Circular no.: MCX/INSP/111/2017 April 10, 2017

Naming / Tagging and Reporting of Bank and Demat accounts and Submission of PAN Details

SEBI issued Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 regarding "Enhanced Supervision of Stock Brokers/Depository Participants"; the Exchange also issued corresponding Circular No. MCX/INSP/294/2016 dated September 26, 2016 advising members to take note and comply with the same in due course within timeline specified by SEBI in aforesaid circular. The Exchange issued Circular No. MCX/INSP/354/2016 dated October 17, 2016 regarding Naming / Tagging and Reporting of Bank and Demat Account and also Circular No. MCX/INSP/420/2016 dated 06, December 2016 for submission of Permanent Account Number (PAN) details.

Further, SEBI has issued Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 dated December 20, 2016 deciding that SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 shall be made effective from **April 1, 2017**. The Exchange issued corresponding Circular No. MCX/INSP/438/2016 dated December 20, 2016.

Further to the above, the Exchange would like to remind about requirements specified by SEBI as under :-

1. Reporting of Bank and Demat Accounts maintained by Members :-

   Members shall submit to the Exchange details of all existing bank account(s) and demat account(s) on or before **May 01, 2017**.

2. Naming / Tagging of Bank and Demat Accounts by Members :-

   A. Members shall ensure that all demat account(s) maintained by them have appropriate nomenclature as under to reflect purpose for which such demat accounts are being maintained and communicate it to the Exchange on or before **July 1, 2017**.

      I. Demat account(s) which hold clients' securities shall be named as "**Name of Member - Client Account**".
      II. Demat account(s) which hold own securities of the Members, shall be named as "**Name of Member - Proprietary Account**".

III. Demat account(s), maintained by the Members for depositing securities collateral with the Exchange / clearing corporation, shall be named as "**Name of Member - Collateral Account**".

B. Members shall ensure that all bank account(s) maintained by them have appropriate nomenclature as under to reflect the purpose for which such bank accounts are being maintained and communicate to the Exchange on or before **October 01, 2017.**

I. Bank account(s) which hold clients' funds shall be named as "**Name of Member - Client Account**".
II. Bank Account(s) which hold own funds of the Members shall be named as "**Name of Member - Proprietary Account**".
III. Bank account(s) held for the purpose of settlement would be named as "**Name of Member - Settlement Account**".

C. All new bank and demat accounts opened by the members shall be named as per the above given nomenclature and the details shall be communicated to the Exchange within **one week** of the opening of such accounts.

D. In case of closure of any of the reported bank and demat accounts, the same shall be communicated to the Exchange within **one week** of its closure.

Any non-compliance / non-reporting in this regard by the members shall attract penal action as per the provisions of the Exchange.

"Procedure for submitting the information of bank accounts and demat accounts" is given in **Annexure 1**

3. Submission of Permanent Account Number (PAN) Details :-

A. Submit PAN details of all **Directors.**

B. Submit PAN details of all **Key Management Personnel**.

Definition of Key Management Personnel u/s 2(51) of Companies Act, 2013 is as under:
"Key Managerial Personnel", in relation to a company, means-
(*i*) the Chief Executive Officer or the managing director or the manager;
(*ii*) the company secretary;
(*iii*) the whole-time director;
(*iv*) the Chief Financial Officer; and
(*v*) such other officer as may be prescribed;"

Members shall submit the PAN details of all their Directors / Key management Personnel / Proprietor/ Partner/ Karta/ Coparcener/ Trustee on or before **July 01, 2017.**

Any change in the aforesaid details/information related to Directors / Key management Personnel / Proprietor/ Partner/ Karta/ Coparcener/ Trustee/ dealers or PAN shall be intimated to the Exchange **within seven days** of such change.

Member user manual for submission of details relating to PAN is provided in **Annexure 2.**

Members are required to submit Bank Account(s), Demat Account(s) and PAN details mandatorily through following link:- https://insprbs.mcxindia.com/Login.aspx within timelines specified above.

