

Frequently Asked Questions – Membership

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NATIONAL COMMODITY CLEARING LIMITED

1. Who can become member of NCCL?

An individual, sole proprietor, partnership firm/Limited Liability Partnership (LLP), Private limited company, Public limited Company, are eligible to become Members of NCCL. NCCL may provide specific type of Membership, for details please refer to NCCL website for further details.

2. What are the categories of Membership offered by NCCL?

- **Trading-cum-Clearing Members (TCM)**

TCMs are entitled to trade on NCDEX on behalf of their Constituents/Clients and/or on their own account and are also entitled to clear and settle all such trades done by them with NCCL.

- **Professional Clearing Members (PCM)**

PCMs as Clearing Members are entitled to clear and settle trades/ transactions done by the other Members of the Exchange, viz., TCMs or TMs affiliated with them. PCMs are not allowed to trade on the Exchange platform.

- **Strategic Trading-cum-Clearing Members (STCM)**

STCMs registered with the Exchange & Clearing Corporation may, in addition to existing rights and responsibilities as STCM, are entitled to and liable to settle and clear the trades/transactions done by the Members affiliated with it, viz., TCMs or TMs.

3. What is the fee, Net worths and deposit structure for various categories of Membership?

Fee and deposit structure for various categories of Membership are as follows:

Fees, Deposit and Net worth requirement	Particulars	Professional Clearing Member (PCM) (In Rs.)	Strategic Trading cum Clearing Member (STCM) (In Rs)	Trading cum Clearing Member (TCM) (In Rs)
Minimum Net worth*	Net worth Requirement	(a)Rs. 25 crores	(a)Rs. 10 crores	(a)Rs. 3 crores (b)Variable Net worth

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		(b)Variable worth Higher of (a) or (b) above	Net (b)Variable worth Higher of (a) or (b) above	Net Higher of (a) or (b) above
Base Capital (NCCL)	i) Interest Free Cash Security Deposit	25.00 Lakh	20.00 Lakh	25.00 Lakh
	ii) Collateral Security Deposit	25.00 Lakh	50.00 Lakh	25.00 Lakh
Base Minimum Capital (NCDEX)	i) Interest Free Cash Deposit	NA	6.25 Lakh	2.50 Lakh
	ii) Collateral Deposit	NA	18.75 Lakh	7.50 Lakh
Interest Free Security Deposit (IFSD) (NCDEX)	In the form of cash only	NA	10.00 Lakh	10.00 Lakh
NCCL**	Admission Fee (one time, non-refundable) (With applicable Tax)	5.00 Lakh	5.00 Lakh	5.00 Lakh
NCCL**	Annual Membership Fees (With applicable Tax)	1.00 Lakh	0.25 Lakh	0.25 Lakh
SEBI	Registration Fees	0.50 Lakh	0.50 Lakh	0.50 Lakh
SEBI	Annual Regulatory Fees	0.50 Lakh	0.50 Lakh	0.50 Lakh
Additional Cash Security Deposit	Additional Cash Security Deposit for each registered TM's	10.00 Lakhs	10.00 Lakhs	NA

Segment	Revised Base Network - Applicable from 23.02.2023	Revised Base Network - Applicable from 23.02.2024
	(Effective 31.03.2023 submissions)	(Effective 31.03.2024 submissions)

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Registered Office: 1st Floor, Akruiti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg West, Mumbai 400 078, India. CIN No. U74992MH2006PLC163550 Toll Free: 1800 266 6007, Website: www.nccl.co.in

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	Type of Membership	Individuals/		Individuals/PF	
		Corporate	PF/LLP/HUF	Corporate	/LLP/HUF
Commodity Derivatives	TM	0.25 Crores	0.10 Crore	1 Crore	1 Crore
	TCM	3 Crores	3 Crores	5 Crores	5 Crores
	STCM	10 Crores	10 Crores	15 Crores	15 Crores
	PCM	25 Crores	NA	50 Crores	NA
TM = Registered Trading Membership.					
TCM = Registered Trading and Self Clearing Membership.					
STCM = Registered Trading and Clearing Membership.					
PCM = Registered Professional Clearing Membership.					

*The net worth is required to be maintained during the entire period of membership of Concerned Exchange/ NCCL.

**In addition to the fees to be paid to NCDEX by STCM and TCM.

Variable Net worth

Variable Network shall be calculated as specified in the SEBI Notification No. [SEBI/LADNRO/GN/2022/73](#) dated February 23, 2022. It is 10% of the average daily cash balance (including Cash/FDRs/BGs) of clients retained with the member across segments/exchanges/clearing corporations in the previous 6 months. For better understanding on the same, kindly refer Exchange circular number [NCDEX/MEMBERSHIP-005/2023](#) dated February 01, 2023 and NCCL Circular no. [NCCL/MEMBERSHIP-001/2023](#) dated February 03, 2023 and [NCCL/MEMBERSHIP-004/2023](#) dated June 06, 2023 on Clarification to Gazette Notification of SEBI (Stock Brokers) (Amendment) Regulations, 2022.

