



SEBI/HO/CDMRD/DNP/CIR/P/2021/30

March 08, 2021

The Managing Directors / Chief Executive Officers

All Recognized Stock Exchanges and Clearing Corporations having Commodity Derivatives Segment

Sir/Madam,

Sub: Amendments to provisions in SEBI Circular dated September 16, 2016 on Unique Client Code (UCC) and mandatory requirement of Permanent Account Number (PAN).

1. SEBI had issued circular no. [SEBI/HO/CDMRD/DMP/CIR/P/2016/87](#) dated September 16, 2016 which, inter-alia, provided guidelines on use of Unique Client Code (UCC) and mandatory requirement of Permanent Account Number (PAN) for trading on commodity derivative exchanges (now referred as Exchanges having commodity derivatives segment).
2. In the Union budget 2020, launch of instant PAN facility was announced and subsequently, Income Tax (IT) Department launched the facility of e-PAN which is generated instantly through Aadhaar based e-KYC.
3. In order to rationalize the compliance requirement of collecting and maintaining copies of PAN of clients by their respective members and enhance the use of e-PAN, it has been decided to modify certain provisions of SEBI circular dated September 16, 2016 which are as follows:

3.1 Clause 3 of the Circular is modified as under:

“It shall be mandatory for the members of the exchanges having commodity derivatives segment to use Unique Client Code (UCC) for all clients transacting on the commodity derivative segment. The exchanges with commodity derivatives segment shall not allow execution of trades without uploading of the UCC details by the members of the exchange. For this purpose, members shall collect after verifying the authenticity and maintain in their back office the copies of Permanent Account Number (PAN) issued by the Income Tax (IT) Department, for all their clients. However, in case of e-PAN, members shall verify the authenticity of e-PAN with the details on the website of IT Department and maintain the soft copy of PAN in their records.”



3.2 Clause 5 of the Circular is modified as under:

“The exchanges having commodity derivatives segment shall ensure that the members of their exchanges shall:

- i. collect copies of PAN cards issued to their existing as well as new clients after verifying with the original.*
- ii. cross-check the aforesaid details collected from their clients with the details on the website of the Income Tax (IT) Department.
However, in case of e-PAN, verify the authenticity of e-PAN with the details on the website of IT Department and maintain the soft copy of PAN in their records.”*
- iii. upload details of PAN or e-PAN so collected to the Exchanges as part of Unique Client code.*
- iv. verify the documents with respect to the unique code and retain a copy of the document.*

4. The provisions of this circular shall come into effect from April 1, 2021. All other provisions in the circular dated September 16, 2016 shall continue to remain in force.
5. This Circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. The Exchanges with commodity derivatives segment are advised to:
 - 6.1 to make necessary amendments to the relevant bye-laws, rules and regulations;
 - 6.2 bring the provisions of this circular to the notice of the stock brokers/members of the Exchange and also to disseminate the same on their website; and
 - 6.3 communicate to SEBI, the status of the implementation of the provisions of this circular.
7. This circular is available on SEBI website www.sebi.gov.in under the category “Legal - Circulars” and “Info for Commodity Derivatives”.

Yours faithfully,

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