

Inspection Department

Ref: MSEI/INSP/4281/2016

June 21, 2016

Sub: Signature on Physical Contract Notes

In terms of the provisions of Rules, Bye-Laws and Regulations of the Metropolitan Stock Exchange of India Ltd. (Exchange), the Members are notified as under:

Further to Exchange circular MCX-SX/INSP/2054/2014 dated July 17, 2014 regarding clarification on common contract note, it is hereby clarified that Members may affix facsimile signatures (scanned signature) on physical contract notes issued to their clients after ensuring that adequate controls and procedures are put in place regarding the use of facsimile/scanned signatures.

Members opting to use this facility should have a well-documented policy regarding its use which shall be implemented after appropriate approval from its Board (in case of corporates), Partners (in case of partnership firms) or Proprietor (in case of sole proprietorship firm) as the case may be. The policy should clearly specify the procedure to be adopted for its use, the controls in place and procedures to be followed in case of any change in authorized signatories. The authorized signatories should necessarily be approved by the Board/Partners/Proprietor for use on the contract notes. In case, an authorized signatory whose signature was used for the above purpose, no longer holds that position with the Member, then the use of his signature shall not be permitted on the contract notes under any circumstances beyond the date from which the person ceases to hold the office.

Any contract note issued with facsimile/scanned signature shall be deemed to have been signed by the authorized signatory notwithstanding any misuse of facsimile/scanned signature and the ultimate responsibility to prove its genuineness shall rest with the Member.

Members are requested to take note of the above and ensure compliance with the same.

Vandana D. Vania
Asst. Vice President – Inspection

In case of any query, members may contact the Compliance team on compliancemsx@msei.in

Metropolitan Stock Exchange of India Limited

(Formerly known as MCX Stock Exchange Ltd.)

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CIN: U65999MH2008PLC185856