX/MEM/052/2018 dated February 16, 2018)		
Table 3		
Sr.	**Violations**	**Applicable Penalties / Disciplinary Action**
1	Post facto changes in Shareholding / Sharing pattern involving dilution not below the minimum prescribed shareholding/sharing pattern of the Dominant Promoter Group	Rs.10,000/-
2	Any other change in Shareholding / Sharing pattern of the Member without the approval of the Exchange.	Rs.2,500/-
3	Post facto changes resulting in dilution of the Shareholding / Sharing pattern ratio of the Dominant Promoter Group (DPG) below 51%	Rs.1,00,000/-
4	Non-Submission of application/ complete documents (as per applicable checklist) by the Member for Post facto approval for changes in Shareholding / Sharing pattern leading to dilution of holding of Dominant Promoter Group below 51%	On completion of One month from: The date of intimation by the Exchange sent to the member requiring him to submit the post facto application; or The date of receipt by the Exchange of the incomplete application from the member, whichever is earlier Thereafter, 4 weeks' notice shall be given to the member to submit the complete documents (as per applicable

		checklist). On his failure to do so within the notice period, the member's terminals shall be disabled (suspended square off mode) till the time the member submits complete documents for such post facto changes. (the said disciplinary action is in addition to the penalties stated at Sr. no. 3 of Table 3 above)
Note : The aforesaid penalties (plus applicable taxes) would apply in cases where members have not taken prior approval from the Exchange before undertaking changes in their or their holding company's shareholding/sharing pattern/Promoter Group (PG) etc. In cases of change in control, apart from the recovery of penalty (as stated above) Exchange may consider putting trading terminals of the member into square off mode with immediate effect, if the new Promoter group are not found to be "Fit and Proper" in terms of SEBI (Intermediaries) Regulations, 2008.		

[iv] Penalty for not meeting Networth requirements (refer Exchange circular MCX/MEM/327/2018 dated August 22, 2018)		
Table 4		
Category	**For Trading Members (who are not Clearing Members)**	**For Clearing Members (i.e. TCM/ ITCM/ PCM)**
	Penalty to be levied	***Effective Deposits to be blocked**
Networth shortfall less than or equal to 10% of the prescribed minimum	Rs. 10,000/-	10% of Effective Deposits will be blocked and will not be available for margin purpose
Networth shortfall less than or equal to 25% of the prescribed minimum	Rs. 15,000/-	25% of Effective Deposits will be blocked and will not be available for margin purpose
Networth shortfall less than or equal to 50% of the prescribed minimum	Rs. 20,000/-	50% of Effective Deposits will be blocked and will not be available for margin purpose
Networth shortfall less than or equal to 90% of the prescribed minimum	Rs.30,000/-	90% of Effective Deposits will be blocked and will not be available for margin purpose
Networth shortfall greater than 90%	Trading Terminal/s shall be disabled (suspended square off mode) with immediate effect.	
* Effective Deposits = Total Deposits minus Minimum Liquid Networth (MLN)#		
Notes to Table: In case of ITCMs/PCMs, if net worth falls below prescribed limit, other than blocking of Effective Deposit, ITCMs/PCMs will be allowed 2 months' time from the date of submission or the time prescribed by the Exchange (for disablement of terminal for non-submission under the applicable circular), whichever is earlier, to increase their Networth (under intimation to the Trading Members(TMs) associated with such ITCMs/PCMs), failing which, they will not be allowed to clear trades of TMs affiliated to them. TMs associated with such ITCMs/PCMs may make alternative		

clearing arrangements during these two months period. Further, the Exchange will also not allow any new TMs being affiliated to these ITCMs/PCMs.
It may be further noted that, Computation of Networth by method other than the L.C. Gupta method, shall be treated as Non-submission of Networth and appropriate penalty/actions as applicable (i.e. as per Exchange circular no. MCX/INSP/400/2017 dated October 30, 2017) for Non-submission of Networth will be initiated accordingly.