It is once again reiterated that regulatory provisions as mentioned in SEBI Circular No. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 regarding “Enhanced Supervision of Stock Brokers/Depository Participants” and SEBI circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 dated December 20, 2016 shall be applicable to all members and members are required to take note and comply with the same.

C N Upadhyay
Vice President
(Inspection & Audit)

Encl: Annexure 1 – Procedure for submitting details of bank accounts and demat accounts.
Annexure 2 – Member User Manual for submission of details relating to PAN

Kindly contact Inspection & Audit Team on 022-66494150 or send an email at Inspection@mcxindia.com for further clarification.

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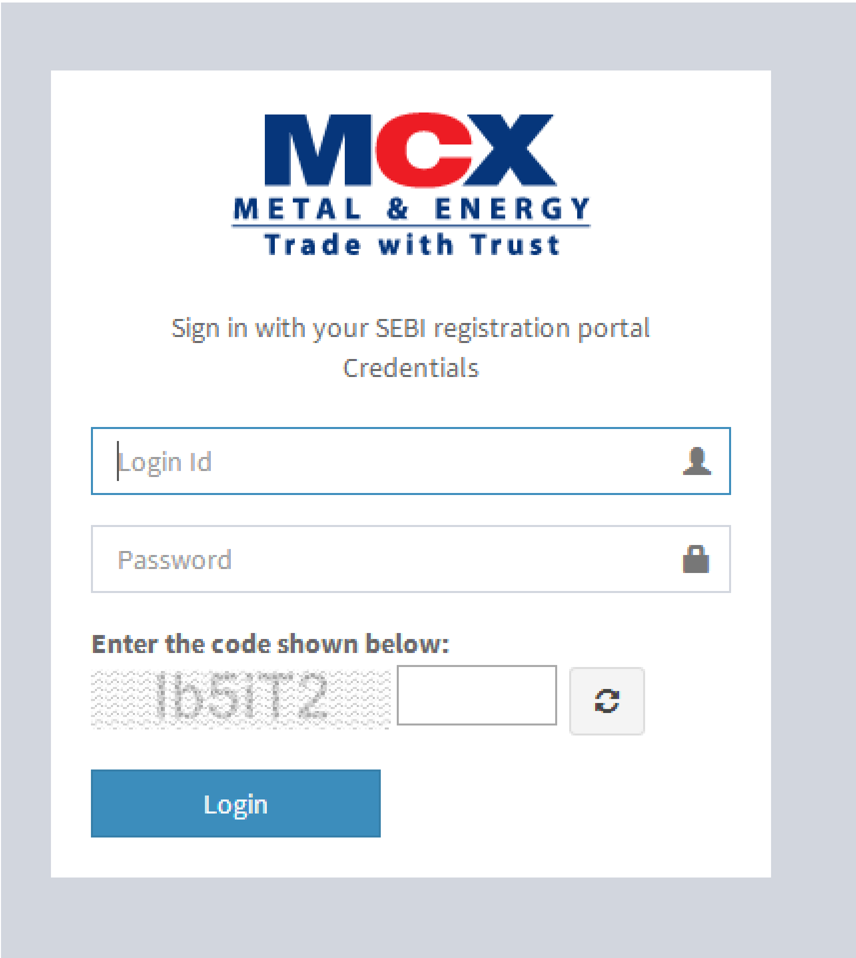
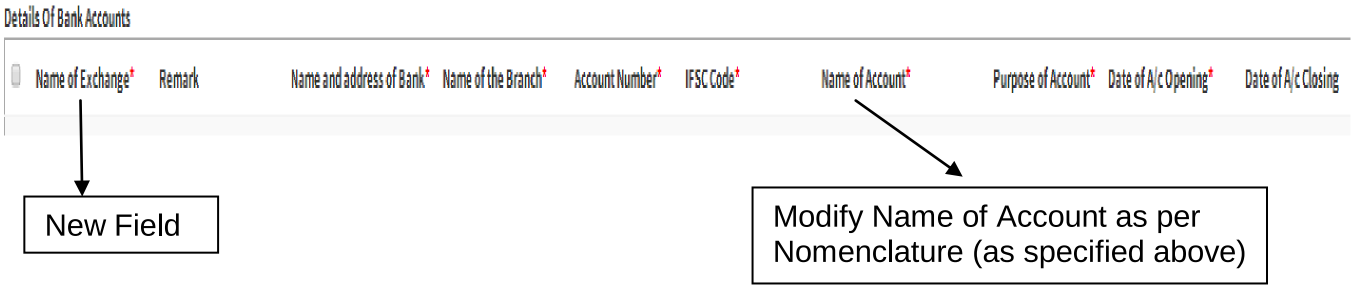
Annexure 1

