Circular no.: MCX/S&I/516/2026 September 11, 2026

Trade Annulment

In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange and accordance with SEBI circular No. CIR/MRD/DP/15/2015 dated July 16, 2015, the Members of the Exchange are notified as under:

1. SEBI in the above-mentioned circular expressly advised that "to ensure finality of trades executed on trading platforms of the stock exchanges, to the extent possible, annulment of trades should be avoided by the stock exchanges."

2. To bring about uniformity and transparency in the process of trade annulment, and to discourage frivolous trade annulment requests, following procedure and guidelines for submission and processing trade annulment requests shall be applicable:

A. Submission of Trade Annulment request:

3. Trade annulment requests can be placed only by the executed Trading Members (buyer /seller) who have executed the trade or by their Clearing Member of the executing Members. Trade annulment requests placed by third parties, e.g. Trading Member other than executing Trading Member(s) or other Clearing Members, shall not be accepted. It shall be noted that direct requests from the Client shall also not be accepted.

4. Where both the initiating Member and counterparty Member on the other side of the trade are the same for a trade annulment request, such request shall not be considered for trade annulment.

5. Trade annulment shall not be permitted merely due to failure of risk management or order management mechanisms or failure of internal pre-trade risk checks and controls of the Member. Further, trade annulment shall not be permitted for improper execution of trades on account of operational failure on the part of the Trading Member or its authorized representatives/dealer terminals / Client(s) and found to have arisen on account of any of the following circumstances:

    a. punching errors including incorrect selection of buy or sell direction, incorrect contract selection, or erroneous entry of limit price or market order price or quantity;

    b. erroneous order entry, fat-finger errors, failure of trading member systems or algorithmic trading infrastructure (updation of incorrect parameters before execution of algorithmic strategy).

    c. negligence or operational failure on the part of the Trading Member and/or its authorized persons, or dealers or clients.

    d. compromise of login credentials or any security breach, including unauthorised access through password exploitation or equivalent means, misuse of password, login credentials, failure of multi factor authentication/OTP, negligence, password related security breach.

    e. failure or malfunction of the Trading Member's systems/application or algorithmic trading infrastructure; or any application provided to the dealer/client.

    f. execution of synchronized or coordinated trades.

    The above list of circumstances is indicative in nature and shall not be construed as exhaustive. The Exchange reserves the right to accept or reject any request of Trade Annulment on such other grounds as it may deem fit, having regard to the facts and circumstances of each case.

6. Prior to initiating the trade annulment request, the Trading Member shall ensure and confirm following:

a. That the Trading Member has put in place adequate risk management measures, pre-trade risk controls including but not limited to, order quantity limits, order value limits, and such other controls and safeguards as may be prescribed by the Exchange / SEBI from time to time, and that such measures were operative at the time of execution of the trade(s) sought to be annulled.

b. A trade annulment request can only be made for order of a minimum value of Rs. 100 lakhs or above for Futures and Rs. 50 lakhs or above for Options on premium basis, executed within a period of 30 minutes.

c. For futures, the minimum trade value of trade(s) originating from that single order for which annulment request is made should be Rs. 50 lakhs or above.

d. For Options, the minimum trade value of trade(s) on premium basis originating from that single order for which annulment request is made should be Rs. 10 lakhs or above.

e. Negligence and execution of erroneous trades do not qualify for trade annulment.

B. Mode of placing the Annulment request

7. Trade annulment requests shall be submitted to the Exchange within reasonable time (i.e. within 30 minutes) of the execution of the trade, which is requested to be annulled, through email to the Exchange on email id tradeannulment@mcxindia.com in the format attached as **Annexure 1**.

8. The Trading Member shall require to submit additional information such as detailed reasons (along with proofs, wherever applicable) for submitting request for trade annulment. The Exchange may seek further information as it deems fit.

C. Applicable Fee for trade annulment request

9. A fee equal to 5% of the value of trade(s) for which annulment is requested, subject to minimum fee of Rs. 1 lakh and maximum fee of Rs. 10 lakhs shall be charged as Annulment Application fee for submitting the request irrespective of that such request is accepted/ rejected. Such fee shall be debited from the Clearing Member’s settlement account available with the Exchange/Clearing Corporation. The amount collected as Annulment Application Request fees shall be credited to Investor Protection Fund (IPF) of the Exchange.

D. Processing of Trade Annulment Request

10. On receipt of the trade annulment request, the Exchange shall verify the eligibility of the request as per the criteria set out in Clause A above. If found ineligible,a. the request shall be rejected; and
    a. the request shall be rejected; and
    b. the Member shall be informed accordingly.

