



Circular no.: MCX/COMP/658/2025

December 23, 2025

Distribution of Third-Party Products by Members

This is with reference to Exchange Circular no. MCX/MEM/295/2025 dated June 17, 2025, on “Distribution of Third-Party Products by Members”. Clause (m) of the said Circular states as under:

“Brokers shall engage only in the lending products which are permitted by the SEBI from time to time, such as MTF and T+1+5 funding”.

Subsequently, SEBI issued FAQs on Regulatory Provisions for Research Analysts through Circular Ref. No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/105 dated July 23, 2025. Point 31(iii) of the FAQs clarifies:

“RA/research entity may carry out distribution of other products (such as banking products) not under purview of SEBI to their clients at family/group level. Any grievances related to such products shall not come under purview of SEBI.”

It has been observed that the trading members, who are also registered as research analysts, are carrying out distribution of Banking Products related to various types of loans.

In view of the above, it is hereby clarified that Stock Brokers, even if they are registered as research analysts, shall comply with the guidelines in respect of distribution/offering of third-party products as prescribed in the Exchange Circular no. MCX/MEM/295/2025 dated June 17, 2025. As per the said framework, it is reiterated that Stock Brokers are not permitted to engage (as distributors) in any lending products (such as Home Loan, Vehicle Loan, Personal Loan, Education Loan, LAS etc.) other than those specifically permitted by SEBI from time to time.

Members are requested to take note of the above and comply with the regulatory requirement.

Baiju Budhwani
Head of Department
(Inspection and Enforcement)

Kindly contact Inspection & Enforcement Team on 022-66494040 or send an email at customersupport@mcxindia.com and inspection@mcxindia.com for further clarification.

----- Corporate office -----
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai – 400 093
Tel.: 022 – 6649 4000 Fax: 022 – 6649 4151 CIN: L51909MH2002PLC135594
www.mcxindia.com email: customersupport@mcxindia.com