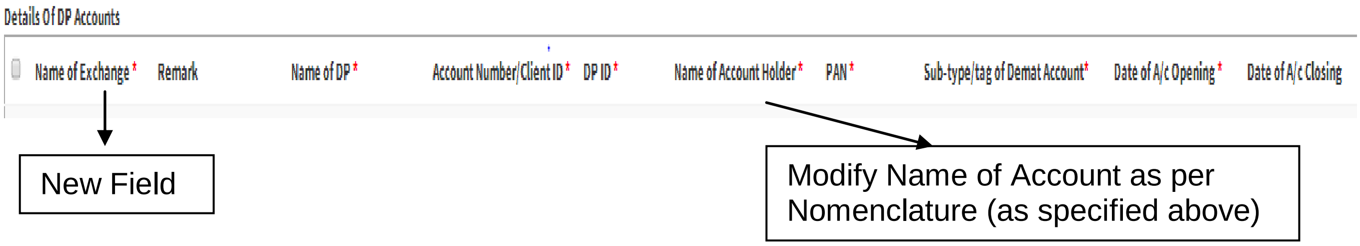
Procedure for submitting details of bank accounts and demat accounts

1. Once member clicks on https://insprbs.mcxindia.com/Login.aspx,following screen will appear.



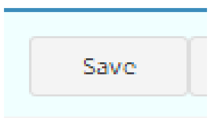
2. After Login following screen will appear.
Carefully fill the form as per details in the boxes against each of the items. You may save the form as draft for later submission. Ensure that the form is not submitted till the time all details are submitted fully (The form is not editable after submission).





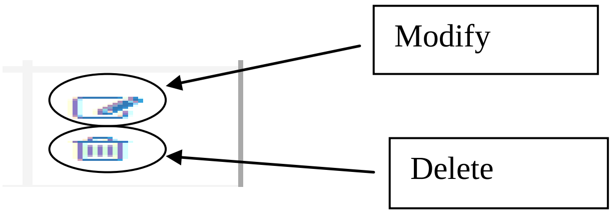
* All star mark fields are compulsory fields.