Additional Penalty for not meeting Networth requirements (refer Exchange circular MCX/MEM/604/2019 dated October 23, 2019)

Further, to the above mentioned penalty / disciplinary action, in case Member having trading rights (i.e. TM, TCM and ITCM) reporting shortfall in Networth as on March 31,2020, fails to submit the revised Networth certificate meeting the Networth requirement by next submission cycle i.e. September 30, 2020, the Trading terminals of such members shall be disabled (put under suspended square off mode).

[v] Late / Non submission of undertaking to freeze the bank account pursuant to SOP in the cases of Trading Member leading to default (refer Exchange circular MCX/ISD/955/2020 dated December 18, 2020)

Table 5

Sr.	Violations	Applicable Penalties / Disciplinary Action
1	Non-submission of additional / addendum undertaking within 7 days of new bank account opening.	Submission within 1 month from the due date – Rs.1,000 per account per day. In case of non-submission after 1 month - 15 days' notice for disablement. In case of non-submission after 15 days' notice period - Member shall be disabled in all segments across exchanges.

13) (B) Charging Interest on delayed payment of Penalties

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 Rs.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 Rs.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.

14) 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*

15) REPORTING REQUIREMENTS / CONTINUOUS COMPLIANCE REQUIREMENTS

(i) REPORTING REQUIREMENTS:

Sr. No.	Para No. of the Master circular	Reporting requirement
1.	1(1.2)(h)(3) 1(1.2)(h)(4)	Submit the details of any Change in Compliance Officer / Principal Officer-FIU / Designated Director-FIU.
2.	1(1.2)(h)(3)	Submit Indemnity insurance policy/cover every year as may be specified by the Exchange / SEBI from time to time.
3.	2(2.1)	To obtain prior approval from the Exchange and furnish necessary documents for any change in the Designated Director / Designated Partner / Managing Partner / Partner. To intimate the Exchange and furnish necessary documents for any change in the Non-Designated Director.
4.	2(2.2)	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.	2(2.3)	To obtain prior approval of the Exchange / SEBI in case of change in control.
6.	2(2.3)	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.	2(2.4)	To keep the Exchange informed about change in the Designated Email ID.
8.	2(2.5)	To obtain prior approval of the Exchange in case of Conversion / Change in status and Constitution of member entity.
9.	2(2.6)	To obtain prior approval from the Exchange for effecting change of name.
10.	2(2.7)	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. 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.	2(2.8)	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

Sr. No.	Para No. of the Master circular	Reporting requirement
12.	2(2.9)	To pay annual subscription in advance or latest by April 30 of every financial year.
13.	2(2.10)	To obtain NOC of Exchanges seeking SEBI's approval for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC
14.	2(2.11)	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.	2(2.13) 2(2.14)	To intimate for any change in Address Registered / Correspondence / Branch office address and its contact details along with the prescribed documents.
16.	2(2.14)	To submit the Active/Inactive status of their affiliated Authorised Persons on the AP portal till 15th of the following month from the end of that quarter.
17.	2(2.14)	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.
18.	2(2.14)	To intimate the Exchange of any change in statutory auditor within 30 days from the date of such change.
19.	2(2.14)	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.
20.	3	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)
21.	7	Prior approval for the advertisement/material to be obtained from the Exchange before issue.
22.	8	QSBs shall be required to meet enhanced obligations and discharge additional responsibilities.
23.	9	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. 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.
24.	10	To seek prior permission of the Exchange to deal with the Stock Broker (only one) of the same Exchange for proprietary trading. 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.

Sr. No.	Para No. of the Master circular	Reporting requirement
25.	2(2.16)	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.
26.	2(2.12)	To intimate the details of Politically Exposed Persons (PEP) associated with the member entity in the prescribed format. A revised details shall be submitted as and when there is change in any of the details of Politically Exposed Persons' (PEP).

