



Forthcoming Event IT Seminar - Innovation through Technology

- Are the systems at brokerage offices ready for the future?
- Will we be able to take care of an estimated increase in DP accounts to 3 crores accounts in the next 3 to 4 years?

India is growing and that too rapidly. Brokerages that are not IT enabled will face severe constraints in catering to the expected growth in investors. The new scenario could see growth of the mid and large size brokerages at the expense of the smaller size businesses. Economic experts expect a growth in savings to over 1 trillion USD in the next three years, which translates to an equal amount of investible funds.

This seminar **Innovation through Technology** aims at analyzing the technology challenges facing the industry in the near future.

The Faculty will comprise of Senior Practitioners from the Industry and IT experts and Vendors.

Attendance at the seminar is free for all members of ANMI.

The Technical Session will be held on the following Topics:

1. Challenges to Scalability – Capacity Planning
2. IT in Brokerages Operations & Risk Management
3. Business Continuity Management & Disaster Recovery Planning

The above Seminar will be held on 30 April, 2011.

ANMI Family

The following member has recently joined ANMI – WIRC Family:
Stellant Stock Broking Pvt. Ltd.

ANMI and ICMA sign Memorandum of Understanding

The Association of National Exchanges Members of India (ANMI) and the International Capital Market Association (ICMA) have signed a Memorandum of Understanding on February 28, 2011 which will strengthen their relationship and enable sharing of expertise and information between the two organisations as they seek to raise standards of market practice in the international and Indian capital markets respectively.

International Capital Market Association (ICMA):

The International Capital Market Association (ICMA) is the trade association representing constituents and practitioners in the international capital market worldwide. ICMA performs a crucial central role in the market by providing a framework of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market. For more details on ICMA, Members can log into www.icmagroup.org



The two associations share common interests and will cooperate by a bilateral exchange of skills and experience in securities regulation, market infrastructure, and professional training for market participants.

At the signing of the MoU in Mumbai, Mr. Anil Bagri, President of ANMI said: “ANMI looks forward to establishing a long term mutually beneficial relationship with ICMA. With the rapid growth of the Indian Capital Markets and global attention to it, there shall be significant opportunities for joint collaboration and exchange of best practices between both associations to enhance overall integrity and efficiency of the financial markets.”

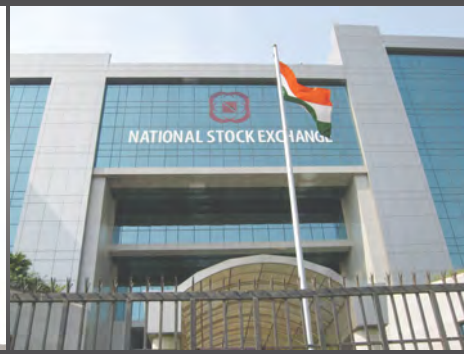
Commenting for ICMA, Mr. Martin Scheck, its Chief Executive, said: “In the rapidly growing economy of India with more companies wishing to tap the national and international capital markets to finance their growth and expansion, access to stable and well organised markets is essential. ICMA is very pleased to be co-operating with ANMI in sharing our 40 years of experience in providing a sound framework for market practice in cross border markets, as they work with their members to set standards for best practice and seek to encourage participation in financial markets”.

By this MOU, ANMI has taken one more major step forward in its initiative to play a significant role in the Indian Capital Market.

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Chairman's Message

“Time and Tide waits for none – an old but time-tested saying. Apart from the gaiety of celebrating various social and religious events which culminated with the heralding of the New Year, the period Jan-Feb of this year is witnessed tumultuous events. The “leaks”, the “tapes”, “the scams”, “the spectrums” etc have startled the globe and our country. The Leaders and their Officials as usual are churning out stories to say that “all is normal” “Guilty won’t be spared” and “law would take its course”. Well, how many times we have heard such epoch making statement and went about our routine knowing well that everyone knows that nothing will change and everything will be soon forgotten and “normalcy” will continue. Well, “Time and Tide waits for none” as we said above. We need to move forward hoping that ‘PARITHRANAYA SADHUNAAM VINASAYA SADHUSHKRUTHAM, DHARMASAMSATHAYANAASTAYA SAMBHAVAMI YUGHE YUGHE” hoping that some divine force would cleanse the system.

On the brighter side, the whole country seems to be in the “World Cup Cricket” mood. People as usual are wondering what this year’s Union Budget would bring about. The poor people, as usual, are more bothered about “today” feeling that tomorrow would be tackled as it unfolds. Therein, perhaps, lies the small but powerful thought “What needs to be done today to make a better tomorrow”.

The need of the hour my friends, in my view, are for greater emphasis on Ethics, Values and good Governance. While various forums including schools, colleges, Educational Institutions etc are continuing to provide focus on this aspect, YOUR ANMI is also continuing to play a strong but subtle role in the Capital Market. It is continuing with its inter-action with its Members, Regulatory Authorities in various forms. It includes organising events, training programmes, seminars, interviews with leading officials as you would have noticed from the past issues of monthly newsletters. All these activities have received tremendous support providing us with required energy and support to continue such activities.