3. After entering necessary details member can save the information by using following icon.

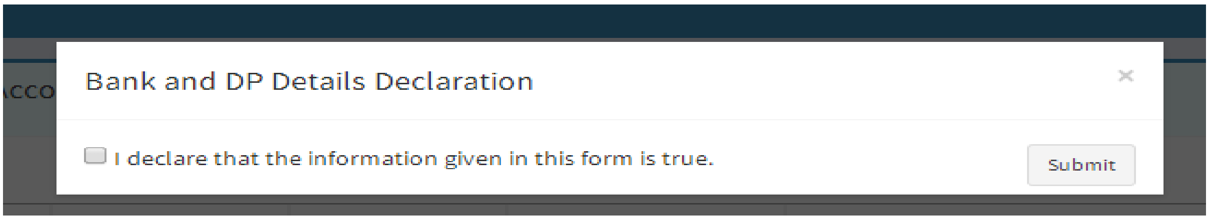


4. Member can also modify or delete by using following icons.

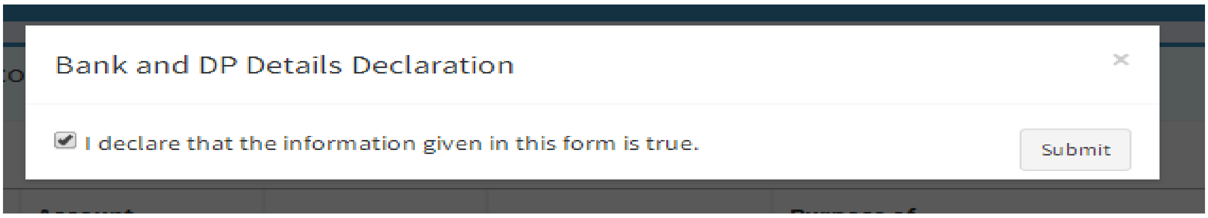
-- Corporate office ---
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai – 400 093
Tel.: 022 – 6649 4000 Fax: 022 – 6649 4151 CIN: L51909MH2002PLC135594
www.mcxindia.com email: customersupport@mcxindia.com



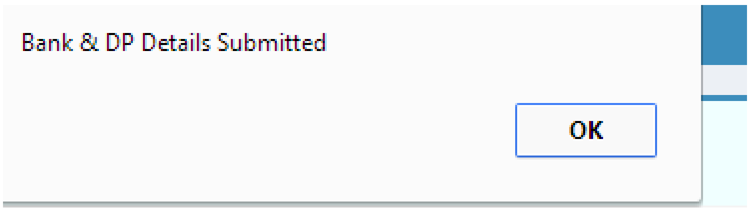
5. Once Member clicks on submit button, following screen will appear.