15)(ii) CONTINUOUS COMPLIANCE REQUIREMENTS :

Sr. No.	Para No. of the Master circular	Continuous Compliance requirement
1.	1(1.2)(h)(6)	Abide by the Rules, Bye-laws, Business Rules, Circulars and Notifications issued by SEBI / Exchange from time to time.
2.	1(1.2)(h)(1)	Maintain the net worth / minimum paid up capital as specified by the Exchange and / or SEBI during the entire period of his membership of the Exchange.
3.	1(1.2)(h)(5)	Registration on FIU-India's FINnet 2.0 system for Principal Officer and Designated Director of Member Entity.
4.	1(1.2)(h)(7)	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
5.	1(1.2)(j)	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.
6.	1(1.2)(h)(4)	Compliance officer to have valid NISM Certification
7.	2(2.12)	Members shall update their profile details and continuous membership compliances through 'MMPI' – MCX Member Profile Interface for Members, which is an internet-based application.
8.	2(2.14) 2(2.15)	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.
9.	2(2.14)	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).
10.	2(2.14)	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.

16) APPENDIX : LIST OF CIRCULARS / NOTIFICATIONS / COMMUNICATIONS

Sr.	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 SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/92- 23-09-2016.	Registration of Members Regulatory framework for Commodity Derivatives Brokers.
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 MCX/MEM/593/2019 – 18-10-2019	-	Unique Document Identification Number (UDIN) made mandatory
5.	MCX/MEM/315/2019 – 17-06-2019 MCX/MEM/636/2020 – 01-09-2020.	-	Annual subscription
6.	MCX/MEM/187/2019 – 05-04-2019	-	Turnover Fees (SEBI Fees)
7.	MCX/MEM/661/2020 – 10-09-2020	-	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/496/2021 – 06-08-2021. MCX/MEM/069/2023 - 02-02-2023	SEBI/LAD-RO/GN/2023/115–17-01-2023. Cir/MIRSD/14/2011 – 02-08-2011. Cir/MIRSD/2/2011 – 03-06-2011 MIRSD/MSS/Cir-30/13289/03 – 09-07- 2003.	Uniform Norms for Change in Shareholding/Change in Control Prior approval of Exchange / SEBI for change in constitution.
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

Sr.	Exchange Circular/ Notification No. and Date	SEBI Circular / Notification No. - Date	Description
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.
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 MCX/MEM/ 783/2021 – 17-12-2021 MCX/MEM/679/2019 – 29-11-2019 MCX/ MEM/124/2019 – 06-03-2019	-	Compliance Officer: Appointment and Guidelines
16.	MCX/MEM/707/2022 – 08-12-2022	-	Registration on FIU-India's FINnet 2.0 system.
17.	MCX/MEM/523/2022 - 09-09-2022 MCX/MEM /707/2022 -08-12-2022 MCX/MEM/322 / 2022-31-05-2022	-	Guidelines issued by FIU-INDIA for detecting suspicious transactions.
18.	MCX/MEM/191/2023 -24-03-2023 MCX/MEM/003/2020 -02-01-2020 MCX/MEM/224/2017- 06-07-2017	-	Change of Name and **Restriction** on use of certain words by Trading Member / Authorized person in their name.
19	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.
20.	MCX/MEM/311/2018- 13-08-2018 MCX/MEM/077/2020- 06-02-2020	-	Continuous Updation (Intimation) of details in MMPI Portal of Exchange
21.	MCX/MEM/104/2019 –28-02-2019 MCX/INSP/294/2016 - 26-09-2016	SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 -26-09-2016	Appointment and Intimation of Statutory Auditors.
22.	-	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).
23.	MCX/ISD/654/2020- 08-09-2022. MCX/ISD/955/2020 -18-12-2020.	SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 – 01-07-2020.	Undertaking to freeze the bank account pursuant to SOP in the cases of Trading Member leading to default
24.	MCX/MEM/017/2018 – 17-01-2018 MCX/MEM/016/2018 - 16-01-2018	- - SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/104- 21-09-2017	Transfer of Membership Integration of broking activities in Equity market & Commodity Derivatives market under single entity
25.	MCX/MEM/488/2020 -08-07-2020	-	Late Fee for delay in activation of Newly admitted transferee entity