Our regional set-ups have also been taking similar initiatives which are receiving good response. The objective of organising such events has been to provide opportunity to Members and the personnel working with them to inter-act with Experts who are conducting such programmes and thereby enhance their knowledge and capabilities.

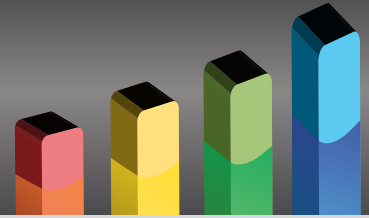
Such initiatives will continue. We do hope that members would continue to support and also feel free provide their views so that ANMI SECRETARIAT can keep the same in mind when organising similar programmes in future.

With greetings to all Members and their Families for another important forthcoming event “Holi” which is due as I pen this note”

Sincerely,
Anup Kumar Khandelwal
Chairman ANMI - EIRC

Disclaimer:

All efforts have been taken to make the News Letter up to date and the information has been obtained from sources deemed to be reliable; still Association does not take responsibility for any omissions or error in respect of information contained in the News Letter.
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FIA (Future Industry Association) Asia India Conference

FIA is an association of futures commission merchants, banks and trading advisers operating in the United States, European and Asian futures markets. FIA provides information and education on futures markets and trading. It also represents the interest of its members by lobbying regulatory bodies and exchanges.

Established in 1955, FIA was to serve as a forum for ideas and discussion surrounding the futures industry. Since inception, it has promoted fair trade, prevented abuse of current market rules and provided valuable information to its members. In order to promote competition, FIA has lobbied against taxation on futures contracts and the mergers of futures markets.

The Asian region is the most dynamic and fastest growing region in the world, but it is fragmented. FIA Asia was formed in 2007 and is dedicated to strengthening the Asian futures industry and expanding opportunities for FIA Asia members by a variety of means.

An FIA Asia India Conference is scheduled on April 7, 2011 at Taj Land Ends, Mumbai. The Conference will focus on one of the most dynamic markets for listed derivatives in the world—India's. Recent volume growth has been eye-popping, and some of the new contracts have both surprised and impressed observers inside the industry and out. Existing and would-be participants need to keep up with products, technology, and rules of the game. Find out what's new, what's next, and how to make it work in the next phase of the development of India's futures markets.

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The Fee structure for the Program is as follows:

Category	Fees
FIA Members	\$ 125
FIA Asia Members	\$ 125
Non Members	\$ 150

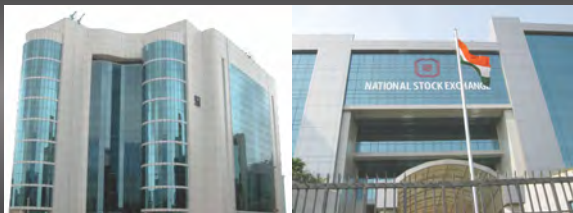
The Conference would cover inter-alia the following matter:

9:45 a.m.	Indian Markets and Products: What's New, What's Next
11:30 a.m.	Indian Markets: Global Perspectives
12:45 p.m.	Lunch and Networking Break
2:15 p.m.	Commodity Markets in India, the region and the world
4:00 p.m.	The Modern Era: High Frequency and Algorithmic Trading, Direct Access, Co-location, Technology

The Key Speakers for the conference are as follows:

- M. S. Sahoo, Wholetime Member, SEBI
- J. N. Gupta, Executive Director, SEBI
- Ravi Narain, Managing Director and CEO, National Stock Exchange of India
- R. Sundararaman, Senior Vice President, National Stock Exchange of India
- Sayee Srinivasan, Head, Product Strategy, Bombay Stock Exchange
- Anil Bagri, Managing Director, Icab Securities & Investment Ltd., and President, ANMI
- Vineet Bhatnagar, Managing Director, MF Global India
- Yuvraj Sehgal, Managing Director, JPMorgan India
- Christian Drysdale, Managing Director, Macquarie Securities Group
- Gaurav Arora, Managing Director, Jaypee Capital
- Robert Ray, Managing Director, Chicago Mercantile Exchange
- Steffen Gemuendsen, Chief Executive Officer, RTS Realtime Systems

And many others...



An 'ANMI – Learning' Initiative Seminar series on 'Organization Development for Effective Compliance Management'

ANMI – Learning' an education initiative of the WIRC of ANMI conducted a two day seminar on 'Organizational Development for Effective Compliance Management' at the NSEIL Auditorium on the 12th and 19th February, 2011.

The Seminar Theme

The Financial Markets have an established tradition of providing financial services to clients and counterparties to enable effective handling of their client's capital and risk. The regulators on their part aim at developing a framework for adherence to regulations; which in turn aims at protecting market integrity and the interest of the investors.