11. If the request is found to be eligible, the Exchange shall send trade annulment request to the counterparty Trading Members through email to provide their acceptance of the same.

12. The Counterparty trading member may provide acceptance /rejection response to trade annulment request by email within 30 minutes from the time of trade annulment intimation received by counterparty, from the Exchange.

13. If the counterparty trading member does not intimate his consent within the above prescribed thresholds, it will be considered as deemed to be rejected by the counterparty Trading Members and accordingly will be considered that the counter party does not consent to the request for trade annulment.

14. If the counterparty accepts such request within prescribed timelines, the Exchange will consider such matter based on its merits which may include aspects such as fraud, material mistake, misrepresentation or market price manipulation, or designing artificial

or false market, trades with a design to recover monies or dues or to defraud or misuse the system or system failures & errors and the like. However, the Exchange at its sole discretion can decide to annul or not to annul such trades irrespective of such request accepted or rejected by any party to the trade(s) on the same day before end of day (EOD) process.

15. The Exchange shall intimate the requesting Member and the counter party Member about the acceptance / rejection of the annulment request.

16. The decision of the Exchange whether a trade(s) will be annulled or not will be decided by the relevant authority of the Exchange which would be final and binding on all Trading Member(s) and its constituents.

17. It may be noted that any trade annulment if accepted shall result in re-computation of Bhav copy and other market statistics.

18. The Exchange will disseminate the details of trade annulment request and decisions on the trade annulment request on its website www.mcxindia.com.

E. Review of Trade Annulment

19. Only Member whose request for trade annulment is rejected may place the request for a review of the decision taken by the Exchange with regard to trade annulment request.

20. The review of Trade Annulment requests shall be submitted to the Exchange before the payout deadline of the trades (i.e. Trade date + 1 before 8.00 AM). Any review request received after such time period, shall not be accepted.

21. The review request is through email to the Exchange in the email id tradeannulment@mcxindia.com. in the format attached as **Annexure 2**.

22. In the event such review request is received by the Exchange prior to payout deadline of the trades, the matter shall be referred to Regulatory Oversight Committee (ROC).

23. The payout with respect to both commodities and funds as may be applicable relating to the settlement of such trades shall be withheld till such review is completed.

24. The decision taken by the Exchange would be final and binding on all constituents and payout will be released accordingly.

F. Other Action for Repeated Request

25. In addition to the applicable fee, the Exchange shall take disciplinary action for repeated requests i.e., more than 1 (One) request in a quarter for trade annulment. In the case of repeated instances, for each instance the fee for trade annulment shall be increased to 2 (Two) times of the actual fees as mentioned above, subject to maximum cap of Rs. 20 lakhs. The Exchange may also take such other disciplinary action as it may deem fit.

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

Ayanansu Panda
Vice President

Kindly contact Customer Support on 022 - 6649 4040 or send an email at customersupport@mcxindia.com for further clarification.

Annexure 1

To : tradeannulment@mcxindia.com

Dear Sir,

Subject: Trade Annulment Request

I/We would like to request the Exchange to annul the following trade(s), details of which are mentioned below:

TM code	Symbol	Expiry	Series (in case of options contract – option type and strike)	Order no.	Trade no.	Trade time	Trade qty	Trade price	Trade value	Pro / Client (if client then specify client name)	Client/ INST Code (in case account type is Client/ INST)

Reasons for trade annulment:

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I/We confirm that the trade annulment request is complying with all the requirements, conditions and provisions specified under the trade annulment circular issued by the Exchange.

I/We confirm that we have received a written request from the constituent(s) for the aforesaid trade annulment.

I/We confirm that Exchange can deduct the applicable charges for Trade annulment from settlement account.

Yours faithfully,

Authorised Signatory

Name & Designation of the person signing

Annexure 2

To : tradeannulment@mcxindia.com

Subject: Review of Trade Annulment Request

Dear Sir,

I/We would like to request the review of annulment of trades rejected by the Exchange on following trade, details of which are mentioned below:

TM code	Symbol	Expiry	Series (in case of options contract – option type and strike)	Order no.	Trade no.	Trade time	Trade qty	Trade price	Trade value	Pro / Client (if client then specify client name)	Client/ INST Code (in case account type is Client/ INST)

1) Trade annulment request rejection reason received from the Exchange:

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2) Reasons for the review of decision taken by the Exchange for request of trade annulment:

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Yours faithfully,

Authorised Signatory

Name & Designation of the person signing