

Attention Investors!

“Beware of fixed/guaranteed/regular returns/ capital protection schemes. Brokers or their authorized persons or any of their associates are not authorized to offer fixed/guaranteed/regular returns/ capital protection on your investment or authorized to enter into any loan agreement with you to pay interest on the funds offered by you. Please note that in case of default of a member claim for funds or securities given to the broker under any arrangement/ agreement of indicative return will not be accepted by the relevant Committee of the Exchange as per the approved norms.

Do not keep funds idle with the Stockbroker. Please note that your stockbroker has to return the credit balance to you within three working days in case you have not done any transaction within last 30 calendar days. Please note that in case of default of a Member, claim for funds and securities, without any transaction on the exchange will not be accepted by the relevant Committee of the Exchange as per the approved norms.

Check the frequency of accounts settlement opted for. If you have opted for running account, please ensure that your broker settles your account and, in any case, not later than once in 90 days (or 30 days if you have opted for 30 days settlement). In case of declaration of trading member as defaulter, the claims of clients against such defaulter member would be subject to norms for eligibility of claims for compensation from IPF to the clients of the defaulter member. These norms are available on Exchange website at following link:

<https://www.nseindia.com/invest/about-defaulter-section>

https://www.bseindia.com/static/investors/Claim_against_Defaulter.aspx

Brokers are not permitted to accept transfer of securities as margin. Securities offered as margin/ collateral MUST remain in the account of the client and can be pledged to the broker only by way of ‘margin pledge’, created in the Depository system. Clients are not permitted to place any securities with the broker or associate of the broker or authorized person of the broker for any reason. Broker can take securities belonging to clients only for settlement of securities sold by the client.

Always keep your contact details viz. Mobile number/Email ID updated with the stockbroker. Email and mobile number are mandatory, and you must provide the same to your broker for updation in Exchange records. You must immediately take up the matter with Stockbroker/Exchange if you are not receiving the messages from Exchange/Depositories regularly.

Don't ignore any emails/SMSs received from the Exchange for trades done by you. Verify the same with the Contract notes/Statement of accounts received from your broker and report discrepancy, if any, to your broker in writing immediately and if the Stockbroker does not respond, please take this up with the Exchange/Depositories forthwith.

Check messages sent by Exchanges on a weekly basis regarding funds and securities balances reported by the trading member, compare it with the weekly statement of account sent by broker and immediately raise a concern to the exchange if you notice a discrepancy.

Please do not transfer funds, for the purposes of trading to anyone, including an authorized person or an associate of the broker, other than a SEBI registered Stockbroker."

Advisory on Account Opening

DIRECT ON-BOARDING OF CLIENTS: The Company provides the facility for direct on-boarding of clients .i.e. on-boarding of clients without intermediation of distributors. In case of direct on-boarding, no charges except statutory charges shall be levied on clients. To know more, please contact us.

KYC is one time exercise while dealing in securities markets - once KYC is done through a SEBI registered intermediary (Broker, DP, Mutual Fund etc.), you need not undergo the same process again when you approach another intermediary.

No need to issue cheques by investors while subscribing to IPO. Just write the bank account number and sign in the application form to authorise your bank to make payment in case of allotment. No worries for refund as the money remains in investor.

In order to facilitate better understanding of the registration documents by the investors, the Exchange has provided the following documents in 15 regional vernacular languages.

- a) Document stating the Rights & Obligations of Stockbroker and client for trading on exchanges including additional rights & obligations in case of internet / wireless technology-based trading.
- b) Uniform Risk Disclosure Documents ("RDD") for all segments / exchanges.
- c) Guidance Note detailing Do's and Don'ts for trading on exchanges.

The above-mentioned documents in the vernacular languages are available on NSE website at https://www.nseindia.com/membership/content/complinc_trading_mem.htm and can be downloaded.

Advisory on Margins issued in the interest of Investors

Stockbrokers can accept securities as margin from clients only by way of pledge in the depository system w.e.f. September 1, 2020.

Update your mobile number & email Id with your stockbroker/depository participant and receive OTP directly from the depository on your email id and/or mobile number to create a pledge.

Pay 20% upfront margin of the transaction value to trade in the cash market segment.

Investors may please refer to the Exchange's Frequently Asked Questions (FAQs) issued vide circular reference NSE/INSP/45191 dated July 31, 2020 and NSE/INSP/45534 dated August 31, 2020 and other guidelines issued

from time to time in this regard.

Check your Securities /MF/ Bonds in the consolidated account statement issued by NSDL/CDSL every month.

Advisory for Demat account holders

CDSL communique no. CDSL/OPS/DP/POLCY/2017/176 dated April 05, 2017 advises that the Beneficial Owners (BOs) should submit/update their Aadhar Card copy with the Depository Participant.

Prevent Unauthorized Transactions in your demat account --> Update your Mobile Number with your Depository Participant. Receive alerts on your Registered Mobile for all debit and other important transactions in your demat account directly from CDSL on the same day. Issued in the interest of investors.