The need for a code of conduct, or in other words compliance rules, arises because investors have negligible inside information of the industry and are disorganized; and because the market is prone to manipulation by the organized financial sector. Regulatory compliance requirements aim to supervise the Internal Governance of financial organizations to protect market integrity and the interest of investors.

On the other hand Organizational Development and Internal Governance aims to develop an internal code of organizational behavior to evolve governance standards for effective handling of client's capital and risk with an adherence to regulatory requirements and ethical behavior to protect their client's interest.



The sessions, spread over two days, explored aspects for development of the organization to meet compliance requirements and more importantly also an exploration of the challenges in compliance management the brokerages are likely to face with an increase in levels of operations and the

ethical dilemmas one faces in our daily operations. About 180 members attended the seminars.

On February 12th 2011:

▪ **Ms. K. Kamala – Sr. Vice President of NSEIL spoke on:**

▷ **Current Challenges in Compliance Management & Dealing with Financial Disputes**

Ms. Kamala expressed that compliance management is always for the long term and should not be viewed as a short term activity. It is a question of institutional

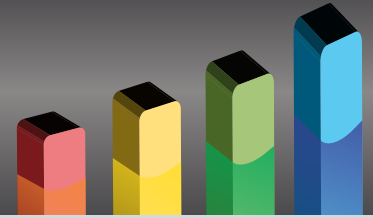


building for evolving a compliance culture. Compliance should not be viewed as a short term activity involving mere compliance of circulars; compliance management is a question of building a relationship with your customer and acting in good faith for his benefit. She also spoke on how the geographical spread of the company strains compliance activities and offered an insight on how maintenance of compliance requirements helps in risk mitigation of organizations. Speaking on financial disputes she explained that dispute with clients generally occur when the organization does not build a relationship of best service to the client.

▪ **Mrs. Deena Mehta of M/s Asit C Mehta Intermediates Limited spoke on:**

▷ **HR Compliance – Before, during and after - Personnel Risk & Hiring policies, Integrity at Work and Risk awareness of poaching on staff.**

Listening to Mrs. Mehta just one thought comes to mind; that integrity in servicing clients is the winning solution for not just brokerages but for all types of businesses. She explained that integrity implies that any investment advice offered to the client should essentially be based on his ability to face a financial loss and a possible loss of capital. She explained that integrity implies that any investment advice offered to the



client should essentially be based on his ability to face a financial loss and a possible loss of capital. She explained that one of the greatest drawbacks in marketing staff is that staffs do not bother to assess the

capital of the client and their ability to recoup losses. Investment advice can never be the same for all clients. Most marketing staff offer investment advice to meet their targets set by the company and forget the clients interests. Good hiring policies should always be based on an understanding of the staff's ability to act in integrity and management policy should in effect reward a staff member who advises clients in an ethical manner keeping the client's interest paramount to his own. She advised a regular training of staff on ethical values in client servicing. Most brokerages poach on staff and some consider it an acceptable practice; She cited examples where poaching could be counterproductive. She explained that her company generally recruits fresh staff and trains staff continually to meet company requirements rather than poach on staff from other organizations.

▪ **Mr. Uday Tardalkar, Vice President - Operations of Tata Securities spoke on:**

▷ **Standardized Operating Processes (SOP) - SOP Theory and Evolving SOP**



Mr. Tardalkar explained that effective organizations work through a defined and coordinated series of actions which lead to a desired result; in other words a method of doing something. This involves

setting out a series of steps or instructions to complete a particular task involving repetitive tasks. Such standardised steps are essential as the same task would be performed by any staff without loss of performance or effectiveness. He emphasised that an omission of any of the steps could be chaotic to business practices and that without a SOP businesses generally function haphazardly and are prone to failure. He analysed the various aspects to evolve an effective SOP.

▪ **Mr. Shankar Gawade, of M/S Enam Securities Limited spoke on:**

▷ **Leveraging Technology for Building Processes**

Taking off from the presentation of Mr. Uday Tardalkar, Mr.

Gawade explained that evolving a business process the organization needs to do to meet the needs and expectations of their customers, whether they are internal or external consumers of a product or service. He then elaborated



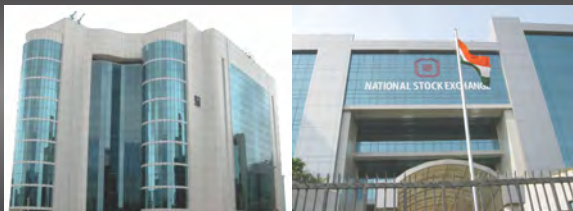
the role of IT in businesses would include - Reengineering Business Processes, defining Strategic Users of Information Technology, Building a Customer Focussed Business, Improving Business Quality & Creating a Virtual Company. He explained that IT driven processes involve a shift towards a process centric thinking & Independent Processes to achieve Business Efficiency and to Maintain Business Agility (Quick decision making ability). Technology in Broking is needed as it is an under penetrated market and IT would help in management for an increased clientele. It would transform the industry. He elaborated on aspects of Disaster Recovery management through IT. Mr. Gawade then proceeded to explain how processes using IT would simplify and speed up decision making capability and he cited practical examples of IT processes for both internal and external users of the company.

