
Client Registration Documents for Commodity Options Trading

This is further to the provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in reference to Exchange Circular nos. MCX/COMP/080/2015 dated March 18, 2015, MCX/INSP/295/2016 dated September 26, 2016, MCX/INSP/325/2016 dated September 29, 2016, MCX/INSP/419/2016 dated December 6, 2016 and MCX/TRD/177/2017 dated June 13, 2017.

Exchange is in the process of allowing trading in Commodity Options on receipt of approval of Commodity Options Contracts from SEBI. Further, with respect to members query in the matter following points are clarified for clients who want to trade in Commodity Options:

- 1) No fresh Know Your Client (KYC) may be executed by the members for existing clients who intend to trade in Commodity Options.
- 2) An undertaking/ consent letter duly signed by persons authorized for the purpose should be obtained from all existing clients who intend to trade in Commodity Options clearly stating that further to their KYC details they intend to trade in Commodity Options subject to regulatory requirements of the Exchange and SEBI from time to time. Such undertaking/ consent letter may be maintained as a part of KYC documents.
- 3) In case of existing clients who are Corporate/ Trust, a resolution from Board of Directors/ Trustees clearly stating that the Corporate/ Trust are authorized to trade in Commodity Options and they intend to trade in Commodity Options on Multi Commodity Exchange of India Limited.
- 4) In case of non-individual clients, the member should ensure that their clients who are Firms/Corporates/Trust/LLP etc. are authorized to trade in Commodity Options.
- 5) For new clients point no. 2,3 & 4 as stated above are applicable in addition to executing KYC documents as applicable from time to time.

Members are advised specifically to communicate and make clients aware about Risk of Option Holders and Risk of Option Writers as per Annexure 1 in electronic or physical mode as per the preference of the client. Further, members are required to maintain the proof of communication of the same by way of proof of delivery/ acknowledgement/ electronic logs as may be applicable.

Members are requested to obtain GST Identification No. from existing as well as new clients where ever applicable as part of KYC documents.

Members are advised to take note of the above and ensure compliance with the same.



C N Upadhyay
Vice President
(Inspection & Audit)

Encl: Annexure 1 Additional Risk Disclosure documents for Options Trading

Kindly contact Inspection team on +91-022-66494150 or send an email at inspection@mcxindia.com for any clarification in the matter.