

Frequently Asked Questions - Membership

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1. Who can become a member of ICEX?

Following types of entities are eligible to become members of ICEX:

- a) Individual / Proprietorship Firm
- b) Registered partnership Firm / Limited Liability Partnerships
- c) Hindu Undivided Family (HUF)
- d) Private Limited Company
- e) Public Limited Company
- f) Co-operative Societies

2. What are the various categories of membership?

The membership of the exchange shall be open to all market participants and depending on their specific needs, we offer various categories of membership viz.

- a) Trading Member (TM)
- b) Self Clearing Member (SCM)
- b) Trading cum Clearing Member (TCM)
- c) Professional Clearing Member (PCM)

3. How is the net worth calculated?

'Networth' shall mean paid up capital, free reserves and other securities approved by the SEBI from time to time but shall not include fixed assets, pledged securities, value of member's card, non-allowable securities (unlisted securities), bad deliveries, doubtful debts and advances (debts or advances overdue for more than three months or debts or advances given to the associate persons of the member), prepaid expenses, losses, intangible assets and 30% value of marketable securities:

4. Whether the Networth of the holding company will be taken into consideration for the same?

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

5. Who will certify the various certificates required while taking membership of the Exchange?

The certificate and statements need to be certified by a practicing Chartered Accountant or by Practicing Company Secretary.

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

The interest free security deposit will be refunded to the member on expressing their desire to surrender their membership rights after a period of 6 months of surrender. The minimum lock in period for membership is three years from the date of admission to the membership right.

7. What is the essential requirement for collateral?

Collateral security could be in any of the following forms:

- a) Cash
- b) FDR's of specified approved banks.
- c) BGs of specified approved banks.
- d) Approved listed securities
- e) Approved Warehouse/Vault receipts of Commodities which are traded in the Exchange and stored in the Exchange accredited warehouse/vault.

8. Can we apply for the membership of ICEX in the same name in which we are holding the membership of Stock exchanges?

A stock broker carrying on the activity of buying, selling or dealing in securities, other than commodity derivatives, shall not undertake the activity of buying, selling or dealing in commodity derivatives, unless permitted by SEBI.

9. Will exposure be allowed against base minimum capital (BMC)?

No exposure will be given by the Exchange on BMC.

10. What is your membership process?

The membership forms on receipt are processed at our end and if found satisfactory, the applicants will subsequently have either personal or telephonic interview with the membership committee of the exchange. SEBI approval will be sought after the initial due diligence of the applicants. Successful applicants will be subsequently intimated by ICEX.

11. At what point of time one has to comply with the Net worth requirements?

The applicant at the time of making application needs to comply with the Net worth requirements of the Exchange/SEBI. The computation of Net worth shall not be more than six month old from the date of application. The applicant after becoming member of the Exchange needs to maintain the net worth in accordance with the exchange/SEBI requirement on a continuous basis.

12. Can a partnership deed be used as address proof for partnership firm?

Yes, the Address of the firm as mentioned in the partnership deed shall be accepted provided the Partnership Deed has been duly registered with the Registrar of firms.

13. Is the membership of the Exchange Transferable?

Yes the membership of the Exchange is transferable after the initial lock in period of three years. The Exchange shall from time to time issue procedure, terms and conditions, charges etc. to be followed while making application for transfer, transmission, surrender of membership of the Exchange.

14. What Compliance needs to be done by the Members of the Exchange?

The members of the Exchange are required to comply with various Bye-Laws, Circulars, Notifications, Rules and Regulations of the Exchange and SEBI both event basis and periodic basis.