Notes:

1. Application Processing Fees: Rs. 2,000/- plus applicable Tax.

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2. If TCM is clearing through STCM/PCM, the member will have to maintain a base capital of Rs. 50 Lakh with the Clearing Corporation in the form of cash only.
3. NCCL shall block an amount of Rs.50 Lakhs towards Minimum Liquid Net-worth from the existing deposits of the Clearing Members.
4. All corporate members should have minimum paid up capital of Rs. 30 Lakhs.
5. Requirement of Additional Cash Security Deposits (ACSD):

In terms of Bye Laws 7.2 of NCCL, all Strategic Trading Cum Clearing Members (STCMs) and Professional Clearing Members (PCMs) (together referred to herein as “Clearing Members”) shall maintain an additional Cash Security Deposit for every Trading Member registered with them, the details of which are given as under;

1. All Clearing Members shall be required to maintain additional Cash Security Deposit of Rs.10 lakhs in cash for every Trading Member registered with them.
2. Exposure shall be given on such additional Cash Security Deposit from the next trading day.
3. STCMs / PCMs are not required to place additional Cash Security Deposit with respect to Trading Cum Clearing Members (TCMs) registered with them.
4. Availability of Additional Cash Security Deposit (Rs. 10 Lakhs) for every Trading Member registered with them is a mandatory requirement.

4. Is there any restriction in the name of the entity to become a Member?

Yes, applicants are required to ensure the new name should not have words if any, which are not permitted by NCDEX/ NCCL / SEBI.

5. Whether the net worth of the holding company will be taken into consideration?

No, the net worth of the holding company is not taken into consideration for reckoning the net worth of the entity applying for membership.

6. How could a new company submit the 3 years financials?

In case of newly formed companies, only current year financials needs to be submitted.

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7. Is there any education criteria required to be fulfilled?

An Individual or Sole Proprietor or one of the Directors or one of the Partners of the applicant member should be a graduate or above.

8. What is the process required to be followed for acquiring membership at NCCL?

The details are available on NCCL website, <https://nccl.co.in/member/new-membership/membershipadmission-process/>

9. Which are the banks from where the Fixed Deposit Receipts (FDR) and Bank Guarantee (BG) can be got issued and submitted?

The list of approved bank from which the FDR/BG can be obtained are available at NCCL Website <https://nccl.co.in/collaterals/approved-banks/>

10. Whether we can apply for the membership of NCCL in the same name in which we are holding the membership of Equity Exchange?

Yes, the existing stock broking company can apply in the same name and need not form a separate entity for seeking membership of NCCL.

11. Is prior approval of NCCL required for any change in Constitution/ sharing pattern /shareholding pattern?

Any change in constitution/ shareholding/profit sharing ratio / Dominant Promoter Group (DPG) of the member can be carried out only with prior written permission of NCDEX /NCCL as the case may be depending upon the type of membership.

12. What is the meaning of dominant promoter group?

Every member (Body Corporate, LLP and Partnership Firm) is required to identify the Dominant Promoter Group (DPG) from among its shareholders/partners, initially at the time of admission as a Member. DPG would consist of individuals who jointly and/or severally hold at least 51% of the paid up equity capital of the member entity, directly or indirectly with the support of corporate(s) /permitted relatives at the time of admission as well as subsequently at all points of time.

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13. Whether prior approval from NCCL is required for appointment of Designated Directors?

Yes, prior approval from NCCL is required for appointment of Designated Directors.

14. What are the guidelines for appointment of Compliance Officer by the members?

The Members are required to designate/appoint a person as the Compliance Officer to monitor the compliance at their end. In case of any change in the details provided or change of the Compliance Officer, Members of NCCL are advised to intimate the same to NCCL.

15. Is appointment of Principal Officer mandatory for the members?

Yes, it is mandatory for the members to appoint a Principal Officer.

16. Is it mandatory to register the details of Principal Officer on the FINNET Gateway?

Yes, the member has to register the details of Principal Officer on the FINNET Gateway.

17. Are all the members of NCCL required to take fidelity insurance?

Yes. It is mandatory to take Fidelity insurance policy.

18. Is it mandatory to submit Annual Returns to NCCL?

Yes, members are required to submit the Annual Returns for every financial year. Kindly refer to circulars issued by NCCL in this regard from time to time.

19. What is the last date to submit Annual Return to NCCL?

The last date to submit Annual Returns to NCCL will be notified by circulars issued by NCCL in this regard from time to time.

20. How to submit Annual Returns in the soft form to the NCCL?

A facility has been provided in NCFE system, wherein members can upload the scanned copies of Annual Returns.

21. When is the security deposit eligible for refund in case of surrender?

For the detailed surrender process, kindly refer NCCL Membership Master Circular no. NCCL/MEMBERSHIP-001/2018 dated September 26, 2018.

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22. Is it mandatory to submit half yearly net worth certificate to NCCL?

Yes, it is mandatory to submit half yearly net worth certificate along with Statement of Computation of Net worth as per method prescribed by LC Gupta method within prescribed time limit. No physical copies should be submitted to NCCL.

23. What is the last date to submit half yearly net worth certificate to NCCL?

The last date to submit half yearly net worth certificate to NCCL will be notified by circulars issued by NCCL in this regard from time to time.

24. How to submit half yearly net worth certificate in the soft form to the NCCL?

A facility has been provided in NCFE system, wherein members can upload the scanned copies of Networth certificate and computation.

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