



CIRCULAR

SEBI/HO/ CDMRD/DMP/P/CIR/2016/100

September 27, 2016

To,

**The Managing Directors / Chief Executive Officers
of All Commodity Derivatives Exchanges and its members**

Dear Sir / Madam,

**Sub: Portfolio Management Services (PMS) in Commodity Derivatives
Market**

1. As per Section 131(B) of Finance Act, 2015 all rules, directions, guidelines, instructions, circulars, or any like instruments, made by the erstwhile FMC or the Central Government applicable to recognised associations under the FCRA would continue to remain in force for a period of one year from the date on which FCRA was repealed, or till such time as notified by SEBI, whichever is earlier.
2. SEBI is currently reviewing norms with regards to participation in Commodity Derivatives Market. In the past the erstwhile FMC from time to time had issued directives disallowing the Portfolio Management Services (PMS) in the commodity derivatives.
3. It has been decided that, for the time being, directives issued by FMC in this regard shall continue. Thus PMS currently would not be permissible in the Commodity Derivative Market.
4. The provisions of this circular shall come into effect from September 29, 2016 and all earlier directives issued by erstwhile FMC with regard to matters related to PMS shall be superseded from that date.
5. This circular is issued in exercise of the 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 market.
6. All the Commodity Derivatives Exchanges are also advised to bring the provisions of this circular to the notice of the members of the Exchange and also to disseminate the same on the website.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

7. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars" and "Info for Commodity Derivatives".

Yours faithfully,

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