Other Advisory

Kindly note that as per NSE circulars nos: NSE/INVG/36333 dated November 17, 2017, NSE/INVG/37765 dated May 15.2018 and BSE circular nos: 20171117-18 dated November 17, 2017, 20180515-39 dated May 15.2018, trading in securities in which unsolicited messages are being circulated is restricted. The list of such stocks are available on the website of NSE & BSE. In case of any queries, request you to kindly get in touch with Customer Service on 1800 209 9191

Please do not share your online trading password with anyone as this could weaken the security of your account and lead to unauthorized trades or losses. This cautionary note is as per Exchange circular dated 15th May 2020.

Advisory - KYC Compliance

All investors are requested to take note that 6 KYC attributes i.e., Name, PAN, Address, Mobile Number, Email id and Income Range have been made mandatory. Investors availing custodian services will be additionally required to update the custodian details.

The last date to update KYC is on or before March 31, 2022.

Thereafter non-compliant trading accounts will be blocked for trading by the Exchange.

The non-compliant demat accounts will be frozen for debits by Depository Participant or Depository.

On submission of the necessary information to the stockbroker and updation of the same by the stockbroker in the Exchange systems and approval by the Exchange, the blocked trading accounts shall be unblocked by the Exchange on T+1 trading day.

The demat account shall be unfrozen once the investor submits the deficient KYC details and the same is captured by the depository participant in the depository system.

To ensure smooth settlement of trades, the investors are requested to ensure that both the trading and demat accounts are compliant with respect to the KYC requirement.

The investors are hereby requested to comply with the regulatory guidelines issued by Exchanges and Depositories from time to time with regard to KYC compliance and related requirements.

Segregation and Monitoring of Collateral at Client Level

SEBI vide circular SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021, has put in place a framework for Segregation and Monitoring of Collateral at Client Level. In accordance with the said SEBI circular and with a view to provide visibility of client-wise collateral, Clearing Corporations have provided a web portal facility to allow investors to view their disaggregated collateral placed with Member and as reported by their registered Trading Member /Clearing Member.

Investors can register with the respective clearing corporations and view the collateral details reported by the members for the previous five days. In case of NSE clearing limited (NCL), investors can register at <https://investorhelpline.nseindia.com/ClientCollateral/welcomeCLUser> URL for viewing the collateral information

Investors are requested to ensure that their email address and mobile number are updated by their Trading Members in UCI System of the Exchanges, as the same would be validated at the time of user registration to view the collateral details.

The said facility will provide the following benefits:

- a) Investors can verify/ validate the collaterals deposited by them with the members vis-à-vis the collaterals reported by members to clearing corporations.
- b) Investors can also view break-up of their collateral lying with the trading member, clearing member and clearing corporations.
- c) Visibility through web portal will bring transparency with respect to their collateral placed with trading member on daily basis in seamless manner.

Members are expected to submit the collateral details as at the end of business on a given day (say T) before 5:00 PM on next working day (T+1). Thus, the collateral details as reported by the Member for the registered investor would be available for viewing after 5:00 PM.

Investors may note that collaterals placed with Trading Member/Clearing Member in one form (e.g., cash) may have been passed on by the Trading Member to Clearing Member or by the Clearing Member to the Clearing Corporations in any other form (e.g., fixed deposit/ bank guarantee).

Qualified Stock Brokers:

Circular requirement

Basis of the Circular:

- 1) Concentration of activity among a few stockbrokers.
- 2) Certain stockbrokers, through their size, trading volumes etc. have come to occupy a significant position in the Indian securities market which is leading to concentration of activity among a few stock brokers.
- 3) The failure of such stockbrokers has the potential to cause disruption in the services that they provide to a large number of investors causing widespread impact to the securities market.

Who falls under the QSB definition:

- 1) The total number of active clients of the stock broker;
- 2) The available total assets of clients with the stock broker;
- 3) The trading volumes of the stock broker (excluding the proprietary trading volume of the stock broker); and
- 4) The end of day margin obligations of all clients of a stockbroker (excluding the proprietary margin obligation of the stock broker in all segments)

Expansion of the definition from July 01, 2023:

- 5) Compliance Score of Broker;
- 6) Grievance redressal score of the stock broker; and
- 7) The proprietary trading volumes of the stock broker.

For each stock broker, individual score for a particular parameter shall be calculated by dividing the individual parameter by the aggregate of the respective parameter summed across all stock brokers. If total score = or > 5, QSB.

Guidelines for QSB:

- 1) The stock broker designated as a QSB shall be required to meet enhanced obligations and discharge responsibilities.
- 2) Formation of a special committee or BOD to monitor Risk, Operation, Account Opening due diligence, enhance surveillance on client trading behaviour. Ensuring adequate staffing and their skill development to cater above requirements. A CXO level appointment to supervise and quarterly report to that special committee or BOD.
- 3) Upgradation of IT infrastructure every 6 months. Capacity should be 2 times peak transaction load encountered in past 6 months.
- 4) Cyber Security measures, VAPT, Business continuity plans.
- 5) QSBs would be subject to Enhanced monitoring and Surveillance by regulators and Exchanges. They will also have to additional submit data when sought.

