

Membership Department

Circular no: MSEI/MEM/4845/2017

January 11, 2017

Revision of Admission and Deposit Requirements

With the intent to offer better value to existing as well as prospective members in terms of membership costs and better capital utilization, the Exchange offers the following admission and deposit structure to members.

1. Admission & Processing Fees for membership

Segments (ECM, EDS, CDS, Debt)	Admission Fees (Rs. in lakh)	Processing Fees (Rs. in lakh)
Any one segment	2.50	0.10
Any two segments	3.50	0.10
Any three segments	4.50	
All segments	5.00	0.10

Admission and processing fee are one-time charge paid towards initiating membership of the Exchange. The fees shall not be considered towards Base Minimum Capital and/or margin.

2. Advance Transaction Charges (ATC) :

Advance Transaction charges for members who are active in the Currency Derivatives Segment are henceforth waived off.

The unutilized carried over ATC, if any, pertaining to F.Y. 2016-17 can be carried forward for the year 2017-18. The unutilized ATC at the end of F.Y. 2017-18 will not be carried forward nor refundable to the member.

3. Membership deposit structure:

Segments (ECM, EDS, CDS, Debt)	Cash Deposit (Rs. in lakhs)
ECM	10
EDS	10
CDS	10
Debt	Nil

The above membership deposit will be collected in Cash only.

Metropolitan Stock Exchange of India Limited

(Formerly known as MCX Stock Exchange Ltd.)

Registered Office: 4th Floor, Vibgyor Towers, Plot No. C - 62, Opp. Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai 400098.
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CIN: U65999MH2008PLC185856

4. Base Minimum Capital (BMC):

As per SEBI circular dated December 19, 2012 Trading members need to maintain BMC with the Exchange as per below Categories

Categories	BMC Deposit (Rs. in lakhs)
Only Proprietary trading without Algorithmic trading (Algo)	10
Trading only on behalf of Client and without Algo	15
Proprietary trading and trading on behalf of Client without Algo	25
All Trading Members/Brokers with Algo	50

- (1) BMC amount can be collected in the form of Cash / Bank Guarantee / Fixed Deposit / G-Secs and Approved Equity Scrips as prescribed by SEBI / Exchange.
- (2) Funds contributed by TM / CM towards membership deposit will be considered as part of Base Minimum Capital (BMC).

Illustration:

A trading member doing proprietary trades and client trades with algorithm, operating in all segments of the exchange shall pay Rs.30 lac towards membership deposit in cash. Such a member shall have BMC requirement of Rs.50 lakh. The Rs.30 lakh membership deposit of the member shall be considered as part of BMC and the balance Rs.20 lakh of BMC could be provided through non-cash instruments (fixed deposits and bank guarantee).

5. Margin Benefits

- (1) Trading member may request the Exchange to pass on benefit for any excess fund maintained by the TM over and above applicable BMC to the concerned clearing member in any of the segment for margin requirement.
- (2) The TM may specify the segments for which it wants the margin benefit to be allocated. Deposits of existing Members shall be considered towards Base Minimum Capital (BMC) first and any excess funds over and above may be considered for margin requirements as stated above.

Detailed Scenario's

A. Scenario 1 – Proprietary Trading

TM has membership deposit of Rs.20 lakhs and BMC requirement as per SEBI comes to Rs. 10 lakhs In this case, Rs. 10 lakhs from Membership deposit will be earmarked towards BMC and the remaining funds of Rs. 10 lakhs may be considered for margin requirements as stated above.

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B. Scenario 2 – Client Trading

TM has membership deposit of Rs.20 lakhs and BMC requirement as per SEBI comes to Rs. 15 lakhs. In this case, Rs. 15 lakhs from Membership deposit will be earmarked towards BMC and the remaining funds of Rs. 5 lakhs may be considered for margin requirements as stated above.

C. Scenario 3 – Proprietary Trading and Client Trading

TM has membership deposit of Rs.20 lakhs and BMC requirement as per SEBI comes to Rs. 25 lakhs. In this case, Membership deposit of Rs. 20 lakhs will be earmarked towards the BMC requirement and member has to meet shortfall in BMC i.e. Rs. 5 lacs additionally to comply with BMC.

D. Scenario 4 – Algo Trading

TM has Membership deposit of Rs. 20 lakhs and BMC requirement as per SEBI comes to Rs. 50 lakhs. In this case, Membership deposit of Rs.20 lacs will be earmarked towards the BMC requirement and member has to pay shortfall in BMC i.e. Rs. 30 lacs additionally to comply with BMC.

Details of Minimum Margin Requirements:

Segment	Product	Minimum Total Margin (%)
CDS	USDINR Derivatives	2
	EURINR Derivatives	2.3
	GBPINR Derivatives	2.5
	JPYINR Derivatives	3
EDS	Stock Derivatives	12.5
	Index Derivatives	8
Debt	Above AA Rating	10
	Below AA Rating	25
ECM	Group 1 Securities	12.5
	Group 2 Securities	30.98
	Group 3 Securities	48.3

For any clarifications, members may please contact Membership Department on 022- 61129000 and / or send an email at membership@msei.in

For and on behalf of Metropolitan Stock Exchange of India limited

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