India's New Stock Exchange

Membership Department

Circular no: MCX-SX/MEM/941/2013 January 14, 2013

Appointment of Sub-broker

In terms of provisions of Rules, Byelaws and Regulations of the MCX Stock Exchange Ltd, the Members of the Exchange are notified as under:

"Sub-broker" means any person who is registered with SEBI under the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 (SEBI Regulations) as a Sub-broker

Members desirous of appointing Sub-broker in Capital Market segment of the Exchange are advised to take recognition of the Exchange for such appointments.

In terms of SEBI Regulations, all Sub-Brokers are required to obtain a Certificate of Registration from SEBI for acting as a sub-broker.

Members can appoint a person / entity as a Sub-broker provided such person / entity meets all the criteria as specified in Securities & Exchange Board of India (Stock-Broker and Sub-Broker) Regulations, 1992 and as per Regulations of the Exchange.

For appointment of Sub-Broker, the member has to submit application form as per format of the Exchange along with relevant processing fees. The application form will be scrutinized by Exchange and if found to be in order, the applicant will be granted recognition by the Exchange as sub-broker of the relevant member and then the application will be forwarded to SEBI for registration of Sub-Broker. On approval by SEBI the Exchange will inform the same to the member. Members shall permit the applicant to commence its activities as a sub-broker only after receipt of certificate of registration from SEBI.

Code of Conduct:

Sub-Brokers shall abide by the Code of Conduct as stated in Securities & Exchange Board of India (Stock-Broker and Sub-Broker) Regulations, 1992.

Members shall ensure that the Sub-broker appointed by them complies with the Rules, Bye-laws and Regulations of the Exchange.

Members desirous of appointing a Sub-broker shall submit an application along with supporting documents, complete in all respects to the Exchange as per formats enclosed (Annexure A) along with relevant processing fees.

Further, Members shall apply for the cancellation/withdrawal of Sub-broker as per formats enclosed (Annexure B & Annexure C) along with relevant processing fees.

Members may note that failure to obtain registration from SEBI for any person / entity to act as its sub-broker shall attract action in terms of Rules, Regulations and Bye-Laws of the Exchange.

Processing fee for various applications for sub-brokers is as follows:

Particulars	**Amt.**
Appointment of Sub-Broker	₹ 2000 plus service tax
Cancellation of Sub-Broker	₹ 1000 plus service tax
Change in affiliation	₹ 1000 plus service tax
Withdrawal	₹ 1000 plus service tax

It is to be noted that no processing fee will be charged for applications received upto March 15, 2013 for appointment of Sub-Broker

Members are required to ensure that the Sub-broker appointed by them comply with the applicable requirements on an ongoing basis. Further they shall be solely responsible and liable for all the actions of the Sub-brokers appointed by them. In case of any change in the sharing pattern/shareholding pattern of the Sub-broker, the details of such change shall be reported by the Trading Member to the Exchange.

Deepak Dave

Head- Membership & Certification Cell

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