

Client Code Modification

In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in modification to circular no. MCX/T&S/166/2007 dated April 30, 2007, circular no. MCX/T&S/196/2007 dated May 23, 2007 & circular no. MCX/T&S/198/2007 dated May 25, 2007; the Members of the Exchange are notified as under:

Forward Markets Commission (FMC), vide its letter no. 6/12/2010-MKT-I dated September 28, 2011, has revised the directives on client code modification in supersession of all the above circulars which are consolidated as under:

1. The client code modification facility is allowed only for carrying out correction of genuine punching error(s) in the client code.
2. The facility will be extended only during 5.00pm to 5.15pm in respect of contracts traded upto 5.00pm and during 11.30pm to 11.45pm for contracts traded upto 11.30pm on all trading days except Saturdays. In respect of the trading days when the trading takes place up to 11.55pm the client code modifications will be allowed only from 11.45pm upto 11.59pm. On Saturdays, the same will be allowed between 2.00pm to 2.15pm. In no circumstances, changes in the client codes will be permitted on the next trading day or thereafter.
3. Intra-day modifications of client codes other than as above will not be allowed.
4. Proprietary trades will not be allowed to be modified as client trade and vice-versa. Any violation of this provision will lead to disciplinary action against the Member by the Exchange.
5. In order to ensure that client codes are entered with alertness and care, and this facility is not misused, a penalty on the client code changes shall be imposed by the Exchanges as per the following structure

'a' as % of 'b'	Penalty as % of 'a'
= 5%	1 % (subject to a minimum of Rs. 25,000/-)
> 5%	2 % (subject to a minimum of Rs. 25,000/-)

Where

a = Value (turnover) of trades in respect of which client codes have been modified by a trading member during a day.

b = Value (turnover) of trades of the trading member during that day.

6. The criteria for determining genuineness of client code modifications are as follows:

- a) The difference in the Original Client Code and the Modified Client Code is such that most of the alphabets and numeric values are generally in the

same sequence and are mostly identical. Only then, the same will be construed as a genuine punching error.

Example:

Client code FA 1234 wrongly entered as MN5678 would be construed as intentionally committed whereas FA1234 entered as AF1234 or FA1243 may be a genuine punching error.

- b) Client codes modified by the same Member for the same client only once in a fortnight will be construed as genuine, subject to the above requirement.
- c) The value of Client codes modification by the same Member is insignificant in comparison to the total value of such trades executed on the Exchange

7. Members are required to inform the Exchange on a daily basis in case of genuine punching error(s). The Exchange will decide on the genuineness of the client code modifications based on the aforesaid criteria.

8. It is reiterated that the facility of Client Code Modification is to be resorted to by members only in the rarest of rare cases where genuine data entry errors have taken place. The Exchange shall take disciplinary action against the Members who resort to client code modifications without any genuine reason.

The revised directives will be applicable with effect from Saturday, October 1, 2011.

Members are requested to take note of the same.

M Ramalingam
Vice President

Kindly contact Mr. Dhawal Shah on 022 - 6649 4000 or send an email at customersupport@mcxindia.com for further clarification.

----- Corporate office -----

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