
NATIONAL COMMODITY CLEARING LIMITED

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/Compliance- 009/2023

Date : October 10, 2023

Subject : Reporting requirement on Bank Guarantees (BGs) created out of clients' funds

This is with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/061 dated April 25, 2023, and NCCL Circular no. NCCL/CLEARING-026/2023 dated April 26, 2023 on "Bank Guarantees (BGs) created out of clients' funds".

In accordance with the aforesaid SEBI Circular, the following provisions were required to be implemented:

- a. No new Bank Guarantees (BGs) shall be created out of clients' funds by Members w.e.f. May 01, 2023.
- b. Existing Bank Guarantees (BGs) created out of clients' funds shall be wound down by September 30, 2023.

Further, as per Para 5 of the aforementioned SEBI Circular, members are required to submit a certificate to the Clearing Corporation by October 16, 2023, confirming the implementation of provisions of SEBI Circular duly certified by their Statutory Auditor.

Accordingly, Clearing Members are advised to submit the aforesaid certificate in the prescribed format enclosed as **Annexure A**. Members who are carrying out only proprietary trading without any clients since the date of above SEBI Circular, shall submit a one-time declaration.

The members are required to submit the aforesaid details through WEB NCFE portal of the Exchange/NCCL in below mentioned module:

Compliance → NCCL BG Certificate

Clearing Members are requested to take note of the contents of the circular and comply

For and on behalf of
National Commodity Clearing Limited

Suresh Nair
Chief Compliance Officer and Head Legal

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 6007
 2. Customer Service Group by e-mail to : contactus@nccl.co.in
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Annexure A: Certificate Format

Certificate from Statutory Auditor on Bank Guarantees (BGs) created out of clients' funds.

We have examined the relevant books of accounts, records and documents maintained by M/s. _____, bearing SEBI registration number _____, a member of the _____ and obtained all the information and explanations to fulfill the requirements as prescribed by SEBI vide Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/061 dated April 25, 2023.

Based on the scrutiny of relevant books of accounts, records and documents, we hereby certify as under:

No new BGs have been created by the M/s. _____ out of clients' funds from May 01, 2023 onwards.

M/s. _____ has no existing / open BGs created out of client funds as on September 30, 2023 and on the date of execution of this certificate.

Further, we declare that we do not have any direct / indirect interest in or relationship with the member or its shareholders / directors / partners / proprietors / management, and also confirm that we do not perceive any conflict of interest in such relationship / interest with the said member.

(Seal & Signature)
(Name of the Proprietor / Partner / Person Signing)
(Auditor Designation)

Membership no. / CP. No.:

For (Name of Firm)

Firm Registration Number:

Unique Document Identification Number (UDIN):

Place:

Date: