



Circular no.: MCX/COMP/298/2010

August 21, 2010

Inactive Client's Account

In accordance with the provision of the Rules, Bye-Laws and Business Rules of the Exchange and in continuation of the Exchange circulars no.MCX/T&S/149/2008 dated April 23, 2008 and MCX/COMP/513/2009 dated December 15, 2009; all the members of the Exchange are hereby notified that:

Forward Markets Commission (FMC) vide its letter no. 9/1/2009-MKT-I dated August 10, 2010 in partial modification to requirement with regard to fulfillment of KYC while implementing FMC's directives of letter no.9/1/2009-MKT-1 dated December 7, 2009 on dealing with the inactive client's accounts has decided that in lieu of fresh KYC an undertaking (Annexure 1) may be taken by the member from the inactive client before he is allowed to trade to the effect that,

- a) the client is desirous to reopen its trading account
- b) he has already completed KYC formalities at the time of originally enrolling with the member and
- c) there is no material change in respect of the information contained in the said KYC.

However, if there are any material changes in respect of the said client, viz., address, bank account, PAN no. etc., then the fresh KYC formalities are required to be complied with.

Members of the Exchange are further advised that FMC has reiterated its earlier directives on other compliance requirement on captioned subject. The Members, therefore, are advised to ensure compliance with directives of FMC as contained in Exchange circular no. MCX/T&S/149/2008 dated April 23, 2008, circular no. MCX/COMP/513/2009 dated December 15, 2009 to the extent amended as stated above.

This circular comes into force with immediate effect.

J. B. Ram
Sr. Vice President
Membership & Inspection

Encl: As above

Kindly contact Compliance Team on 022 – 6649 4090 or send an email at compliance@mcxindia.com for further clarification

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Annexure 1

Suggested Format of Undertaking for reactivation of trading account

(To be taken on the letterhead in case of non-individual client)

Date: _____

To,

Member Name,

Registered Office Address

Sir,

I/we _____ (name of the client-Individual/Non-individual),
having trading account with Unique Client Code _____ allotted to me/us by your
broking house situated at _____ (branch name) since _____ (date of activation
of the account).

I/we am/are not trading in commodity futures contracts on the MCX trading platform since
_____ (last trade date). However, I/we am/are desirous to start trading again in
commodity futures contracts on the MCX platform. In this regard, you are requested to
reactivate my/our trading account and allow trading with immediate effect.

I/we hereby undertake that:

1. I/We have completed all the KYC formalities and submitted all the required documents
thereof (Proof of Identity, Address Proof, Bank Proof, PAN, etc.), at the time of opening the
trading account originally and enrolling as a client with you.
2. There are no changes in respect of my/our Address, Bank account, PAN details, as provided
to you earlier. Further, there is no material change in the other information provided to you
in KYC Form.

I/we declare that the information given above is true to my/our knowledge. I/we, therefore, request
you that the requirement of fresh KYC may not be insisted upon.

Yours Faithfully,

(Name of the Individual Client)

Or

For (Name of the Non-individual client)

(Name of the Authorized Signatory - Designated Director/Managing Partner/Karta/Proprietor)