



NATIONAL STOCK EXCHANGE OF INDIA LIMITED



New KYC Compliance

September 26, 2011

Agenda

- Genesis of New KYC
- Components of KYC Documents
- Highlights of KYC
- Impact on Existing Clients



Genesis of new KYC

Feedback of Investors

- Bulky documents
- Many signatures
- Multiple agreements
- Mixing up of Standard Terms and bilateral terms

Components of KYC

- Index of Documents (Annexure 1)
- KYC Form (Annexure 2)
- Information relating to Trading Account (Annexure 3)
- Document relating to Rights and Obligations (Annexure 4)
- Uniform Risk Disclosure Documents (Annexure 5)
- Guidance Note on Dos and Don'ts (Annexure 6)
- Policies and Procedures
- Tariff Sheet
- Voluntary Documents

KYC Form (Annexure 2)

- UID as proof of Identity
- Proof of address for Permanent and correspondence address
- Permanent Address proof for overseas clients
- Gross Annual Income details or Net Worth details
- For FII Client, notarized copy of POA given to custodian
- In case Originals are not produced, attested documents to be obtained

Trading Account (Annexure 3)

- Investor to specify the Products that he intends to participate in
- Actions Taken by Stock Exchange, SEBI or any other authority
- Details of Sub-broker if any
- Consent for Digital Contract Note, Internet Trading, Wireless Trading
- Details of person authorized to transact on behalf of non-individual
- In-Person verification through webcam
- In-Person verification at overseas office
- Nomination Facility
- Declaration by Client

Rights and Obligations (Annexure 4)

- Rights and Obligations of TM and Client spelt out
- Clients to furnish supporting details from time to time
- Additional margin collection by Broker
- Payment of margins does not imply settlement of all dues
- Settlement to nominee in the eventuality of death of client
- Termination of relationship with one month notice
- Impact of Cancellation of Sub-broker registration
- Daily margin Statements to clients
- Electronic Contract Note

Others

- Tariff Sheet
- Policies and procedures
- Voluntary Documents

Highlights of KYC

- One document across Exchanges & segments
- Very Few signatures required
- Requirements of Agreements not relevant
- Common Rights and Obligations
- Nomination Facility
- Cost of Documentation
- In person Verification through webcam
- Clear idea of tariffs

Implication for Existing Clients

- Re-execution of KYC not required
- Consent letter to avail internet facility/ web based trading/ electronic contract note/ additional segment.
- Acknowledgement for having read and received the Rights and obligations & Risk Disclosure documents of new KYC
- Nomination facility can be availed of by existing clients by way of a request letter

QUERIES ?

Thank You