6. If information is found correct Member has to tick and submit details. The form is not editable after submission



7. Once Member clicks on Submit following screen will appear.

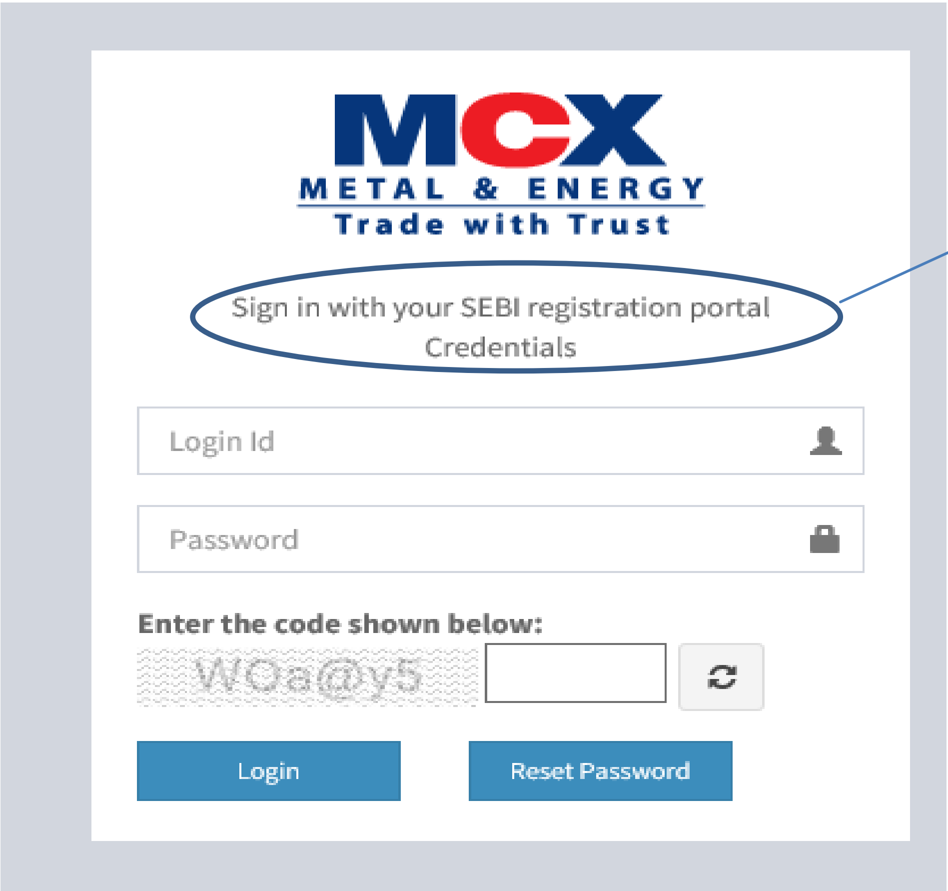


Annexure 2

Member user manual for submission of PAN details

Step 1: Login

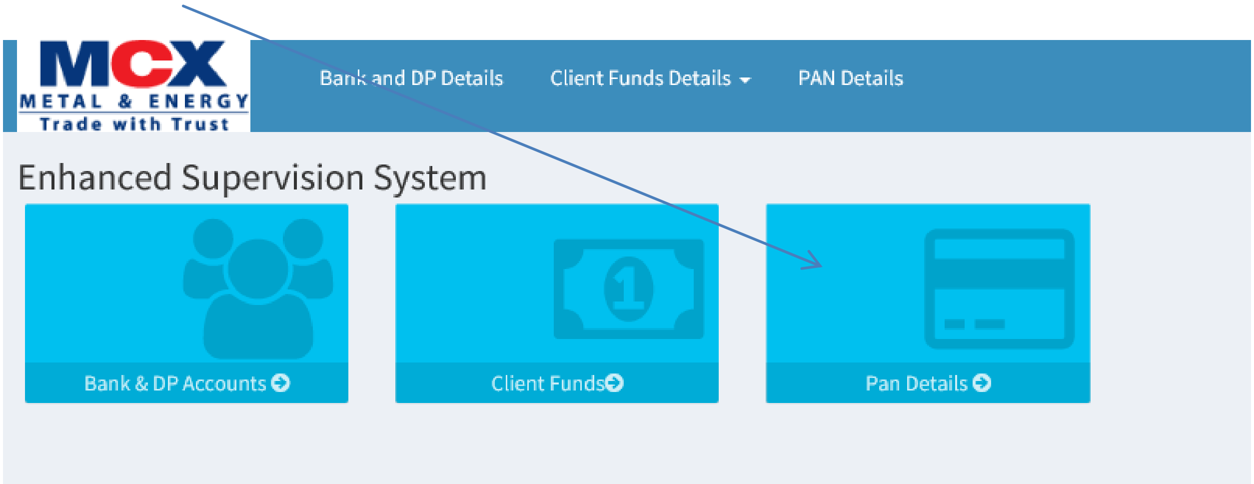
Login into the system https://insprbs.mcxindia.com/Login.aspx
If you forget the password, click on Reset Password and enter the required details. New password will be sent to your registered email id.