On February 19, 2011:

▪ **Mr. Chandresh Shah, Vice President – Tata Capitals Limited spoke on:**

▷ **Risk Management and Increasing Risk Tolerance of the organization**

Mr. Chandresh Shah explained that risk can be defined as the volatility of unexpected outcomes generally related to the value of assets or liability or interest. He explained that Risk could be divided into two types i.e. Business Risk and Non Business Risk. Business Risk (Also called operating Risk) is those which the corporation willingly assumes to create a competitive advantage for its shareholders. Whereas Non



Business Risks are those over which the organization has no control. He elaborated and categorised the types of Risk with practical examples and case studies of prominent failures of risk controls which led to massive losses. He

explained that the objectives of Risk Management were to maintain Solvency of the Company due to unexpected loss, maintain Profitability of the Company by controlling expected loss. He further explained theoretical methods of measuring and calculating risk faced by the company under different scenarios.

▪ **Mr. Nanda Mohan Shenoy, President of ISACA Mumbai Chapter elaborated on:**

- ▷ **Using Information Technology in Risk Management and Surveillance.**



Mr. Nanda Mohan Shenoy used transactional studies to analyze failures in management and controls with practical case studies. He then proceeded to explain the types of events that could result in loss in an organization. He further

explained the possible use of soft ware to controls the various event types that occur in any broking organization throughout its risk management, compliance & settlement procedures.

▪ **Mr. Bhavesh Vora of BRV and Associates spoke on:**

- ▷ **Controls Theory and Initiating Organization Controls**

Control Management is but an extension of setting processes in place. A process implies control of the process – a process w/o controls is aimless management. Mr. Bhavesh Vora elaborated on how making a study of the processes and evolving a step by step risk mapping of every activity to define the risk faced by the company in case of a loss of control over a particular activity.



▪ **Mr. Sagar Tanna of M/s Tanna Software spoke on:**

- ▷ **Leveraging IT for Monitoring Suspicious and Fraudulent Trade Activity under the Anti Money Laundering Act and the FUTP Regulations.**

Mr. Sagar Tanna explained the AML Regulations under different authorities. He the use of a systematic work flow method for client CDD through client KYC, Client screening, monitoring transactions and creating alerts in case of any transactions against violating regulations, screening of clients risk & financial profile to create client trading alerts and determining transaction that are suspicious according to AML and FUTP regulations.



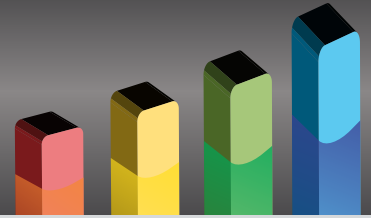
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Investor Education Drive (EIRC)

Investor Education Programs were conducted at the following locations in February, 2011 jointly with VCK Shares & Stock Broking Pvt. Ltd.



1. At Contai, West Bengal on February 5, 2011



2. At Egra, West Bengal on February 6, 2011

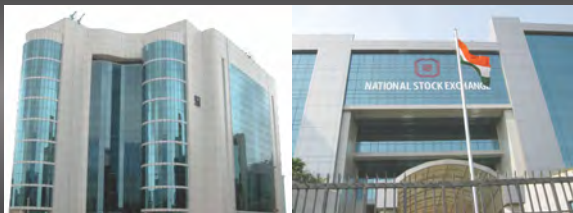
Workshop on Technical Analysis & W D Gann Ideas @ Kolkata Organized by ANMI – EIRC

ANMI – EIRC had organized a workshop on Technical Analysis and W D Gann ideas on 19th & 20th Feb. 2011. The two day workshop was conducted by CA Ketan Asher of TURNING POINTS, Mumbai which was an interactive session, covering various facets of Technical Analysis viz, Moving Averages, Fibonacci Ratios, Trend Lines and Price patterns etc. On the day 2, Mr. Asher discussed various W D Gann ideas viz. – Concept of Squaring of Time and Price, Gann Angles & Square of 9 and detailed various trading ideas picked up from Gann studies.

To illustrate the impact of Gann Angles, Mr. Asher displayed a hand drawn chart with Gann Angles drawn on it, which was well received by the participants, as they could clearly understand the impact of various Gann Angles on the Price Charts.



The workshop was attended by 55 participants - mainly dealers and Technical Analysts, representing our member brokers at Kolkata. The participants found the workshop very informative and learnt many practical trading ideas. On the feedback given by many participants it was seen that a common comment was that more such educative programs should be conducted by ANMI. One of the topics suggested was “Derivatives Trading Strategies”.



