



**GILL BROKING PVT. LTD.**  
Trade With Pride Earn With Joy

## Guidance Note-Do's & Dont's For the Clients

Gill Broking

02/12/2018

## **GUIDANCE NOTE-DO'S & DONT'S FOR THE CLIENTS.**

### **DO'S**

1. Trade only through Registered Members of the Exchange. Check from the Exchange website at following link to see whether the Member is registered with the Exchange:

<https://www.mcxindia.com/membership/notice-board/Member-AP-Details>

2. Insist on filling up a standard 'Know Your client (KYC)' form before you commence trading.
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and /or other documents executed by you with the Member, from the Member.
6. Cross Check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website at the following link. The trades can be verified online where trade information is available up to 5 working days from the trade date.

<https://www.mcxindia.com/login>

7. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order Time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
9. Obtain receipt for collaterals deposited with the Member towards margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties those of the Member.

11. Ask all relevant questions and clear your doubts with your Member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
14. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
15. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
16. Understand and comply with accounting standards for derivatives.
17. Ensure to read, understand then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
18. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/ guidelines specified by FMC/Commodity exchanges.
19. Make the payments by account payee cheque in favour of the Member. Ensure that you have documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank account such money or commodities (in the form of warehouse receipts) deposited and from which bank account.
20. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account authorization provided by you to the Member shall be subject to the following conditions:
  - Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time

- You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay
- In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge complaint writing immediately with the Investors Grievance Cell of the relevant Commodity exchange
- Please register your mobile number and email id with the Member, to receive trade confirmation alerts/details of the transactions through SMS or email, by the end of the trading day, from the commodity exchanges

21. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives market or the member becomes insolvent or bankrupt

22. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.

23. In case your problem/grievance/issue is not being sorted out by concerned Member/Authorized person then you can escalate the matter to FMC

#### **DONT'S**

1. Do not deal with any unregistered intermediaries.
2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
3. Do not enter into assured returns arrangement with any Member.
4. Do not get carried away by luring advertisements, rumours, hot tips, explicit/implicit promise of returns, etc.
5. Do not make payments in cash/take any cash towards margins and settlement to /from the Member.

6. Do not start trading before reading and understanding the Risk Disclosure Agreement.
7. Do not neglect to set out in writing, orders for higher value given over phone.
8. Do not accept unsigned/duplicate contract note/confirmation memo.
9. Do not accept contract note/confirmation memo signed by any unauthorized person.
10. Don't share your internet trading account's password with anyone.
11. Do not delay payment/deliveries of commodities to Member.
12. Do not forget to take note of risks involved in the investments.
13. Do not pay brokerage in excess of that rates prescribed by the Exchange.
14. Don't issue cheques in the name of Authorized Person.