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**Abnormal / Non-genuine Trades**

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In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in continuation to the Exchange circular no. MCX/S&I/331/2016 dated September 29, 2016 the members of the Exchange are hereby notified as under:

Abnormal / Non-genuine trades described as:

“Instances wherein the buy and sell transactions have been executed in / by the same sets of parties, on the Exchange, at abnormally high prices differences which are not co-related to the spot / futures price movement in the underlying commodity. This is particularly true with illiquid contracts. Such trades maybe between different entities (client / own account) within same member or different members.”

The abnormal / non-genuine trades are executed by the market participants primarily with an objective of transferring profit / loss between the concerned entities. In view of the same, penalty of 100% of the profit made / loss incurred / transferred as a result of abnormal trades / non-genuine trades will be levied to the concerned member/s.

The decision whether a trade or trades is / are abnormal / non-genuine would be of the Exchange which would be final and binding.

The Exchange may also consider to take appropriate disciplinary actions against the concerned member for multiple instances of such abnormal / non-genuine trades as per the Rules, Bye-Laws and Business Rules of the Exchange. Further, the Exchange reserves the right to consider any other criteria or trading pattern and other circumstantial evidence to identify other forms of market abuses and may consider to impose penalty and / or take additional disciplinary actions in accordance with the Rules, Bye-Laws and Business Rules of the Exchange.

Members are advised to be extremely cautious and refrain from executing / allowing such trades, which do not appear to be genuine, in their own account and / or for their Clients. Members are further advised to have appropriate internal systems and controls at their end to ensure that such orders / trades are not entered / executed from their trading terminals.

The provisions of this circular will be applicable with effect from August 21, 2018.

Members are requested to take note of the above and ensure compliance.

Armaan Gaus  
Assistant Vice President

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Kindly contact Customer Support on 022 - 6649 4040 or send an email at [customersupport@mcxindia.com](mailto:customersupport@mcxindia.com) for further clarification.