ANMI – SIRC Event



Association of National Exchanges Members of India (ANMI), AP Chapter, Hyderabad conducted a seminar-cum-workshop on 27-02-2011

on “Investment opportunities in Indian stock market for the year 2011 and beyond” and “understanding stock market dynamics”.

Mr. Ch. Jagadeshwer Rao, Chairman, AP Chapter, ANMI, explained to the participants, the initiatives being taken by ANMI in spreading financial literacy among investing public. He stated that ANMI wishes to create awareness about the investment opportunities available in Indian stock market. He further stated that presently, only 2% of estimated savings of US \$ 400 billion amounting to US \$8 billion is flowing into stock markets as against average annual inflow

of US \$20-25 billion from FIIs. Increase from this 2% to 5% of annual savings could mean very good inflows into stock markets. This indicates the potentials of planned investment in the stock market.

ANMI also conducted a one-day Workshop on February 27, 2011 on Technical analysis. Dr. B. Amaranatha Shastry, Director, Saaketa Consultants Ltd., a regular contributor to Andhra Jyothi, ABN Andhra Jyothi, TV5, HMTV etc., conducted the workshop. Different concepts like moving averages, candle stick theory, Fibanacci series, Gann methods of forecasting market movements were explained in detail with examples and visual presentations.

There were about 80-90 participants for the seminar who appreciated the inputs provided in the program.



Regulatory Circulars

1. SEBI Circular

Arbitration mechanism of stock exchanges: Applicability of the provisions of the Limitation Act, 1963

This is in regard to the limitation period for filing an arbitration reference shall be governed by the provisions of the Limitation Act, 1963. Upon consideration of various representations received by SEBI and pursuant to the discussions held with the representatives of stock exchanges, it has been decided that the limitation period, as modified to three years in terms of Limitation Act, 1963, shall be applicable to cover inter alia the following cases:-

1. Where three years have not yet elapsed and the parties have not filed for arbitration with the stock exchange, or
2. Where the arbitration application was filed but was rejected solely on the ground of delay in filing within the earlier limitation period of six months; and three years have not yet elapsed

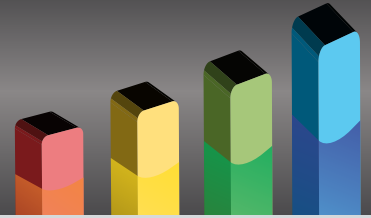
2. NSE Circular

Modifications to client code

Pursuant to the circular dated January 3, 2011 (CIR/DNPD/01/2011), the following monthly penalty structure for client code modifications in the Capital Market Segment (CM), Equity Derivatives Segment (F&O) and Currency Derivatives Segment (CDS) is being made applicable w.e.f. February 2011.

Modified client codes for non-institutional orders as a percentage of total orders (matched) in CM and modified client codes for non-institutional trades as a percentage of total trades (F&O and CDS)	Amount (in Rs)
Less than or equal to 1%	NIL
Greater than 1% but less than or equal to 2%	5000/- per segment
Greater than 2% but less than or equal to 4%	25000/- per segment
Greater than 4% but less than or equal to 5%	50000/- per segment
Greater than 5%	100000/- per segment

Penalties shall be computed on a monthly basis in respect of client code modifications for non-institutional orders/trades only.



ANMI Legal Corner



By Mr. Deepak Kumar Agarwal
Whole Time Director
Suvridhi Capital Markets Ltd.

1. Bad debts allowed to share broker for amount not recovered from the client towards purchase of shares

Dy. CIT v. Shri Shreyas S. Morakhia (ITA No. 3374 / Mum / 2004)

ITAT Mumbai

Facts:

- The taxpayer, a share broker, purchased certain shares on behalf of the client. However, he could not recover the amount due from the client and claimed deduction for such bad debt in the return of income.
- The Assessing Officer rejected the claim of the taxpayer. However, the Commissioner of Income-tax (Appeals) allowed the deduction.
- Aggrieved by the order, Revenue preferred an appeal before the Tribunal.

The Tribunal held that Exception provided under the ITA for allowance of bad debt to money lending / banking business is only clarificatory in nature and adverse inference cannot be drawn against the taxpayer.

Accordingly, bad debt was allowed as a deduction.

For full case details, please refer the case (ITA 3374 / 2004).

2. Brought forward business losses can be set off against the gains arising from any business or profession, though chargeable to tax under any other head of income

Digital Electronics Ltd. v. ACIT135 TTJ 419 (Mum ITAT)

Facts:

During the assessment year 2005-06, the taxpayer had sold

the factory building, plant and machinery, furniture and fixtures on which it had earned capital gains. The taxpayer had set off unabsorbed depreciation and brought forward business losses against the short term capital gains on sale of factory building, plant and machinery, furniture and fixtures. The Assessing Officer disallowed the claim of the set off of brought forward business losses on the ground that the same cannot be set off against any other head of income other than profits and gains of business or profession as per the provisions of the Income Tax Act (“ITA”).