Changes in PMLA

Provision	Change	Impact/ Actionable/Remarks
Rule 2(cf)	Broadening , “Non-profit organization” definition to religious or charitable entities.	No major actionable.
Rule 9(3)	Substitution of the following words <i>The beneficial owner for the purpose of client due diligence.</i>	Threshold to identify the Ultimate Beneficial Owner (UBO) is reduced to 10% of Shareholding for Body Corporate & Trust from 25% and 15% respectively.
Rule 9(6)	Additional data to be collected , - Client Due Diligence for Body Corporate.	1. Names of Senior Management Employees (Neither is Senior Management defined, nor any reference given) to be provided. 2. The address of the registered office, and the principal place of its business if it is different.
Rule 9(7)	Additional data to be collected , - Client Due Diligence for Partnership firm.	Address of the registered office, and the principal place of its business, if it is different.
Rule 9(8)	Additional data to be collected , - Client Due Diligence for Trusts.	The names of the beneficiaries, trustees (Proof of Address and Proof of Identification), settlor & authors of the trust.
Rule 9(9A)	Newly inserted clause - Registering Non-Profit Organization by Intermediaries.	Financial Institution to register a non-profit organization, on the DAR PAN Portal of NITI Aayog, if not already registered.
Rule 9(9B)	Newly inserted clause - Updating the data already submitted by non-Individual clients.	Where the client has submitted any documents for the purpose of Account Opening, any change, to be updated within 30 days.

Risk disclosure with respect to trading by individual traders in Equity Futures & Options Segment.

With the intent to alert **Individual Clients** about the risks associated with trading in derivatives, SEBI has issued a circular on Risk disclosure to be displayed by Stock Brokers.

Where to display?

1. Upon Login and on Website.

- a. To prompt as a pop-up window named 'Risk Disclosures' and need mandatory acknowledgement of Client (Annexure I pasted below).
- b. Risk Disclosure display should be prominent covering at least 50% of screen.

Annexure-I: Risk disclosures

RISK DISCLOSURES ON DERIVATIVES
<ul style="list-style-type: none">• <i>9 out of 10 individual traders in equity Futures and Options Segment, incurred net losses.</i>• <i>On an average, loss makers registered net trading loss close to ₹ 50,000.</i>• <i>Over and above the net trading losses incurred, loss makers expended an additional 28% of net trading losses as transaction costs.</i>• <i>Those making net trading profits, incurred between 15% to 50% of such profits as transaction cost.</i>

Source:

1. [SEBI study dated January 25, 2023 on "Analysis of Profit and Loss of Individual Traders dealing in equity Futures and Options \(F&O\) Segment", wherein Aggregate Level findings are based on annual Profit/Loss incurred by individual traders in equity F&O during FY 2021-22.](#)

Upstreaming of Client Funds by Stock Brokers.

With a view to safeguard clients' funds placed with Stock Brokers (SBs) / Clearing Members (CM), SEBI has been decided to upstream (Push) all client funds received by SBs/CMs to the Clearing Corporations (CCs) by End of the Day. With this, **no clients' funds shall be retained by SBs/ CMs on End of Day (EoD) basis.**

The clients' funds shall all be upstreamed by SB/ CMs to CCs only in the form of:

1. Cash.
2. Lien on FDR (subject to certain conditions) and
3. Pledge of units of Mutual Fund Overnight Schemes (MFOS).

Broad Requirement of the SEBI Circular on Upstreaming:

1. Broker will now maintain separate Bank Account for Accepting Client funds (Upstreaming – Pushing Funds from SB to CC) and releasing Funds to Client through Payout (Downstreaming – Release of Funds from CC to SB).
2. The above type of Bank Accounts balances will remain 'NIL' at the End of the Day, except Upstreaming Account. Funds received post cut-off time will be frozen for Debit.
3. Daily reconciliation of figures of Upstreaming and Downstreaming and reporting to Stock Exchanges / CCs of daily figures will come in place.
4. At present, Gross level transaction with CCs for Funds Payin Obligation, from January 01, 2024, at Net level of Funds Obligation.
5. No funds can be accepted from Client beyond a cut off time. So, the client will have to maintain buffer time and should avoid last hour fund transfer for trade execution.
6. Like point 5, Funds payout request from client will also have a cut off time. Request after cut-off time will be processed next day.
7. As of now, no mention of funds sent by clients after cut-off time to Upstreaming Bank Account by the client in this circular.

For FDs, conditions are:

1. FDs of only such Banks that are from Clearing Corporations (CCs) list.
2. Each FD should be Lien-marked with CC at all times with first right of CC on it.
3. Terminable with less than 1 Year in Tenure. Principal amount should be protected in case of Premature termination.

For Units of Mutual Fund Overnight Schemes (MFOS), conditions are:

4. Client funds can be invested only in such MFOS that deploy funds into risk-free government bond overnight repo markets and overnight Tri-party Repo Dealing and Settlement (TREPS).
5. To maintain a dedicated demat account (hereinafter referred to as "Client Nodal MFOS Account") for subscription/ redemption of MFOS units.
6. From "Client Nodal MFOS Account", SBs/CMs shall provide MFOS units as collateral to the CC along with identification of the end clients.

