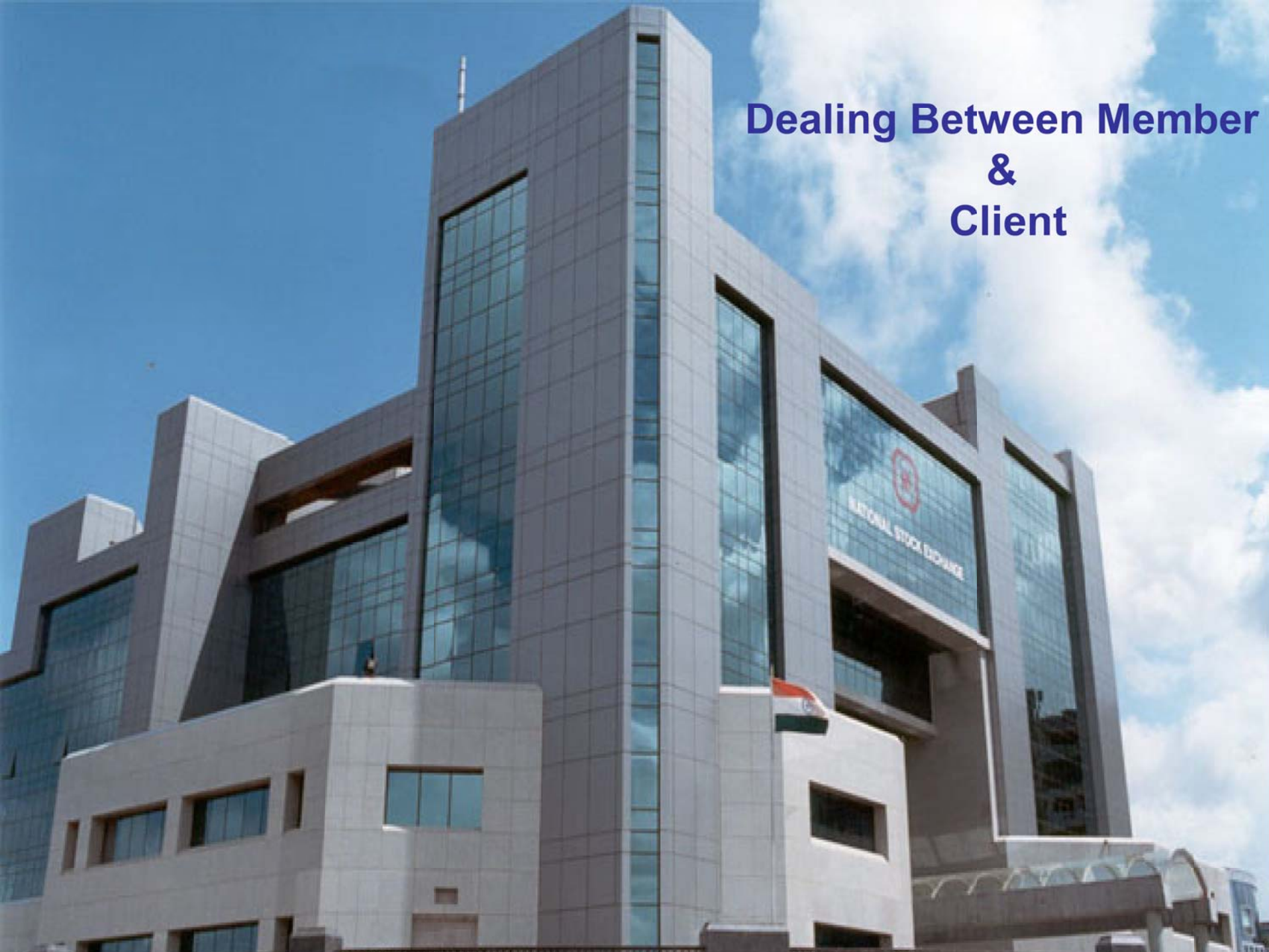


Dealing Between Member & Client





- Folder/book to containing all documents required for registration
- Index Page containing list of documents
- Significance of each document
- Mandatory and Voluntary document segregation

Client Registration Procedure – New Requirements



- Copy of Executed documents to clients
- Mandatory documents to be in the format prescribed by Exchange/SEBI
- Explicit consent of Investor for Exchange and Segments
- Capture identity and address of the introducer
- Documentary evidence of financial details for F&O

Client Registration Procedure – New Requirements



- Action taken against client by SEBI/Other authorities
- Document dealing with policies and procedures
 - Penny stocks, limits, brokerage rate, penalty for delays by either party, right to sell, delivery shortage etc.,
- Non-mandatory documents to be separate from mandatory documents
- Specific consent of client for voluntary documents



- Specific authorization for running account
- Authorization to be signed by client only & not by POA holder
- Authorization to be renewed once a year
- Revocation Clause in authorization



- Broker to settle funds and securities at least once in a quarter
- Along with settlement statement of funds and securities to be issued
- Client has right to ask for more frequent settlement i.e. monthly
- Discrepancies to be brought to the notice of Broker preferably within 7 days



- BGs, FDs, Margin Trading to be exempt from the required settlement
- No inter-client adjustment permitted
- Funds and securities required for settlements in progress to be retained
- Margin required on open position to be retained.
Margin required for 5 days to be retained

Running Account Authorization



- On request from client, funds/securities to be transferred within 1 working day
- In case funds/securities are lying with Clearing Member/Corporation, transfer to be completed with 3 working days from request.
- Periodic settlement may not be necessary in case of institutional clients settling trades through custodians.



- If specifically opted by the Client
- Authorization to be signed by client only
- Client to give email id
- Email id not be created by the Trading Member
- Any change in email id to be intimated by client to TM
- In case of internet client, change could be requested through secured access

Documents pertaining to Policies & Procedures



- Refusal of orders for penny stocks.
- Setting up client's exposure limits
- Applicable brokerage rate
- Imposition of penalty / delayed payment charges by either party specifying the rate & the period. The same should not result in funding
- Internal Shortage

Documents pertaining to Policies & Procedures



- The right to sell client's securities or close client's position without giving notice to the clients on account of non-payment of client's dues limited to the extent of settlement / margin obligation.
- Conditions under which a client may not be allowed to take further position or the broker may close the existing position
- Temporarily suspending or closing a client's account at the client's request, and
- De-registering a client



- All documents to be printed in font size of 11
- Copy of documents to be given to client within 7 days
- Stock broker having own website to display information on website
- Change in terms requires prior notice of 15 days and change requires consent of client
- Policy on Inactive account
- Statement of Funds and Securities as on March 31st in hard form



- The date of implementation of the circular has been extended to June 30, 2010.

NSE/INSP/14477 dated March 31, 2010

- The status of implementation of the circular to the reported to the Exchange on fortnightly basis beginning as on April 30, 2010.

NSE/INSP/14725 dated May 06, 2010



Thank You