

## COMPLIANCE AWARENESS SERIES - VOL.1 - CONTRACT NOTES



Dear Members,

Compliance by Members is in the interest of all stakeholders of an exchange- the exchange, the members as well as the clients. It is very important, therefore, that the members of an exchange are fully aware of the compliance requirements. MCX has been taking several initiatives towards enhancing compliance awareness among members including conducting seminars, encouraging members to participate in compliance awareness initiative over phone, posting FAQs on the website, circulating frequent observations found during the course of inspections, etc. As another initiative towards enhancing awareness, the exchange would be issuing a series of emails bringing important requirements to the notice of the member-this is the **first** e-mail of the Series.

### Contract Notes

<b>Requirement in Summary</b>	Members are required to provide their clients a contract note on execution of a trade in the format specified by the exchange within <b>24</b> hours of the execution of the trade. Members are required to maintain the duplicate copies of the contract notes issued. Members can also issue electronic contract notes to their clients.
<b>Benefits</b>	Serves as a proof of transaction and protects the clients as well as members by binding them contractually and giving them recourse to arbitration process of the exchange in the event of disputes.
<b>Reference</b>	<ol style="list-style-type: none"><li>1. Circular No. MCX/LEGAL/363/2008 dated November 15, 2008</li><li>2. Circular No. MCX/COMP/195/2008 dated June 06, 2008</li><li>3. Circular No. MCX/COMP/304/2007 dated September 01, 2007</li><li>4. Circular No. MCX/012/2006 dated January 10, 2006 and</li><li>5. Circular No. MCX/409/2005 dated December 06, 2005</li><li>6. Business Rule 27(p)</li><li>7. Bye-law 4.7</li></ol>

The circulars, bye-laws and business rules are available on our website [www.mcxindia.com](http://www.mcxindia.com) under the link Membership>Legal Framework.

We also request members to read the FAQs available under the link Membership.