

MEMBERSHIP DEPARTMENT

Circular No. 485

NSE/MEM/6378

July 14, 2005

To All Trading Members,

Sub :- Authorised Person in Capital Market Segment

This has reference to our earlier circular nos. 474 (Ref no. NSE/MEM/6161 dated May 19, 2005), 379 (Ref no NSE/MEM/4684 dated December 26, 2003) and 418 (Ref no NSE/MEM/5411 dated September 8, 2004) stating that the appointment of Authorised Persons in the capital market would no longer be allowed and that those Authorised Persons would be required to be registered as sub-brokers.

As said in the above circulars, Trading Members are reminded that those deciding of appointing Authorised Person in the capital market segment are advised to get them registered as sub-broker. For this purpose members are informed to submit application for registration as sub-broker, duly completed in all respects to the satisfaction of the Exchange on or before 31st July 2005, failing which such Authorised Persons shall not be allowed to function as Authorised Persons beyond 31st July 2005.

In case of any clarification, members may contact the following officials :-
Ms. Zia Andrade or Ms. Rehana D'souza. - Board lines: 022 - 2659 8100 – 14 Extn: 4101 / 4109
or at direct no. 022 - 2659 8247.

For National Stock Exchange of India Ltd

Sd/-

**Sanjiv Nagar
Manager
Membership**

Circular No. 503

NSE/MEM/6769
14, 2005

October

Dear Member,

Sub: Authorised Persons in F&O segment of the Exchange

This has reference to our earlier circular nos. 379 (Ref no NSE/MEM/4684 dated December 26, 2003), 418 (Ref no NSE/MEM/5411 dated September 8, 2004), 474 (Ref no. NSE/MEM/6161 dated May 19, 2005) and 485 (Ref no. NSE/MEM/6378 dated July 14, 2005) and is in replacement of circular no. 333 (NSE/MEM/4082) dated April 10, 2003.

Trading members desirous of appointing Authorised Persons in F&O segment are advised to take note of the following:

1. Trading members may appoint Authorised Persons who are individuals, registered partnership firms, bodies corporate or companies as defined under the Companies Act, 1956.
2. An Authorised Person may introduce clients to the trading member for which, it may receive remuneration / commission / compensation from the trading member and shall not collect any remuneration / commission / compensation directly from the clients.
3. The clients introduced by the Authorised Person shall have a direct relationship with the trading member i.e. the member-constituent agreement, know your client forms, risk disclosure document, etc. shall be executed between the client and the trading member i.e., the Authorised Person shall not be allowed to have any trading relationship with the clients.
4. The trading member shall issue the contract notes and/or bills directly to the client i.e. the Authorised Person shall not issue contract notes, confirmation memo and/or bills in their name.
5. The clients introduced by the Authorised Person shall be required to deliver securities and make payments directly in the trade name of the trading member (as appearing on the SEBI registration certificate). Similarly the trading member shall deliver securities and make payments directly in the name of the clients.

Conditions for appointment of Authorised Persons

Trading members proposing to appoint Authorised Persons shall ensure that the proposed persons meet the following conditions:

1. The Authorised Person shall not:
 - be an Authorised Person or a registered sub-broker of another trading member.
 - have a stake of 10% or more shareholding in another Authorised Person / registered sub-broker / trading member.
2. The proposed Authorised Person should not be -
 - Expelled / declared defaulter by any stock exchange in the country provided however the disqualification shall not be applicable in case the declared defaulter has been readmitted by the Exchange; or
 - A person who was a partner / shareholder / director of any expelled / declared defaulter at the time of the expulsion / declaration as defaulter by any of the stock exchanges in the country; or

- Debarred persons / entities announced by SEBI; or
 - An Approved User / Approved Person / Authorised Person / employee of another trading member.
3. The proposed Authorised Person shall not be a stock exchange subsidiary.
 4. Where the trading member is a stock exchange subsidiary, the proposed Authorised Person shall have to be a registered sub-broker of the said trading member (stock exchange subsidiary) and the same conditions as regards a sub-broker of any trading member shall apply to these persons.
 5. A sub broker in the capital market segment can become authorised person of F&O segment through the same trading member.

The above conditions are in addition to those prescribed in the Regulations relating to Authorised Person and the Exchange may prescribe such other additional conditions in this regard as it may deem fit from time to time.

Procedure for appointment

Prior approval of the Exchange is required for appointment of an Authorised Person. A trading member desirous of appointing an Authorised Person shall submit the prescribed application form, complete in all respects, to the Membership Department at Mumbai. The format of the application form for proposed appointment of Authorised Person in the F&O segment is enclosed as **Annexure A**.

The form should be accompanied with the following details / documents:

1. Where the proposed Authorised Person is a Firm / Corporate, the following details of such entity viz.,
 - Sharing / Shareholding pattern of the Firm / Corporate, duly certified by a Chartered Accountant (**Annexure B**).
 - Certified copy of registered partnership deed / certificate of incorporation and
 - Certified extract of Board resolution for becoming an Authorised Person of the trading member and to execute related documents.
2. Regional Stock Exchange subsidiaries should enclose a certified copy of the SEBI registration certificate as sub-broker of the proposed Authorised Person.

