NCDEX
Pragati ka Solid Exchange

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No. : NCDEX/MEMBERSHIP-018/2018/190
Date : August 02, 2018
Subject : Requirement of Interest Free Security Deposit (IFSD)

Attention of the members is drawn towards Exchange Circular No. NCDEX/MEMBERSHIP-001/2016/159 dated July 04, 2016, wherein the members were informed about the minimum deposit requirements prescribed by the Exchange/SEBI. The details of the same is given as under in Table A:

Table A

Sr. No	Particulars	Trading cum Clearing Member (TCM) (In Rs.)	Strategic Trading cum Clearing Member (STCM) (In Rs)	Trading Member (TM) (In Rs.)	Professional Clearing Member (PCM) (In Rs.)
1.	**Base Capital (BC)** i) Interest Free Cash Security Deposit	25.00 Lakh	20.00 Lakh upfront and Additional 0.50 Lakh per TM/TCM affiliated with it	7.50 Lakh	25.00 Lakh upfront and Additional 0.50 Lakh per TM/TCM affiliated with it
	ii) Collateral Security Deposit	25.00 Lakh	50.00 Lakh	NIL	25.00 Lakh
2.	**Base Minimum Capital (BMC)** i) Interest Free Cash Deposit	2.50 Lakh	6.25 Lakh	2.50 Lakh	12.50 Lakh
	ii) Collateral Security Deposit	7.50 Lakh	18.75 Lakh	7.50 Lakh	37.50 Lakh

Note: With Algo trading facility, the BMC requirement is Rs 50 lakh.

Members are permitted exposure on Base Capital and in terms of Exchange circular No. NCDEX/RISK-022/2015/319 dated October 05, 2015, no exposure is allowed on BMC.

Post SEBI-FMC merger, SEBI has directed exchanges to transfer the functions of clearing and settlement of trade to a separate clearing corporation. Accordingly, NCDEX is in the process of setting up a separate clearing corporation i.e. National Commodity Clearing Limited (NCCL) a wholly-owned subsidiary of National Commodity & Derivatives Exchange Limited, to transfer the activity of clearing and settlement of trades done on NCDEX. With effect from the date of commencement of operation of NCCL, the existing BC of clearing members i.e TCM, STCM and PCM will be transferred to NCCL and BMC will remain with Exchange.

Registered Office: 1st Floor, Akruti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg West, Mumbai 400 078, India. CIN No. U51909MH2003PLC140116
Phone: +91-22-6640 6789, Fax +91-22-6640 6899, Website: www.ncdex.com

In view of the above and in terms of Rule 5.9 of the Exchange, a new eligibility/continuous membership requirement of cash deposit of Rs.10 Lakhs is being introduced. The details of the same are given as under;

1. TCMs and STCMs are required to deposit IFSD of Rs.10 lakh in cash by August 31, 2018. No exposure will be given on this IFSD.

2. In respect of TMs, the existing cash deposit in the form of BC of Rs.7.5 lakh will be appropriated to partially meet the IFSD requirement with effect from September 01, 2018. The TMs will need to bring in additional Rs. 2.5 lakh to comply with the said requirement before August 31, 2018. TMs are requested to note that no exposure will be allowed on such IFSD.

3. If a member fails to comply with the aforesaid IFSD requirement by the due date (August 31, 2018), the member's trading terminal will be disabled with effect from next trading day and will continue to in disable mode till the said requirement is fully complied with. Further, the member will be liable for any additional measures as the Exchange may deem fit in this regard.

4. In order to facilitate the process of complying with the new requirement of Interest free security deposit,
   - All TCMs & STCMs are hereby requested to fund their settlement account latest by due date.
   - The Exchange will debit the settlement account of Trading cum clearing members (TCMs) & Strategic Trading cum clearing members (STCMs) towards the requirement of interest free security deposit.
   - Accordingly, the banks will be advised to debit the settlement account of members from August 27, 2018.

5. Further, all Trading Members (TMs) will have to transfer the requisite amount to the Exchange's bank account as mentioned below and intimate the bank reference number of the transaction to the Exchange at askus@ncdex.com

   Name of Account: National Commodity & Derivatives Exchange Limited
   Bank Name: HDFC Bank
   Account No. : 00990690000747
   Branch: Fort, Mumbai
   IFSC Code: HDFC0000060

6. These guidelines will be applicable to all TMs/TCMs & STCMs, including new member admissions henceforth.

7. Requirement of IFSD will be a continuous membership requirement. Any shortfall in the said deposit will lead to disablement of trading terminal with immediate effect.

8. The said Interest free cash deposit (IFSD) will be refunded to the member as per prescribed guidelines of refund of deposits issued from time to time

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9. Pursuant to the above, the revised Deposit requirement for all the membership categories, other than PCM, will be as under;

Table B

Sr. No	**Particulars**	**Trading cum Clearing Member (TCM) (In Rs.)**	**Strategic Trading cum Clearing Member (STCM) (In Rs)**	**Trading Member (TM) (In Rs.)**
1.	**Base Capital** (Exposure allowed) i) Interest Free Cash Security Deposit	25.00 Lakh	20.00 Lakh upfront and Additional 0.50 Lakh per TM/TCM affiliated with it	NIL
	ii) Collateral Security Deposit	25.00 Lakh	50.00 Lakh	
2.	**Base Minimum Capital*** (No exposure allowed) i) Interest Free Cash Deposit	2.50 Lakh	6.25 Lakh	2.50 Lakh
	ii) Collateral Security Deposit	7.50 Lakh	18.75 Lakh	7.50 Lakh
3.	Interest Free Cash Deposit (No exposure allowed)	10 Lakh	10 Lakh	10 Lakh

*With Algo trading facility, the BMC requirement is Rs 50 lakh.

In case of the member category- PCM, the existing deposit structure, as given in Table A, will continue.

All the Members, their respective clients/constituents of the Exchange are requested to take note of the above and ensure compliance.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Smita Chaudhary
AVP- Membership

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to : askus@ncdex.com

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