



1 INSCX EXCHANGE

Welcome to INSCX exchange, the world commodity exchange for trade in physical materials. Here we list answers to the common Frequently Asked Questions (FAQ's) concerning the Exchange for your information.

1. What is INSCX?

A: INSCX exchange is a formal commodity exchange system functioning as a self-regulating organisation (SRO) listing materials for physical delivery, providing a range of industry support tools; from the exchange itself, through specialist auctions and tenders including non-commercial member merchant involvement, to execution and settlement.

2. What services does INSCX provide?

A: The services provided by INSCX are:
: Online Physical Trading
: Auctions and tenders
: Phone brokerage
: Real-time Quotations
: Physical Trade Execution
: Trade Liquidity
: Spot/Forward trade types
: Trading chat (Coming up shortly)
: Clearing Account services

3. How can the Exchange be accessed?

A: The trading floor is an electronic communication network (ECN) accessible via <http://inscx.net> to registered and approved users of the Exchange. On approval, users are issued a unique LOGON access to the trade floor.

4. How does the trading floor operate?

The Exchange is open live during market hours.

Access for buyer or seller to place trade on the Floor following registration and approval to use the Exchange, is first communicated to the Exchange specialist merchant member, or via the online order ticket function. The specialist operates on an Agency basis posting offers and bids on a best price basis.

On receipt, the specialist broadcasts the trade anonymously on the live trade floor, and the parties then who are interested in the deal contact the specialist to accept and/or bid against. The originator gets reflected all the offers and/or bids anonymously against the original order, where then he / she has the option to choose the best.

Once the originator chooses the suitable counter to the trade, the specialist discloses both parties to one another where there is agreement on the particulars of the trade.

All the negotiations are done online and the specialist provides any assistance required by the parties during the same.

[Back to top](#)



When a contract is made, the trade is reported by the specialist in nominee format to the general market, confirmed principal counterparty to one another. Where the specialist is a principal counterparty to the trade the Exchange manages settlement.

5. Who are members of INSCX?

Commodity exchange systems have long had different categories of member. Typically, members are defined as Commercial and Non-Commercial member types. Commercial members are typically producers or end users, while non-commercial members are agency facilitators such as Merchants and principal traders trading on their own account.

6. What is assisted trading?

The introduction of Broker Assisted Trading is of longstanding on all the world major exchanges. This concept of a non-commercial broker or merchant class of member was first introduced on exchanges to ensure the discipline and neutrality of the market for all participants, and is often used by parties who have the capacity to trade internationally for commodities, but do not wish to deal directly for various reasons. On INSCX exchange the term "Merchant" is used to describe broker activity in this regard. Merchants, including the specialist merchant act to facilitate and are authorised to trade as principal on their own account on a cleared funds basis.

7. What is anonymous dealing?

On INSCX the auction process prior to trade agreement is conducted anonymously live on the dealing floor and voice-supported by the specialist. Parties remain anonymous to one another up to the point where a deal is confirmed. Parties find out whom the trade has been conducted with only when the trade has finalized. This raises the issue of counter-party risk. All counterparties on INSCX are fully vetted as capable of performance in advance and/or fully funded, cleared funds. The Exchange does not permit credit transactions although the specialist can provide liquidity to support approved members where there is delay between contract agreement and delivery. Members of the Exchange may apply to be pre-approved for liquidity to the specialist merchant.

8. Is an Exchange trade contract valid?

Any contract which is created using the Exchange is legally binding on the parties agreeing to the trade.

9. How do I view details of a particular order?

A preview of any bid / offer can be seen by clicking the Ref. ID (left column) adjacent the commodity listing on the live trade platform. Clicking the Ref. will load an order ticket where the member can see all bid /offers pertaining to that commodity listing. Detail exposed by the Order Ticket are: Commodity, Quantity, Bid Price /Offer Price, Last Trade, Volume to date, daily change. Details as to the originator identity of any Bid / Offer remains anonymous.

10. Does INSCX trade in all commodities?

No. INSCX is specific to a prerequisite number of physical commodities ranging from nanomaterials, polymers, base oils, TiO₂ and specialty minerals. Additional commodities can be requested for listing at the discretion of the Exchange.

11. Is there a registration fee for INSCX?

Yes. INSCX levies tariffs on some, but not all categories of member. Full details are available on the corporate website: <http://inscx.com>

[Back to top](#)



12. What is the cost for trading on INSCX?

The cost of trading on INSCX (termed clearing/merchant fees) varies depending on the commodity traded and is based on a % value of the transaction. Clearing is payable equally split between buyer and seller on trade completion. The % of clearing fees commences at 0.10% and are capped by the Exchange at 1%.