Issue before the Tribunal

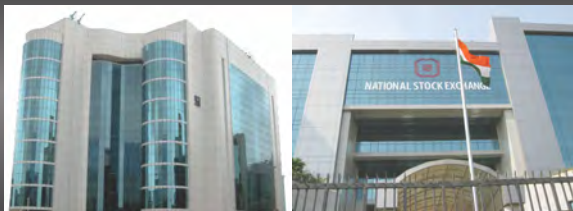
Whether brought forward business losses can be set off against the profits on sale of business assets which are assessed to tax as capital gains?

The Tribunal held that income earned by the taxpayer on sale of factory building, plant and machinery although not taxable as “Profit and gains of business or profession” was in the nature of income of business though assessed as capital gains and hence the taxpayer is entitled to set off of brought forward business losses against the said capital gains which were from a business carried on by the taxpayer.

Conclusion: The above ruling affirms the position that brought forward business losses can be set off against the gains arising from any business or profession, though chargeable to tax under any other head of income.

For full case details, please refer the case TTJ 419 (MUM ITAT).





The ICSA Interim Meeting



Anil Bagri, President – ANMI

I had the privilege of attending the Interim Meeting of “International Council of Securities Associations (ICSA)” dated February 1, 2011 in Washington DC. ICSA generally holds 2-3 meetings in a year. ANMI has been an invitee to its AGMs for a few years. This interim meeting was held with a focus on the progress of the Financial Sector reform in the United States, upcoming regulations in the Western World as well as the impact of new rules / standards imposed. Presentations were made by representatives of the US Government, as well as those hailing from various associations the world over in the following areas. (Refer next page)

While the Regulators talked about the requirement for increased regulations across all markets (reporting requirements, capital adequacy standards, the letting go of the concept of ‘Too Big To Fail’), the industry Trade Bodies suggested that we may be going over to the other extreme of regulatory exhaustion. The trade bodies suggested that while they recognized the need to impose additional regulations, unrealistic deadlines were being imposed, given the large number of employees who needed to be educated in each corporate entity. They also sought greater co-ordination between the various agencies to avoid overlapping of regulatory responsibilities.

The SEC (Securities Exchange Commission) mentioned that they were planning a Code of Conduct for Credit Rating Agencies and the focus over the next 6 months was on IFRS as well as Supervisory Cooperation. They are also working on a report on High Frequency Trading and Dark Pools and were expecting to publish their report by June 2011.

The CFTC (Commodity Future Trading Commission) said that Swaps would now be put out on a Public Notice for 90 days for comments before they are introduced for trading. In case of Swaps not being cleared through the Clearing Houses, where the CFTC felt that there was a requirement to do so, they would enforce the change. Characteristics of

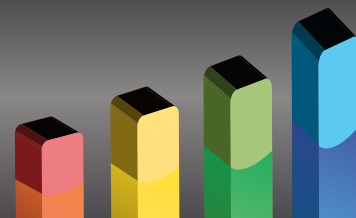
reporting standards for OTC products were also discussed. The deadline for implementation of new rules is July 2011.

SROs like IIROC made a strong case that the fundamental reason for the crisis was a lack of adequate understand of client needs, and mis-selling of products. They suggested that it was important not just to understand the client’s objectives, but also gauge the suitability of products for each client. Even in Canada, there is an ongoing debate on whether Commissions from Mutual Funds should be paid to the Distributor or whether the client should be asked to pay the portfolio manager directly. It was argued that due to additional reporting requirements, the effective cost to the clients may actually go up, which is why there was no clear view on the subject.

Mr. Antonio de Lecea of the EU spoke at length about the structure of the EU, and how till 2008 it had actually created 60m jobs. The Fiscal Support System in the EU was not designed for financial stability but towards helping weaker economies grow. They were now focused on learning to prevent crisis more than punishing wrong-doers after the event took place. New stress tests for banks had been planned and a lot of structural changes were now taking place thanks to the crisis.

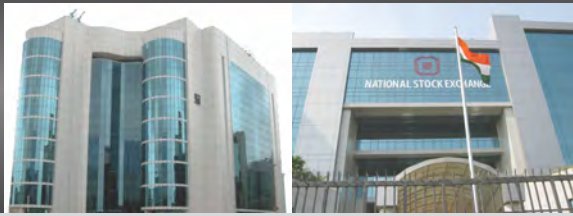
While the Conference held no immediate clues on what may happen in India, it was interesting to see where the Developed Economies were headed, and that there were a few policies that India had actually implemented without any precedence in the Developed World, but which were under active debate everywhere. It was also good to see that there were norms that our regulators had refused to implement because they were not convinced were good for the structural health of the system, and which had caused the maximum damage to the Developed Economies. So while there were learnings from there, they are also turning around to learn things from India.

