Circular no.: MCX/COMP/349/2013 October 15, 2013

Portfolio Management Services (PMS)

The attention of the Members is again drawn towards the Exchange Circular no. MCX/551/2006 dated December 13, 2006, MCX/561/2006 dated December 15, 2006, MCX/COMP/399/2008 dated December 18, 2008, MCX/COMP/261/2010 dated July 26, 2010, MCX/COMP/259/2013 dated July 26, 2013 and MCX/COMP/332/2013 dated October 4, 2013 wherein Members were advised to refrain from indulging in any activities in the nature of portfolio advisory services, portfolio management services and the following activities:

a) any activity in the nature of promise of assured returns after a certain fixed time period (for example a month, 3 months or 6 months etc.) or assured profits by the member or profit sharing activity

b) any activity without executing Member Client Agreement or completing Uniform Client Registration formalities with the client

c) any activity without presenting client with a Risk Disclosure Document

d) any activity without proper orders from the client for managing his accounts / executing trade etc.

e) any advertisement / publicity made by the Member highlighting only the benefits of futures market without highlighting the risk involved

f) any other activity which is ambiguous or misleading the client in any way.

Members are again advised that if they are found indulging in offering portfolio management services or any service in the nature of portfolio management services directly or indirectly, the Exchange shall take strict disciplinary actions such as deactivation of terminal(s), suspension / termination from Membership and in addition, such Members will also be liable for a penalty of minimum Rs.1 Lakh per case in terms of the Rules, Bye-Laws, Business Rules of the Exchange

Members are required to please take note of the above and ensure strict compliance.

J. B. Ram

Sr. Vice President
Membership & Inspection

Kindly contact Compliance Team on 022-66494090 or send an email at compliance@mcxindia.com for further clarification.

---------- Corporate office ----------
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