NOTE: Where a buyer or seller chooses a particular merchant to instruct a trade, the Merchant is authorised to charge a fee commensurate with the clearing rate levied by the Exchange.

13. How can I register on INSCX?

To register on INSCX, please go to www.inscx.net and click on Registration. Please fill in all the information on the forms and submit. After successful verification of furnished information, you will be notified as authorized to trade on the Exchange.

14. What is a "Printed" Trade?

Trade on INSCX is reported anonymously in nominee form citing Commodity, Trade Type, Quantity, Basis and Price only. Details of counterparty to a particular trade remain anonymous to the general market, known only to the parties to a given trade. When a trade is agreed, the specialist "Prints" the trade in nominee format on the Trade Alert section of the trade platform. On the individual commodity Order Ticket, last trade and volume to date updates accordingly.

15. Why does the Exchange "Print" trades?

A key function of a commodity exchange system is price discovery and knowledge of the last traded volume and price is critical to enabling that function.

16. What is a reverse auction?

A Reverse auction is a term used to when a buyer for purchase of a commodity they require wishes to purchase at the best price without having to negotiate with each seller individually. On posting of the buyer BID, the sellers offer the best price the item as per their capacity. In most cases the lowest offer will secure the order, unless the buyer increases the bid to accept the best offer. Reverse Auction means placing an enquiry for the items required. On receipt, the specialist merchant of INSCX enters the BID details necessary for a seller to be able to contemplate placing an offer. The target price for the commodity in a reverse auction is the highest price that the buyer is willing to BID. This enables the buyer to locate the minimum offer without incurring any costs or efforts for finding and negotiating a trade. As soon as the instruction to BID is broadcast on INSCX, all the other members registered for that commodity can monitor the BID while viewing the particular commodity in their selected **Watchlist**. The specialist will also flash the BID in the Trade Alert section and via e-mail to registered users. The interested members can then load an order ticket to send their respective offers to the specialist who will post on a low-to-high basis. At each stage where buyers / sellers wish to adjust their respective Bids / Offers, these can be conveyed to the specialist for amendment.

17. What is a forward auction?

A Forward auction is a term used when a trade is initiated by a seller for sale of the commodity which they can supply at the best price without having to negotiate with each buyer individually. The buyers in response can post BIDS against the seller OFFER and the highest quote stands most likely to get the deal provided the seller accepts. Forward Auction means placing an order for commodity that the seller can supply. A registered member of INSCX can place an OFFER using the Order Ticket which is transmitted to the Specialist and/or telephone/e-mail through the instruction.

The minimum price for the commodity in forward auction is generally the lowest price that the seller is willing to accept.

[Back to top](#)



This enables the seller to locate the maximum quote without incurring any costs or efforts for finding and negotiating with buyers. As soon as the offer is broadcast anonymously on INSCX, all the other members registered for that commodity can monitor the OFFER while viewing the particular commodity in their selected **Watchlist**. The specialist will also flash the best OFFER in the Trade Alert section and via e-mail to registered users. The interested members can then load an order ticket to send their respective BIDS to the specialist who will post on a high-to-low basis. At each stage where buyers / sellers wish to adjust their respective Bids / Offers, these can be conveyed to the specialist for amendment and are visible on the live trading floor.

18. What is the Watchlist function?

The Watchlist function permits a member to select to view up to 25 commodity listings subject to their individual preferences. Once set, the list will load on each occasion the member LOGS onto the trade platform.

19. What are the rules of INSCX?

INSCX is a self-regulating organisation (SRO) governed by the laws of contract in the United Kingdom and international chemical registration requirements. The Exchange is not a speculative market and is strictly open only to commercial-users. INSCX also enforces additional rules particular to trade in each listed commodity, the rules particular to the commodity in question. These terms are available from the Exchange registrar.

20. What is the next step when the deal is agreed?

When a deal is agreed, the deal settles in accordance with supplier terms and conditions which are uniform for a given commodity and approved by the Exchange.

21. How are payments handled?

Payments are handled in accordance with supplier terms and conditions for a Reported Only trade. Where the Exchange acts as counterparty between buyer and seller, payments are cleared against contract / on delivery through the Exchange clearing account system.

22. Does INSCX offer logistics services and other support services?

The Exchange specialist merchant can provide access to logistical, customs clearance and materials inspection services where required.

23. In what currency do transactions take place?

Transactions can be major multi-currency.

24. Can a deal be renegotiated after agreement?

No. The obligation to perform is binding on both parties to an agreed trade. Where there is dispute, the Exchange offers an arbitration facility, costs borne by the party initiating the dispute awarded on resolution to the aggrieved party.

25. After the contract is made, is it legally valid?

The contract which is created is legally valid in all the court of law as mentioned in the contract in the respective countries.

[Back to top](#)