Trading members who are desirous of dealing through Authorised Person(s) are advised to seek approval of the Exchange of the proposed appointment as prescribed, failing which any appointments made will be treated as violation of the requirements in this regard. Trading members not complying with this requirement may render themselves liable for disciplinary action by the Exchange.

Trading members are required to ensure that the Authorised Person appointed by them comply with the requirement relating to their appointment on an ongoing basis. In case of any change in the sharing ratio / shareholding pattern of the Authorised Person entity, the details of such change shall be reported by the trading member to the Exchange.

In case of any clarifications, please contact Ms. Roopa Pai or Ms. Rehana D'Souza on telephone no. (022) 26598247 (D) / 26598100 – 14 Extn. 4110.

For National Stock Exchange of India Ltd.

**Sanjiv Nagar
Manager**

Annexure A

**APPLICATION FORM FOR APPOINTMENT OF AUTHORISED PERSON IN THE
FUTURES & OPTIONS SEGMENT OF NSEIL** (On the letterhead of the Trading Member)

Date:

The Membership Department
National Stock Exchange of India Ltd. (NSEIL)
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400051

Dear Sir,

We are a trading member in the F&O segment of NSEIL. In accordance with Regulation 1.3.6 of the NSEIL Regulations (F&O Segment), we are desirous of appointing Mr. / Ms. / M/s _____ as our Authorised Person in F&O segment of NSEIL.

The details of the proposed Authorised Person are as follows:

Name of the proposed Authorised Person: Mr./Ms./M/s _____
(incapitals-expandallinitials)[Incaseof
Individuals, trade name, if any, should
be mentioned in brackets]

Father'sName(incaseofindividuals): _____
(Expandallinitials)

Constitution: Individual / Registered Partnership Firm /Corporate

Date of Birth
(DD-MON-YYYY): _____
(in case of Individuals)

ResidentialAddress: Mr./Ms. _____
(Proprietor/Shareholder)

City _____ Pin _____
Tel. Nos: STD Code: ____ No(s). _____
Fax Nos: STD Code: ____ No(s). _____

Contact Person & Office Address: (Name) _____
(Designation) _____

City _____ Pin _____
Tel. Nos: STD Code: ____ No(s). _____
Fax Nos: STD Code: ____ No(s). _____

The person in charge of the office of trading(Name) _____

member where the proposed Authorised Person is attached / affiliated to:

(Designation) _____

(OfficeAddress) _____

City _____ Pin _____

Tel. Nos: STD Code: _____ No(s). _____

Fax Nos: STD Code: _____ No(s). _____

If the proposed Authorised Person is a SEBI registered sub-broker of the trading member in the Capital Market segment, please furnish SEBI Registration number

INS23 _____

If not already a SEBI registered sub broker, Reference number & date of application for Sub-Brokership

- I/We hereby confirm that the person proposed to be appointed by me/us as Authorised Person meets all the conditions laid down by the Exchange under circular no. 503 (NSE/MEM/6769 dated October 14, 2005)
- I/We Mr./Ms./M/s _____ (*name of the trading member*) do hereby agree and bind myself/ourselves to be responsible for all deals, acts of commission and omission, quotations made and transactions effected, if any, by / through Mr. / Ms. / M/s _____ (*name of the Authorised Person*).
- I/We undertake/agree to ensure that the Authorised Person shall comply with all Rules, Byelaws, Regulations, directions and circulars issued by the Exchange from time to time.
- I/We am/are aware that the Exchange may direct us to disassociate with Mr. / Ms. / M/s _____ as my/our Authorised Person, without assigning any reason therefor and on receiving such intimation we shall immediately disassociate from Mr. / Ms. / M/s _____.
- In case Mr. / Ms. / M/s _____ ceases to be associated with us as an Authorised Person, we shall communicate the same to you immediately.

Date: _____

Place: _____

Name, Signature & Seal *

* Should be signed by a Proprietor/Partner/Director of trading member.

Noting by the proposed Authorised Person

Date: _____

Place: _____

Name, Signature & Seal **

** Should be signed by Proprietor / Partner / Director of the proposed Authorised Person.

Annexure: B (For Corporates)

Shareholding Pattern of _____ (name of Authorised Person) as on _____

Sr. no.	Name	Number of shares held	Amt paid-up (Rs.)	% of total
1.				
2.				
3.				
4.				
5.				
Others				
TOTAL				100%

Date:

Place:

Signature(s)

CERTIFICATE

This is to certify that the Shareholding in _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

For (Name of Accounting Firm)

Date:

Name of the Partner

Chartered Accountant

Membership Number

Annexure: B (For Firms)

Sharing Pattern of _____ as on _____

Sr. no.	Name of the Partner	Capital in the Firm (Rs.)	Share in Profits	Share in Losses
1.				
2.				
3.				
4.				
5.				
TOTAL			100%	100%

Partner: Mr. / Ms. _____

Date:

Place:

Signature(s)

CERTIFICATE

This is to certify that the Capital and Sharing Pattern of _____ as given above, based on my/ our scrutiny of the books of accounts, records and documents is true and correct to the best of my/our knowledge and as per information provided to my/our satisfaction.

Place:

For (Name of Accounting Firm)

Date:

Name of the Partner

Chartered Accountant

Membership Number