



**भारतीय प्रतिभूति और विनिमय
बोर्ड**

Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/4/2015

September 29, 2015

To,

All recognized Commodity Derivatives Exchanges and its members

Dear Sir/ Madam,

Subject: Registration of Members of Commodity Derivatives Exchanges

1. Pursuant to the Notification No. SEBI/LAD-NRO/GN/2015-16/017 dated September 07, 2015 amending the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as Stock Broker Regulations), all existing members of commodity derivatives exchanges who satisfy the eligibility requirements for membership, as prescribed in the rules, regulations and bye-laws of the exchange of which it holds membership, shall be eligible to apply for registration to SEBI, within a period of three months from September 28, 2015.
2. Such existing members of commodity derivatives exchanges shall be required to meet the eligibility criteria as specified under Rule 8 of Securities Contract (Regulation) Rules, 1957 (hereinafter referred to as SCRR), within a period of one year from the date of transfer and vesting of rights and assets of the Forward Market Commission (FMC) with SEBI i.e., by September 28, 2016.
3. Any person desirous of becoming a member of any commodity derivatives exchange(s), on or after September 28, 2015, shall have to meet the eligibility criteria to become a member of an exchange and conditions of registration, as specified in SCRR and Stock Broker Regulations, respectively.
4. The application for registration shall be made in the manner prescribed in the Stock Broker Regulations, through the commodity derivatives exchange, of which it holds membership, in the prescribed form, along with the applicable fees. The application shall be accompanied by Additional Information as prescribed vide SEBI Circular No. SMD/POLICY/CIR-11/98 dated March 16, 1998.
5. The minimum net worth specified for members of commodity derivatives exchanges, as per Stock Broker Regulations, shall have to be computed as per the formula prescribed vide SEBI Circular No. FITTC/DC/CIR-1/98 dated June 16, 1998.
6. It is clarified that, "business in goods related to the underlying" and/ or "business in connection with or incidental to or consequential to trades in commodity derivatives",



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by a member of a commodity derivatives exchange, would not be disqualified under Rule 8(1)(f) and Rule 8(3)(f) of the Securities Contract (Regulation) Rules, 1957.

7. The Stock Exchanges are directed to –
 - a. bring the provisions of this circular to the notice of the commodity derivatives brokers, self-clearing members and clearing members as the case may be, and also disseminate the same on their websites;
 - b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above; and
 - c. communicate to SEBI, the status of the implementation of the provisions of this circular.
8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 29 & 30 of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This Circular is available on the SEBI website (www.sebi.gov.in) under the section SEBI Home > Legal Framework > Circulars.

Yours faithfully,

Rajesh Kumar Dangeti
Deputy General Manager