Conferences like these give us a glimpse into what is in store for us in the future, for despite all the problems prevalent abroad, it is clear that the path ahead for India is to liberalise, globalise, and grow in stature. Instead of waiting for the future to take its own course, it is important that we play an active role in determining our own future. It has always been ANMI’s role to aid its members along this path, and the role is only expanding over time. Members should attend as and when they get a chance to keep themselves abreast of current changes / development in the Global Capital Market.



The following are the topics which were covered by the respective Speakers and Moderators:

Topics	Speakers
Welcome Remarks	Rene Karsenti, Chairman, ICSA
Progress on financial sector reform in the U.S.	Mr. Mark Sobel, Deputy Assistant Secretary for International Finance at the U.S. Department of the Treasury Mr. Daniel M. Sibears, Executive Vice President and Deputy, Financial Industry Regulatory Authority (FINRA) Carter McDowell, M.D and Associate General Counsel, Securities Industry and Financial Markets Association (SIFMA)
Progress on harmonizing Securities Market Regulation	Mr. Ethiopis Tafara, Director, Office of International Affairs, U.S. Securities and Exchange Commission (SEC)
Impact of New Basel rules on Financial Intermediaries	Mr. Marc R. Saidenburg, Senior Vice President, Banking Supervision Group, Federal Reserve Bank of New York and Co-Chairman, Basel Committee Working Group on Liquidity
Progress towards a Global Resolution Regime	Mr. Barbara J. Bouchard, Senior Associate Director, Banking Supervision and Regulation, Federal Reserve Board Mr. Michael H. Krimminger, Deputy to the Chairman for policy, Federal Deposit Insurance Corporation (FDIC) and Co-Chairman, Basel Committee Cross-Border Resolutions Working Group Mr. Mark Austen, M.D, Association for Financial Markets in Europe (AFME) Mr. Pierre de Lauzan, Chief Executive, Association française des marchés financiers (AMAFI)
Impact of new rules for OTC Derivatives	Jacqueline Mesa, Director, Office of International Affairs, Commodity Futures Trading Commission (CFTC)
Impact of New Suitability / Fiduciary Standards	Moderator: Susan Wolburgh Jenah, President and CEO, Investment Industry Regulatory Organization of Canada (IIROC) Gianluigi Gugliotta, Secretary General, Italian Association of Financial Intermediaries (Assosim) Jim Wrona, Associate General Counsel, Financial Industry Regulatory Authority (FINRA) David Love, Director, Policy and International Affairs, Australian Financial Markets Association (AFMA)
The Role of Investor Education in promoting Economic Growth and Macroeconomic stability	Mr. Mark Stechishin, International Affairs Counsel, Investment Industry Regulatory Organization of Canada (IIROC)
After the Global Financial Crisis: Sustaining Macroeconomic Stability in the advanced Emerging Market Economies	Moderator: Rene Karsenti, President, International Capital Markets Association (ICMA) Panelists: Nevzat Oztangut, Chairman, Association of Capital Market Intermediary Institutions of Turkey (TSPAKB) Sung-Uk Yang, Director, Research and International Affairs, Korea Financial Investment Association (KOFIA)
Resolving the EU Sovereign Debt/Banking Crisis	Mr. Antonio de Lecea, Deputy Head of Delegation of the European Union to the U.S.



CRM for Securities Broking Companies



Ms Bama Suresh
Nelito Systems Ltd (TATA Group Co.)

All of us are aware that customers form an integral part of any business and managing them is essential. Hence many of the organisations have started implementation of CRM Software for achieving enhanced customer satisfaction. CRM software enables a company or organization to achieve good return on their marketing, fully capitalize on their sales leads and prospects, and cultivate ongoing relationships with their current and established customers. By integrating all data about sales leads, current customers, associated companies, and employees throughout the various departments, CRM software enables enterprises to seamlessly handle marketing, sales, and customer service. Simply put, it enables salespeople to develop a plan and then work towards achieving the plan.

It can be said that CRM software is not an option, but a necessary tool for modern business that seeks to maximize revenue and growth. Presently, a number of Customer Relationship Management (CRM) tools are available to manage customer data and then use the information to better serve the customers. However, it has also been observed that many of them do not encompass all aspects of CRM. Some manage only sales & leads, while others help in managing customer service only. Each organization has a unique way of handling customers and they would like the application to meet their business processes. This is also applicable to Securities Broking Companies since their way of dealing with customers is unique. Though it is a concept of mass selling yet within the mass there is class selling. Hence, a CRM package must be comprehensive to meet various needs of an organization.

Need for CRM Software

The question that arises here is Why CRM Software is required by these Security Broking Houses and the answer

to this question is as under:

- Sales force has only limited tools
- Considerable time is wasted on locating customer information and "cleaning" it
- Many customers change brokers
- Service and support is lacking consistency or is non-existent
- Customer interactions are infrequent/non-consistent
- Improper/ No Customer Segmentation
- Studies have shown that it takes 8 times more to acquire a customer rather than retaining a customer.