Sr.	Exchange Circular/ Notification No. and Date	SEBI Circular / Notification No. - Date	Description
			pursuant to transfer of membership.
26.	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
27.	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.
28.	MCX/MEM/096/2022 – 22-02-2022	-	Schedule of Charges / Fees
29.	MCX/MEM/695/2020 -22-09-2020	-	Surrender Fees
30.	MCX/MEM/198/2016- 08-07-2016 MCX/MEM/140/2017 -10-05-2017 MCX/MEM/533/2019 –27-09-2019 MCX/MEM/006/2021 -05-01-2021 MCX/MEM/017/2021- 08-01-2021	MIRSD/MSS/Cir-30/ 13289/03–09-07-2003. SEBI/HO/MIRSD/ FCR/CIR/P/2021/ 01 – 06-01-2021 F.No.1/4/2009/MD-I dated Jul 20, 2009	Surrender of Membership-Issuance of Public Advertisement & Deposit-Lock in period.
31.	MCX/MEM/467/2018- 09-11-2018 MCX/MEM/340/2021 -08-06-2021	-	Online Submission of Documents and Digitally Signed Application for appointment / cancellation of Authorised Person (AP).
32.	MCX/MEM/003/2020-02-01-2020	-	Restriction on use of certain words by Authorized person in their name.
33.	MCX/MEM/433/2021 -16-07-2021	-	Monthly submissions of Active/Inactive status of their affiliated Authorised Persons on the AP.
34.	MCX/MEM/052/2022 -28-01-2022 MCX/INSP/601/2019 -22-10-2019	-	Yearly submissions of Authorised Persons (APs) inspection report undertaken by the member.
35.	MCX/MEM/148/2021 – 12-03-2021 MCX/MEM/164/2021 – 17-03-2021	-	Authorised Person Annual Subscription
36.	MCX/MEM/398/2016- 18-11-2016	-	Schemes /Leagues / Competitions launched by registered Stock Brokers
37.	MCX/MEM/184/2017 -16-06-2017 MCX/MEM/434/2017 -21-11- 2017 MCX/INSP/193/2022 -31-03-2022 MCX/MEM/633/2022 -07-11-2022	-	Guidelines to determine Celebrity Status
38.	MCX/MEM/089/2023 -09-02-2023	-	Revised Code of Advertisement for Stockbrokers
39.	MCX/MEM/154/2023 – 06-03-2023 MCX/MEM/083/2023 – 08-02-2023	SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/24 - 06-02-2023	Designation as Qualified Stock Brokers (QSBs)

Sr.	Exchange Circular/ Notification No. and Date	SEBI Circular / Notification No. - Date	Description
40.	MCX/MEM/358/2023 -02-06-2023	-	Comprehensive operating guidelines applicable to designated QSBs along with timelines
41.	MCX/MEM/112/2023 17-02-2023	SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/ 2023/30– 15-02-2023	Maintenance of a website by Stock Brokers
42.	-	SEBI/MIRSD//Cir-06/2004 -13-01-2004	Permission to become client with another Member for proprietary Trading
43.	MCX/INSP/400/2017 -30-10-2017 MCX/MEM/327/2018- 22-08-2018 MCX/MEM/604/2019- 23-10-2019	-	Penalties / Actions for – ➢ Non/ Delay submission of Annual Audited Accounts/ Returns and data with respect to monitoring of financial strength of Members and Half yearly Networth submission. ➢ not meeting Networth requirements
44.	MCX/MEM/052/2018 – 16-02-2018	-	Penalties / Actions for- Non-compliances with regards: ➢ to change in Directors /Partners ➢ to change in Shareholding Pattern (SHP) / Sharing Pattern (SP) without prior approval of / Intimation to the Exchange.
45.	MCX/ISD/654/2020 - 08-09-2020 & MCX/ISD/955/2020 -18-12-2020	SEBI/HO/MIRSD/ DPIEA/CIR/P/2020/115 dated July 01, 2020	Submission of bank account details and undertaking pursuant to Standard Operating Procedure in case of Trading Member leading to default Penalties / Actions for- Late / Non submission of undertaking to freeze the bank account pursuant to SOP in the cases of Trading Member leading to default
46.	MCX/INSP/319/2023 – 15-05-2023	-	Charging Interest on delayed payment of Penalties