Trading Preferences by Clients while opening a trading account with a stock broker.

SEBI has come out with a Circular to reduce documentation and ensure that clients are permitted to access all the stock exchanges in which the stock brokers are registered for the same segment. Also, standardize the format of "Trading Preferences". Circular is applicable from 1st August 2023.

Particulars	New Requirement
Change in trading Preference format	A Stock Broker to register their new clients on all the active stock exchanges after obtaining the trading preferences as per the format mentioned below.
Intimation to Existing Clients	<p>Stock Broker to default activate Client on all Exchanges for already active Segments. For e.g., activating Commodity segment of Client at Nse based on an existing active Commodity segment of the client at Mcx.</p> <p>Stock Broker will have to broadcast Email to the clients of the default activation. Clients shall have a choice to opt out of such access by providing negative consent in this regard and based on the client's preference, a Stock Broker can activate / deactivate Segments.</p>

Trading supported by Blocked Amount in Secondary Market

SEBI has decided to introduce a supplementary process for trading in secondary market which is blocking of funds in investor's bank account, instead of transferring them upfront to the Trading Member (TM). It is called 'UPI block facility' where settlement for funds and securities will be done by the Clearing Corporation (CC). The synopsis of same is provided below:

General Guidelines	Availing UPI block facility will be a Non mandatory facility and shall be at the option of the investor by a Stock Broker. Once opted, cash collaterals and Funds pay-in settlement to be done through UPI block only. Collateral and settlement shall continue to be segment-wise.
Process	The block shall be created by client using the UPI application ('UPI app') based on the blocking request initiated through stock broker app . TM Code, CM Code, Unique Client Code, segment etc. shall be captured by the stock broker and sent to UPI. The CC shall debit the UPI block created in its favor to the extent of client level obligations, and receive the same in its account, without funds going through the clearing bank account of the CM.
	CC shall auto allocate any collateral for clients under the facility of UPI block.
	In UPI there is a Single block limit of Rs. 5 lakhs, but multiple blocks can co-exist.
Settlement	There shall be two rounds of pay-in and one round of pay-out . First round for Investor opting of UPI block facility and second for remaining.
	Settlement obligation shall be calculated at client level, individually, shall be inclusive of standard statutory levies such as securities transaction tax (STT), stamp duty etc.
	The second round of securities obligation shall be a single net settlement at CM level for (i) proprietary account of CM/TM, and (ii) clients not opting for UPI block facility, as per the existing process.
	Pay-out - The pay-out shall be done in a single round after the two pay-in rounds. The CC shall give pay-out of funds directly to the bank account of the clients opting for UPI block facility, provided they have fulfilled their pay-in obligations. The CCs shall provide instructions to depositories for securities pay-out to the clients, which shall be directly delivered to client's account without the need of handling of such securities pay-out by TM/CM.
Release of Block	Client can request for release of block to TM through TM app. TM shall pass to CM, and CM à CC. In case the TM, CM and CC do not have any residual claim, the CC shall release the block through UPI. Upon release of the block, the client's bank shall unfreeze the amount in the account of the

	client. Information regarding release shall be shared by NPCI with CC (through CC's sponsor bank) who in-turn shall transmit it to CM and TM.
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Cash Market: Funds shortage	CC shall provide pay-out of securities to the client's demat account and instruct the depository to auto-pledge such securities to the TM's "client unpaid securities pledgee account". It can be invoked by TM. Out of the funds pay-out due to the client, amount to the extent of shortfall shall be paid to the CM who fulfilled the obligation. The CC shall continue to maintain and update the residual short amount of the client, if any.
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Cash Market: Securities shortage	Funds required in lieu of securities shortage more than funds pay-out shall be debited from block amount of client. In case of insufficient blocked amount, the same shall devolve on clearing member.
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Note:

1. Since the framework requires certain changes to be made in the systems and processes of clearing corporations, stock exchanges, depositories, stock brokers and NPCI, the concerned entities are expected to make requisite changes and test the systems and processes for robustness thereafter to make the facility live by January 01, 2024.
2. To begin with, the facility may be made available in the equity cash segment. The CCs may extend the facility to additional segments subsequently.
3. Detailed operational guidelines including mode of brokerage collection shall be issued by CCs in consultation with relevant stakeholders such as stock exchanges, depositories etc.

→ **Update - Upstreaming of Client Funds by Stock Brokers- June 08, 2023**

With a view to safeguard clients' funds placed with Stock Brokers (SBs) / Clearing Members (CM), SEBI has been decided to upstream (Push) all client funds received by SBs/CMs to the Clearing Corporations (CCs) by End of the Day. With this, **no clients' funds shall be retained by SBs/ CMs on End of Day (EoD) basis.**

The clients' funds shall all be upstreamed by SB/ CMs to CCs only in the form of:

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3. Daily reconciliation of figures of Upstreaming and Downstreaming and reporting to Stock Exchanges / CCs of daily figures will come in place.
4. At present, Gross level transaction with CCs for Funds Payin Obligation, from January 01, 2024, at Net level of Funds Obligation.
5. No funds can be accepted from Client beyond a cut off time. So, the client will have to maintain buffer time and should avoid last hour fund transfer for trade execution.
6. Like point 5, Funds payout request from client will also have a cut off time. Request after cut-off time will be processed next day.
7. As of now, no mention of funds sent by clients after cut-off time to Upstreaming Bank Account by the client in this circular.

