

To,

i) Shri R.Ramaseshan, Managing Director & CEO, National Commodity & Derivatives Exchange Ltd, Akruti Corporate Park, LBS Road, Kanjur Marg (W), **Mumbai – 400 078**

ii) Shri L.Rutten, Managing Director & CEO, Multi Commodity Exchange of India Ltd., Exchange Square, CTS No. 255, Suren Road, Andheri (East), **Mumbai – 400093**.

iii) Shri Anil Mishra, Managing Director and CEO, National Multi Commodity Exchange of India Ltd., 5, 4th Floor, H. K. House, B/h, Jivabhai Chambers, Ashram Road, **Ahmedabad – 380 009**.

(iv) Managing Director, Indian Commodity Exchange Limited, Romell Technology Park, 8th Floor, Nirlon Compound, Western Express Highway, Goregoan East, **Mumbai – 400 063**

(v) Managing Director, ACE Derivatives and Commodity Exchange Limited, 401 'B' Wing, 4th Floor, Building No.4, Infiniti IT Park, Gen. AK Vaidya Marg, Dindoshi, Malad (E), **Mumbai – 400 097**

Sub: Sharing of information among Exchanges about default members – reg.

Sir,

1. Of late, the Commission has received queries from the Commodity Exchanges regarding course of action to be taken against members who are having memberships of multiple Commodity Exchanges and have been declared defaulter at one of the Commodity Exchanges. It has also been brought to the notice of the Commission that if a member is declared defaulter by a Commodity Exchange, the same information is not being shared with rest of the Commodity Exchanges. Defaulter in one Exchange is a risk to other Exchanges also, where he is a member.

2. It is therefore, directed to all the Commodity Exchanges that if the defaulting member of a particular Exchange holds membership in other Exchanges in his/her/its own name, then such member should be declared defaulter in other Exchanges also.

3. If a member is declared as defaulter by a Commodity Exchange, the concerned Exchange shall immediately inform all other Commodity Exchanges about the default of the member. If membership is held in the name of a corporate body, then the names of the promoter(s), dominant shareholders should also be intimated. Further, if associates of the defaulter broker are holding membership in other Commodity Exchanges, then action, if any, required to be taken against such associate member(s) should be decided by respective Commodity Exchanges after examining the relevant facts.

4. The Commodity Exchanges are advised to comply with the above requirements with immediate effect.

Yours faithfully,

SD /-

(**Vishal Nair**)
Deputy Director