

INVESTING IN DERIVATIVES

DO'S

- ✓ Go through all rules, regulations, bye-laws and disclosures made by the exchanges.
- ✓ Trade only through - Trading Member (TM) registered with SEBI or authorized person of TM registered with the exchange.
- ✓ While dealing with an authorised person, ensure that the contract note has been issued by the TM of the authorized person only.
- ✓ While dealing with an authorized person, pay the brokerage/payments/margins etc. to the TM only.
- ✓ Ensure that for every executed trade you receive duly signed contract note from your TM highlighting the details of the trade along with your unique client-id.
- ✓ Obtain receipt for collateral deposited with Trading Member (TM) towards margin.
- ✓ Go through details of Client-Trading Member Agreement.
- ✓ Know your rights and duties vis-à-vis those of TM/ Clearing Member.
- ✓ Be aware of the risk associated with your positions in the market and margin calls on them.
- ✓ Collect / pay mark to market margins on your futures position on a daily basis from / to your Trading member.

DONT'S

- ✗ Do not start trading before reading and understanding the Risk Disclosure Documents
- ✗ Do not trade on any product without knowing the risk and rewards associated with it.