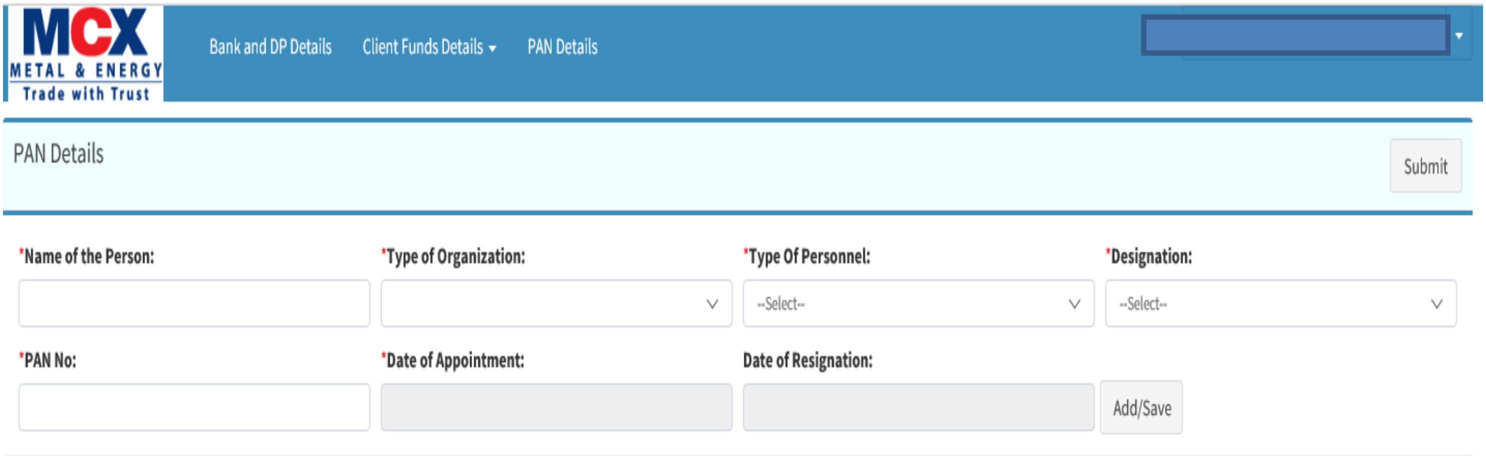
Login id: Member Id

Step 2: Enhance Supervision System (PAN details)

Click on PAN details



Step 3: Enter the details



Enter the following details:

- **a)** "Name of the person" : Enter name of the person
- **b)** Select the Type of Organization i.e. "Corporate" / "Non Corporate" of the member

➢ Select the Type of Personnel: if you select "Corporate" as Type of Organization then the following drop down will appear:

i) Director
ii) Designated Director
iii) Key management Personnel

If you have selected “Key management Personnel”, then the following drop down will appear for selecting “Designation”:

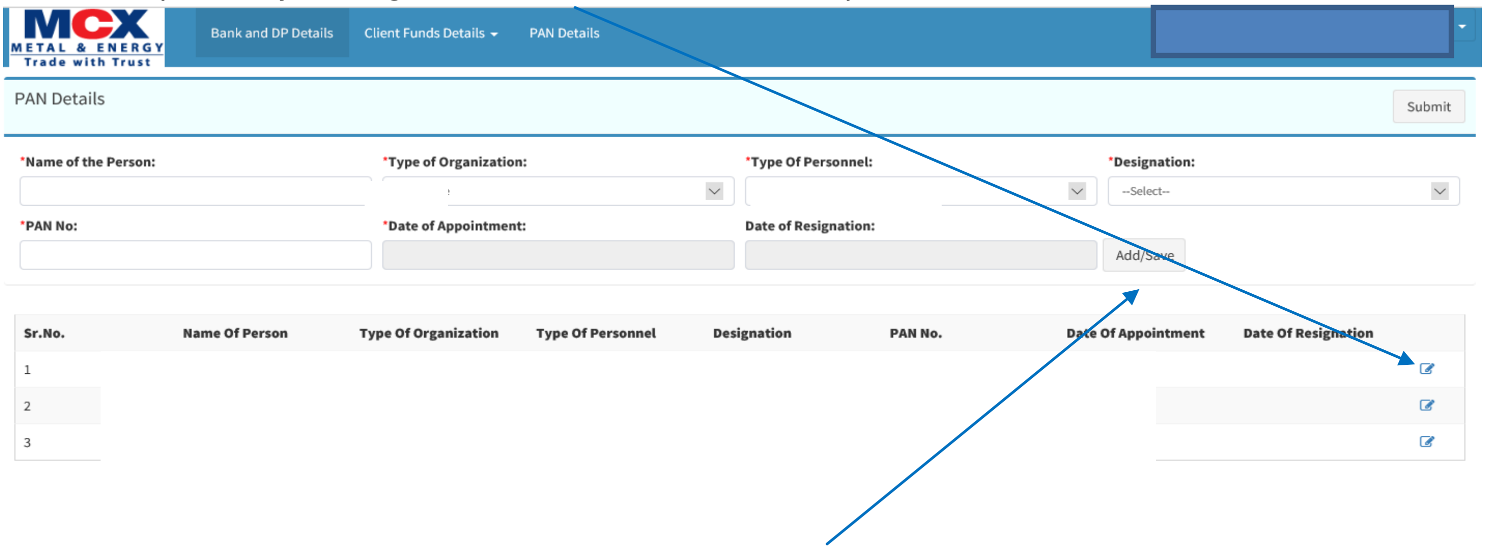
- Chief Executive Officer
- Managing Director
- Manager
- Company Secretary
- Whole Time Director
- Chief Financial Officer
- Other officer