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1. FDs of only such Banks that are from Clearing Corporations (CCs) list.
2. Each FD should be Lien-marked with CC at all times with first right of CC on it.
3. Terminable with less than 1 Year in Tenure. Principal amount should be protected in case of Premature termination.

For Units of Mutual Fund Overnight Schemes (MFOS), conditions are:

4. Client funds can be invested only in such MFOS that deploy funds into risk-free government bond overnight repo markets and overnight Tri-party Repo Dealing and Settlement (TREPS).
5. To maintain a dedicated demat account (hereinafter referred to as "Client Nodal MFOS Account") for subscription/ redemption of MFOS units.
6. From "Client Nodal MFOS Account", SBs/CMs shall provide MFOS units as collateral to the CC along with identification of the end clients.

➔ **Trading supported by Blocked Amount in Secondary Market - June 23, 2023**

SEBI has decided to introduce a supplementary process for trading in secondary market which is blocking of funds in investor's bank account, instead of transferring them upfront to the Trading Member (TM). It is called 'UPI block facility' where settlement for funds and securities will be done by the Clearing Corporation (CC). The synopsis of same is provided below:

General Guidelines	<p>Availing UPI block facility will be a Non mandatory facility and shall be at the option of the investor by a Stock Broker. Once opted, cash collaterals and Funds pay-in settlement to be done through UPI block only. Collateral and settlement shall continue to be segment-wise.</p>
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Process	<p>The block shall be created by client using the UPI application ('UPI app') based on the blocking request initiated through stock broker app. TM Code, CM Code, Unique Client Code, segment etc. shall be captured by the stock broker and sent to UPI. The CC shall debit the UPI block created in its favor to the extent of client level obligations, and receive the same in its account, without funds going through the clearing bank account of the CM.</p>
	<p>CC shall auto allocate any collateral for clients under the facility of UPI block.</p>
	<p>In UPI there is a Single block limit of Rs. 5 lakhs, but multiple blocks can co-exist.</p>

Settlement	<p>There shall be two rounds of pay-in and one round of pay-out. First round for Investor opting of UPI block facility and second for remaining.</p>
	<p>Settlement obligation shall be calculated at client level, individually, shall be inclusive of standard statutory levies such as securities transaction tax (STT), stamp duty etc.</p>
	<p>The second round of securities obligation shall be a single net settlement at CM level for (i) proprietary account of CM/TM, and (ii) clients not opting for UPI block facility, as per the existing process.</p>
	<p>Pay-out - The pay-out shall be done in a single round after the two pay-in rounds. The CC shall give pay-out of funds directly to the bank account of the clients opting for UPI block facility, provided they have fulfilled their pay-in obligations. The CCs shall provide instructions to depositories for securities pay-out to the clients, which shall be directly delivered to client's account without the need of handling of such securities pay-out by TM/CM.</p>

Release of Block	<p>Client can request for release of block to TM through TM app. TM shall pass to CM, and CM à CC. In case the TM, CM and CC do not have any residual claim, the CC shall release the block through UPI. Upon release of the block, the client's bank shall unfreeze the amount in the account of the client. Information regarding release shall be shared by NPCI with CC (through CC's sponsor bank) who in-turn shall transmit it to CM and TM.</p>
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Funds shortage	invoked by TM. Out of the funds pay-out due to the client, amount to the extent of shortfall shall be paid to the CM who fulfilled the obligation. The CC shall continue to maintain and update the residual short amount of the client, if any.
Cash Market: Securities shortage	Funds required in lieu of securities shortage more than funds pay-out shall be debited from block amount of client. In case of insufficient blocked amount, the same shall devolve on clearing member.

Note:

1. Since the framework requires certain changes to be made in the systems and processes of clearing corporations, stock exchanges, depositories, stock brokers and NPCI, the concerned entities are expected to make requisite changes and test the systems and processes for robustness thereafter to make the facility live by January 01, 2024.
2. To begin with, the facility may be made available in the equity cash segment. The CCs may extend the facility to additional segments subsequently.
3. Detailed operational guidelines including mode of brokerage collection shall be issued by CCs in consultation with relevant stakeholders such as stock exchanges, depositories etc.

→ **Trading Preferences by Clients while opening a trading account with a stock broker.- June 23, 2023.**

Sr No	Particulars	New Requirement
1	Change in trading Preference format	A Stock Broker to register their new clients on all the active stock exchanges after obtaining the trading preferences as per the format mentioned below.
2	Intimation to Existing Clients	Stock Broker to default activate Client on all Exchanges for already active Segments. For e.g., activating Commodity segment of Client at Nse based on an existing active Commodity segment of the client at Mcx. Stock Broker will have to broadcast Email to the clients of the default activation. Clients shall have a choice to opt out of such access by providing negative consent in this regard and based on the client's preference, a Stock Broker can activate / deactivate Segments.

