Cancellation Policy for the Warehouse Service Provider (WSP)

Every accredited WSP and every MCXCCL Accredited Warehouse shall be bound to promote to the best of their ability the objects and interests of the MCXCCL and to protect and safeguard the interests of their clients/investors trading on the Exchange platform. The MCXCCL may cancel the accreditation of a WSP if it fails to comply with the provisions of the rules/regulations specified in it or any of the agreement provisions. However, the MCXCCL shall offer the WSP concerned an opportunity of being heard and take a decision on cancellation after considering the explanation of the WSP

Adequate notice intimation to general public / clients should be given through widely published newspapers, website and through issuance of circular for the market participants before cancellation by the MCXCCL and invite complaints/ claims, if any within a prescribed deadline from the Exchange market participants.

In case of cancellation of accreditation of WSP by the MCXCCL, WSP shall attend to the following matters urgently:

- WSP shall not accept the stock in its warehouse for trading on the Exchange platform.
- All commodities for futures contract delivery shall be dispatched out of the warehouse or converted to to professional stock;
- All liabilities and debts vis-a-vis the MCX/MCXCCL , Member and Clients shall be settled;
- There shall be no pending obligation on its part to deliver goods to the clients pertaining to their trades on the Exchange platform, and
- No customer complaints pertaining to any of its registered warehouses shall be pending for redressal

Once the accreditation of a WSP is cancelled by an MCXCCL then it shall not be eligible to provide its services to any commodity derivatives exchanges for 3 years.

Security deposit (SD) collected from the WSP shall not be released until six months after approval of cancellation of the accreditation of the WSP or until satisfaction of every claim against the deposit, whichever is later. Financial Security Deposit (FSD) collected shall be returned, keeping aside 10% of such deposits with the MCXCCL, which shall not be released until six months after cancellation or surrender of accreditation of the WSP or until satisfaction of all claims against the deposits made in its warehouses, whichever is later.