

FMC/4/2012/C/13

No. FMC/IR-I/Client Protection/2012

Date: 2nd February, 2012

To

The MD / CEO,

All National Commodity Exchange.

Sir,

Sub: SMS and E-mail alerts to clients by all National Commodity Exchanges

1. The Commission has been receiving complaints from many clients regarding unauthorized trading in their accounts by the members. The Commission has taken steps in the past to address this issue.

2. It has now been decided, in consultation with all the National Commodity Exchanges, that the Exchanges shall communicate the details of the trades executed on their platform to the concerned clients, at the end of each trading day, through SMS and E-mail alerts.

2.1 The SMS alerts shall be sent in the format given below:

<p>Your trades executed on dd/mm/yy: [no. of buy trades] buy Rs. [value of buy trades]; [no. of sell trades] sell Rs. [Value of sell trades] Cl.code [Client code], Mem. Code [Member code].</p>

2.2 The email content should provide information about all the trades executed in the client account during the day which will enable the client to verify the trade on the Exchange website. [The registration of the email by the Member will be as per the Commission's directive dated 19/4/2011].

3. Members of the Exchanges shall upload the details of mobile number and email address of the clients after due verification. Members shall upload mobile numbers

and E-mail ID of only the clients and not of any non-client such as employees of members, etc. Any change in such details should be updated by the Members at the earliest.

4. If the Exchange is not able to deliver the SMS / E-mail to any client, the same will be informed to the respective member for necessary follow-up action in this regard.

5. The Exchanges shall implement the above SMS and E-mail alert facility by 1st May, 2012.

6. In order to implement these directives, the Exchanges are directed to:

a. Issue necessary instructions to bring the provisions of this circular to the notice of their members and also disseminate the same on their websites.

b. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above, as deemed necessary.

c. Communicate to the Commission, the status of the implementation of the Circular in their Monthly Report to the Commission.

d. Publicize widely the availability of this facility for the awareness of the clients.

7. This circular is also available on FMC website at www.fmc.gov.in under the sub head 'circulars' within the head 'regulatory framework'.

Yours faithfully,

SD /-

(Sunil Dulange)

Deputy Director