→ **Introduction of Investor Risk Reduction Access (IRRA) - September 14, 2023**

Exchanges have introduced a platform / facility - Investor Risk Reduction Access (IRRA), whenever there is a failure of a Trading Member's (TM) Primary as well as Disaster Recovery sites. This is introduced to ensure seamless business continuity to Investors.

Key Highlights:

1. When a TM request's or qualifies for IRRA mode, IRRA system of Exchanges will send a communication by a way of SMS and an Email to all existing clients (UCC) active on TM's list. The communication will have web and app link of IRRA.
2. Client will be able to Login on the IRRA link through their PAN, Mobile number, and Email ID authorisation.
3. The IRRA **platform facilitates only squaring off open positions and cancelling pending orders.** Fresh positions or new orders cannot be placed through IRRA platform. Scips in Trade to Trade category will not be available.
4. The platform also provides Trading Members access to an Admin Terminal, allowing them to monitor their investors' actions and place square off orders or cancel pending orders on behalf of its investors or for proprietary account. This terminal requires an internet connection to the IRRA platform.
5. Trading Member will have to take care of their RMS.
6. IRRA mode will get activated only when activated by all Exchanges. Activation can be basis a written/email request from the affected Trading Member or Exchange monitoring (Exchange monitoring of indicative parameters such as drastic reduction in order flow, connectivity drop for users, and social media posts reporting issues. Exchanges will confirm the situation with the Trading Member and relevant Exchanges before invoking IRRA).
7. Once a Trading Member's systems return to normal after invocation of IRRA platform, they can request Exchanges to deactivate IRRA, enabling reverse migration. After reverse migration, Trading Members must synchronize their activities with Exchanges to align system status with IRRA actions.

Additional points to note:

1. This facility is available to the TMs supporting Internet Based Trading (IBT) and Security Trading through Wireless Technology (STWT) for their investors and not for Algo trading and Institutional clients.

2. The IRRA platform would be available for only one affected Trading Member. If multiple Trading Members request access simultaneously, the one with a higher number of active UCCs across Exchanges would get priority.
3. IRRA will be accessible to Trading Members across Exchanges starting **from October 3, 2023**.
4. Exchanges will be issuing FAQs for Members and the investors guiding them with the onboarding process for the IRRA platform.

→ **MASTER CIRCULAR FOR ONLINE DISPUTE RESOLUTION – August 04, 2023**

SEBI has issued master Circular on Online Dispute Redressal Mechanism. Link of same is provided below:

https://www.sebi.gov.in/legal/circulars/aug-2023/corrigendum-cum-amendment-to-circular-dated-july-31-2023-on-online-resolution-of-disputes-in-the-indian-securities-market_74976.html

→ **Nomination for Trading and Demat Accounts - September 26, 2023**

SEBI had stipulated that Trading Accounts and Demat Account which do not have 'choice of nomination' (Nomination / Negative nomination) by September 30, 2023, shall be frozen.

1. SEBI issued a Circular and has **made 'choice of nomination' voluntary for Trading Accounts.**

2. For Demat Accounts, SEBI has extended the timeline to update the 'choice of nomination' to December 31, 2023.
3. For Physical securities holder, SEBI has decided to extend the last date for submission of PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers to December 31, 2023. Folios will be frozen post that.

SEBI has issued a Master Circular on Know Your Client (KYC) norms for the securities market. Have shared a summary of the Circular below. Please reach out in case of any details. - October 12, 2023

Sr No	Particulars	Requirements
1	Requirement of Permanent Account Number(PAN)	1. PAN shall be the unique identification number for all participants transacting in the securities market.

		<ol style="list-style-type: none"> 2. All registered intermediaries shall ensure valid PAN in the KYC documentation for allclients. 3. The e-PAN can also be produced by client for KYC compliance.
2	Unifrom KYCFormat	<ol style="list-style-type: none"> 1. The account opening form (AOF) for client shall be divided into two parts. Part I of theAOF shall be the KYC form which shall capture the basic details about the client. 2. The CKYCR templates - Individual and Legal Entity provided by CERSAI is available athttps://www.ckycindia.in/ckyc/?r=download.
3	Proof of Identity (POI) and Proof of Address (POA)	<p><u>Officially Valid Documents:</u></p> <ol style="list-style-type: none"> i. the passport; ii. the driving licence; iii. proof of possession of Aadhaar number; iv. the Voter's Identity Card issued by Election Commission of India; v. job card issued by NREGA duly signed by an officer of the State Government; vi. the letter issued by the National Population Register containing details of name address; or vii. any other document as notified by the Central Government in consultation with theRegulator.
4	Proof of Address(POA)	<p><u>For NRIs & Foreign Nationals:</u></p> <ol style="list-style-type: none"> i. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines),copy of passport/Persons of Indian Origin (PIO) Card/Overseas Citizenship of India (OCI) Card and overseas address proof is mandatory. ii. If correspondence and permanent address is different, then proof for both shall be submitted.
5	Identification ofBeneficial Ownership – Non- Individuals	<p>The registered intermediaries shall periodically update all documents, data or information of allclients and beneficial owners collected under the CDD process.</p> <ol style="list-style-type: none"> a. Certificate of incorporation. b. Memorandum and Articles of Association. c. Board Resolution for investment in securities market. d. Power of Attorney granted to its managers, officers or employees, as the case may be, totransact on its behalf. e. Authorised signatories list with specimen signatures. f. Copy of the balance sheet for the last financial year (initially for the last two financial years andsubsequently for every last financial year). g. Latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the companysecretary/whole time director/ MD (to be submitted every year). h. Photograph, POI, POA, PAN and DIN numbers of whole time directors/two directors in charge