➢ Select the Type of Personnel: if you selected “Non Corporate” then the following drop down will appear:
- Proprietor
- Partner
- Karta
- Coparcener
- Trustee

c) PAN No. – Provide Pan in valid format (Example of PAN format: ZZZZ0123Z)

d) Date of Appointment: Enter the “Date of Appointment” of the person.

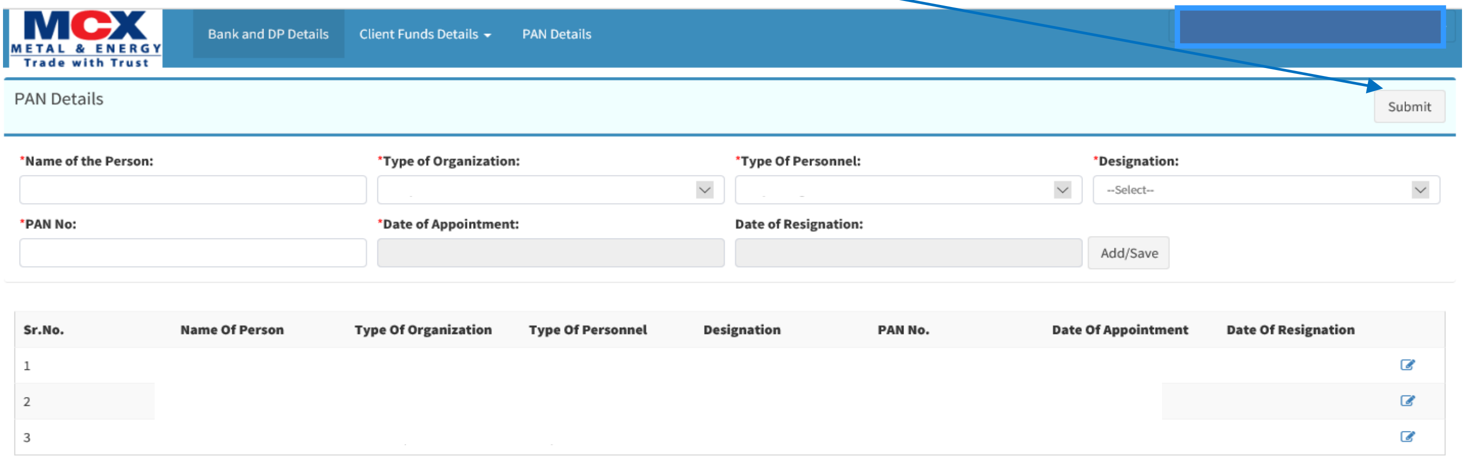
e) Date of Resignation: If the Person has resigned, then enter the “Date of Resignation” of person by clicking the edit button beside details of person saved.



Note: 1) after entering a record, please click “Add/Save” button for saving the data and entering new data. If you have not clicked “Add/Save” button data will not be saved in the system.

2) Member can view the submitted records.

Step 4: Submit the data



Once you have completed entering and saving the data as specified above in note (1), click on “Submit” button to submit the record to the Exchange. Member cannot edit the data after submission except entering the “Date of Resignation”. However, member can enter additional record after submitting the data.