

**NOTICE**

Trading Members are hereby informed that the Exchange has received a Circular from SEBI Vide Ref. No. SEBI/HO/MIRSD/DOP/CIR/P/2020/33, dated March 11, 2020 regarding Amendment in 'Rights and Obligations of Members, Authorized Persons and Clients' of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015. The contents of the said circular are reproduced hereunder for information of trading members.

**Quote: -**

**CIRCULAR**

SEBI/HO/MIRSD/DOP/CIR/P/2020/33

March 11, 2020

To,  
All Recognised Stock Exchanges  
Stock Brokers through Recognised Stock Exchanges

Madam / Sir,

**Subject: Amendment in 'Rights and Obligations of Members, Authorized Persons and Clients' of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015.**

1. SEBI, vide circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/92 dated September 23, 2016, inter-alia, specified that provisions of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015 shall be applicable to all commodity derivatives exchanges including regional commodity derivatives exchanges for compliance by their members.

2. Clause 42 of Annexure-3: 'Rights and Obligations of Members, Authorized Persons and Clients' of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015, specifies the following:

In case, client opts to receive the contract note in electronic form, he shall provide an appropriate email id (created by the client) to the member (Kindly refer Appendix A of Annexure 3). Member shall ensure that all the Rules / Business Rules / Bye-Laws / Circulars issued from time to time in this regard are complied with. The client shall communicate to the member any change in e-mail id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

The Appendix A specified in the above clause is the ECN (Electronic Contract Note) Declaration Form in which e-mail id is required to be written in own handwriting of the client.

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3. Clause 48 of Annexure-3: 'Rights and Obligations of Members, Authorized persons and Clients' of FMC circular dated February 26, 2015, specifies the following:

The Electronic Contract Note (ECN) declaration form will be obtained from the client who opts to receive the contract note in electronic form. This declaration will remain valid till it is revoked by the client.

4. Clause 37 of Annexure-4: 'Rights and Obligations of Stock Brokers and Clients' of SEBI circular no. CIR/MIRSD/16/2011 dated August 22, 2011 specifies the following:

In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

5. As per the aforementioned clauses, clients in commodity derivatives segment are required to submit a physical form for providing e-mail id, if they wish to receive contracts notes in electronic form. Whereas, clients in segments other than commodity derivatives segment are required to provide an appropriate email id to the stock broker.

6. For ease of investors with regard to receiving electronic contract notes, it has been decided to replace the Clause 42 of Annexure-3: 'Rights and Obligations of Members, Authorized Persons and Clients' of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015, with Clause 37 of Annexure-4: 'Rights and Obligations of Stock Brokers and Clients' of SEBI circular no. CIR/MIRSD/16/2011 dated August 22, 2011. Further, Clause 48 of Annexure-3: 'Rights and Obligations of Members, Authorized Persons and Clients' of FMC circular No. FMC/COMPL/IV/KRA-05/11/14 dated February 26, 2015, shall stand rescinded.

7. Stock Exchanges are directed to

7.1. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above decision;

7.2. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites; and

7.3. communicate to SEBI, the status of implementation of the provisions of this circular in their monthly report.

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully

D Rajesh Kumar

General Manager

Market Intermediaries Regulation and Supervision Department

**Unquote: -**

Trading Members are requested to take note of the aforesaid guidelines of SEBI and act accordingly.

**Dhiraj Chakraborty**  
**Compliance Officer**