		<p>of day to day operations.</p> <p>i. Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly.</p>
6	Digital KYC - KYC completed through digital(online / Application (App) based) KYC, IPV through video, online submission of OVD / other documents, using electronic/digital signature, Aadhaar e-Sign.	<ol style="list-style-type: none"> SEBI registered intermediaries shall obtain the express consent of the client before undertaking online KYC. The PAN, name, photograph, address, mobile number and email ID of the client shall be captured digitally and officially valid document shall be provided as a photo / scan of the original under electronic/digital signature, including Aadhaar e-Sign and the same shall be verified. Any officially valid document other than Aadhaar shall be submitted through DigiLocker / using electronic/digital signature, including Aadhaar e-Sign. Mobile and email shall be verified through One Time Password (OTP) or other verifiable mechanism. XML file or Aadhaar Secure QR Code generation date is not older than 3 days from the date of carrying out KYC. The usage of Aadhaar shall be optional and purely on a voluntary basis by the client. Bank account details shall be verified by Penny Drop mechanism or any other mechanism using API of the Bank. The name and bank details as obtained shall be verified with the information provided by client. The cropped signature affixed on the online KYC form under electronic/digital signature, including Aadhaar e-Sign shall also be accepted as valid signature.
7	Features for online KYC App of the Intermediary	<ol style="list-style-type: none"> Capability of APP- Facilitate taking photograph, scanning, acceptance of officially valid document through DigiLocker, video capturing in live environment and usage of the App only by authorized person of the intermediary. Feature of random action initiation for client response, along with time stamping and geo-location tagging to ensure the requirement like physical location being in India etc are also implemented. Secured, end-to-end encrypted audio-visual interaction with the client to check liveliness. Before rolling out and periodically, carry out software and security audit and validation of their App.

Trading of Rights Entitlements pursuant to Rights Issue of Lloyds Engineering Works Limited

Please note that the trading in Rights Entitlement (REs) of Scrip Lloyds Engineering Works Limited with ISIN INE093R20011 have commenced. REs shares should not be the same shall not be mistaken for ordinary shares of the concerned company. Purchase of REs only gives Client the right to participate in the ongoing Rights Issue of the concerned company by making an application with requisite application money or renounce the REs before the issue closes. REs which are neither subscribed by making an application with requisite application money nor renounced, on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Symbol	LLOYDS-RE
Name of the Company	LLOYDS ENGINEERING WORKS LIMITED
Display name	LLOYDS ENG WORKS LTD-RE
Series	BE
ISIN	INE093R20011
Security Description	Trading of Rights Entitlement pursuant to Rights Issue
No. of Rights Entitlements	63301820
Trading period for Renunciation of Rights Entitlements (REs)	From December 26, 2023 to January 05, 2024
Date of Suspension	January 08, 2024
Market lot	1

Overhaul in process of Off Market transfers.

To comply with the SEBI guidelines CDSL has overhaul the Off-Market transfer process with the motive to curb error in off-market transfers. Key highlights are as below:

1. Transferee Account will be registered as Beneficiary under the Demat Account of Transferor. This registration is mandatory and can be done through DP or Easi / Easiest Login.
2. To validate the registration, transferor will be prompt with OTP and PAN / Demat ID on his/her registered Mobile no.
3. Like net banking, adding beneficiary will be a one-time activity.
4. In case of Intra Depository beneficiary details will be verified internally, for Inter-Depository, target Depository will confirm based on Demat and PAN details shared by Source depository.
5. Off-Market transfer will be processed only where details has been confirmed as per pt 4 above.

Still, if there is an erroneous transfer, cases will be referred to the ‘Internal Committee’ and ‘Joint Committee’ constituted by respective Depositories.

Trading of Rights Entitlements pursuant to Rights Issue of Grasim Industries Limited

Please note that the trading in Rights Entitlement (REs) of Scrip Grasim Industries Limited with ISIN INE047A20013 have commenced. REs shares shall not be mistaken for ordinary shares of the concerned company. Purchase of REs only gives Client the right to participate in the ongoing Rights Issue of the concerned company by making an application with requisite application money or renounce the REs before the issue closes. REs which are neither subscribed by making an application with requisite application money nor renounced, on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Symbol	GRASIM-RE
Name of the Company	Grasim Industries Limited
Display name	Grasim Ind Ltd-RE
Series	BE
ISIN	INE047A20013
Security Description	Trading of Rights Entitlement pursuant to Rights Issue
No. of Rights Entitlements	22070910
Trading period for Renunciation of Rights Entitlements (REs)	From January 17, 2024 to January 23, 2024
Date of Suspension	January 24, 2024
Market lot	1

Trading of Rights Entitlements pursuant to Rights Issue of Genpharmasec Limited

Name of the Company	Genpharmasec Limited
Type of Security	Rights Entitlements (REs)
Trading period for Renunciation of Rights Entitlements (REs)	Monday, January 23, 2024 to Friday, February 02, 2024
Scrip Code	750819
Scrip ID	GENPHAR-RE
ISIN No.	INE861N20010
Market Lot	1
Group	R

Trading of Rights Entitlements pursuant to Rights Issue of Sharanam Infraproject and Trading Limited

Name of the Company	Sharanam Infraproject and Trading Limited
Type of Security	Rights Entitlements (REs)
Trading period for Renunciation of Rights Entitlements (REs)	Wednesday, January 24, 2024 to Monday, January 29, 2024
Scrip Code	750820
Scrip ID	SIPTL-RE1
ISIN No.	INE104S20022
Market Lot	1
Group	R

Trading of Rights Entitlements pursuant to Rights Issue of Shree Ajit Pulp and Paper Limited

Name of the Company	Shree Ajit Pulp and Paper Limited
Type of Security	Rights Entitlements (REs)
Trading period for Renunciation of Rights Entitlements (REs)	Tuesday, January 30, 2024 to Friday, February 16, 2024
Scrip Code	750821
Scrip ID	SAPPL-RE
ISIN No.	INE185C20017
Market Lot	1
Group	R

Trading of Rights Entitlements pursuant to Rights Issue of Magnum Ventures Limited

Symbol	MAGNUM-RE
Name of the Company	Magnum Ventures Limited
Display name	Magnum Ventures Ltd-RE
Series	BE
ISIN	INE387I20016
Security Description	Trading of Rights Entitlement pursuant to Rights Issue
No. of Rights Entitlements	9052118
Trading period for Renunciation of Rights Entitlements (REs)	From 07 February 2024 to 16 February 2024
Date of Suspension	February 19, 2024
Market lot	1

Trading of Rights Entitlements pursuant to Rights Issue of Indiabulls Housing Finance Limited

Symbol	IBUL-RE
Name of the Company	Indiabulls Housing Finance Limited
Display name	Indiabull Hsg Fin Ltd-RE
Series	BE
ISIN	INE148I20012
Security Description	Trading of Rights Entitlement pursuant to Rights Issue
No. of Rights Entitlements	246226515
Trading period for Renunciation of Rights Entitlements (REs)	From 07 February 2024 to 08 February 2024
Date of Suspension	February 09, 2024
Market lot	1

Trading of Rights Entitlements pursuant to Rights Issue of Adroit Infotech Limited

Symbol	ADRO-RE
Name of the Company	Adroit Infotech Limited
Display name	Adroit Infotech Ltd-RE
Series	BE
ISIN	INE737B20017
Security Description	Trading of Rights Entitlement pursuant to Rights Issue
No. of Rights Entitlements	32501058
Trading period for Renunciation of Rights Entitlements (REs)	From 07 February 2024 to 12 February 2024
Date of Suspension	February 13, 2024
Market lot	1

SEBI CAUTIONS PUBLIC AGAINST DEALING WITH UNREGISTERED ENTITIES

The Securities and Exchange Board of India (SEBI) has observed rising trend of unscrupulous entities and online platforms that falsely claim to be registered with SEBI as intermediaries. These entities often entice the general public by showcasing fake certificates purportedly issued by SEBI and promising or implying assured, high returns on investments. SEBI hereby cautions investors against placing their money with any entity based on such claims. Investors are urged to conduct due diligence and verify the registration status of any entity claiming to be a SEBI-registered intermediary. It is imperative for investors to understand that investments offering high returns usually involve high risk including fraud risk and there can be no guarantees of assured returns in the securities market.

The link of the press release is as follows:

https://www.sebi.gov.in/media-and-notifications/press-releases/feb-2024/sebi-cautions-public-against-dealing-with-unregistered-entities_81395.html

Apart from above, SEBI, Exchanges and Depositories keep on issuing Circulars which can be accessed on below links:

SEBI: <https://www.sebi.gov.in/legal.html>

Bse:

<https://www.bseindia.com/markets/MarketInfo/NoticesCirculars.aspx?id=0&txtscripcd=&pagecont=&subject=>

[Nse: https://www.nseindia.com/resources/exchange-communication-circulars](https://www.nseindia.com/resources/exchange-communication-circulars)

[CDSL: https://www.cdslindia.com/Publications/Communique.aspx](https://www.cdslindia.com/Publications/Communique.aspx)