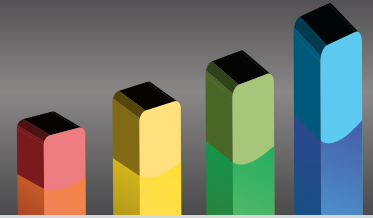
The typical problems that are faced by the Sales force in broking houses can be summed up as under:

- Don't have access to all relevant customer information since this information is not available in a consolidated manner.
- Many a time follow up on customers, meetings, emails and other tasks such as sending details to customers etc are not done as a regular basis.
- Sales oppurtunities are not carefully noted and pursued leading to loss of oppurtunities.
- There is no overview of customer data for future sales and cross selling oppurtunities.
- Non availability of historical information of customers trading patters thereby leading to non identification of potential customers.
- No differentiation on profitable and non-profitable customers
- Sales people maintain self made Excel sheets to record their activities which is confined to their personal computer systems thereby not allowing the supervisors to have an overall view of their activities.

Studies have revealed that even the service people in these organisations face problem due to non availability of a system to tackle issues such as:

- Register service activities in a proper and systematic way.
- Setting Turn Around Times of resolution of service request of customers.

“Building Growth Together”



- Non coordination between service and sales thereby leading to loss of opportunities.
- Service cases are sometimes “forgotten”
- Cannot live up to your service obligation – the service rep doesn’t even know what it is!
- Knowledge is not shared and there is no history of past customer cases thereby hampering process improvement within the organisation.

The concerns of other stakeholders can be tabulated as under:

Officials / Departments	Where is your problem?
CEO	Decreasing revenue Expensive sales organization and lack of control of sales force, marketing force and budgets Lack of responsibility and overview Reducing Customers
Marketing	High marketing- and advertisement costs In-effective marketing, due to lack of overview Cannot live up to your own or the customers wish of a direct customer dialogue Inadequate control of sales force follow-up on campaigns
Finance	Poor Forecasts and budgetting. Growing sales- and marketing costs Decreasing earnings
Sales	Non - attainment of sales goals Incorrect forecasting Increasing costs of sales
Service	Loss of customers Decreasing earnings on service Decreasing customer satisfaction
IT	Inability to meet organizations expectations or demands Lack of technological development Growing costs Problems with maintaining the old Access and Excel driven CRM system

All the above emphasize the need for a comprehensive Customer Relationship Management tool aimed to:

- Build and maintain relationship with customers, know their current and future needs and incorporate trends in the organization strategy
- Manage leads through the sales pipeline by creating a relationship
- Better service to customers, thus increasing competitive advantage
- Retain and increase customers.
- Increase Company growth and profits.

Most Companies find that using a good software tool to implement CRM plan results in better ROI within a very short time of implementation. This is due to greater efficiency, more repeat business, increased referrals, and faster invoicing and revenue generation

CRM Software Modules:

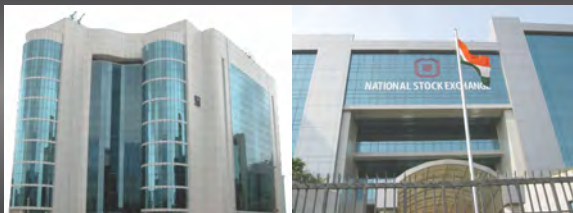
A Typical CRM Software for Security broking houses would contain the following features:

- Marketing and Campaign Management
- Sales Force Automation
- Customer Service
- Customer Data Integration
- Business Intelligence
- Interface to IVR

The market and campaign management module would enable the following:

- Campaign Management via
 - Email/ SMS
 - Tele Marketing Outbound/ Media
- New Client Acquisition
- Cross Sell/ Up Sell Products
- Track Response of Campaign
- Measure and Analyze effectiveness of a Campaign
- Client Segmentation and Business Intelligence using RFM Technique

Sales force automation module aids the following activities:

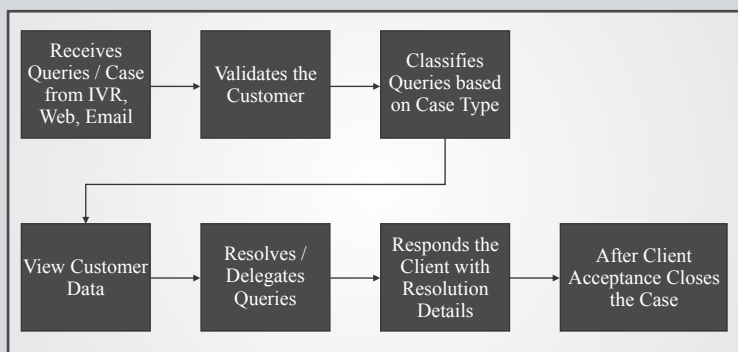


- New Client Acquisition
- Cross Sale Products
- Territory Planning and Managing Sales Team
- Record of Interaction with Client (Phone, Email, Personal Visit)
- Documentation Process
- Forecasting and Analysis of Sales(Business Intelligence)
- Incentives Calculation and Rewards

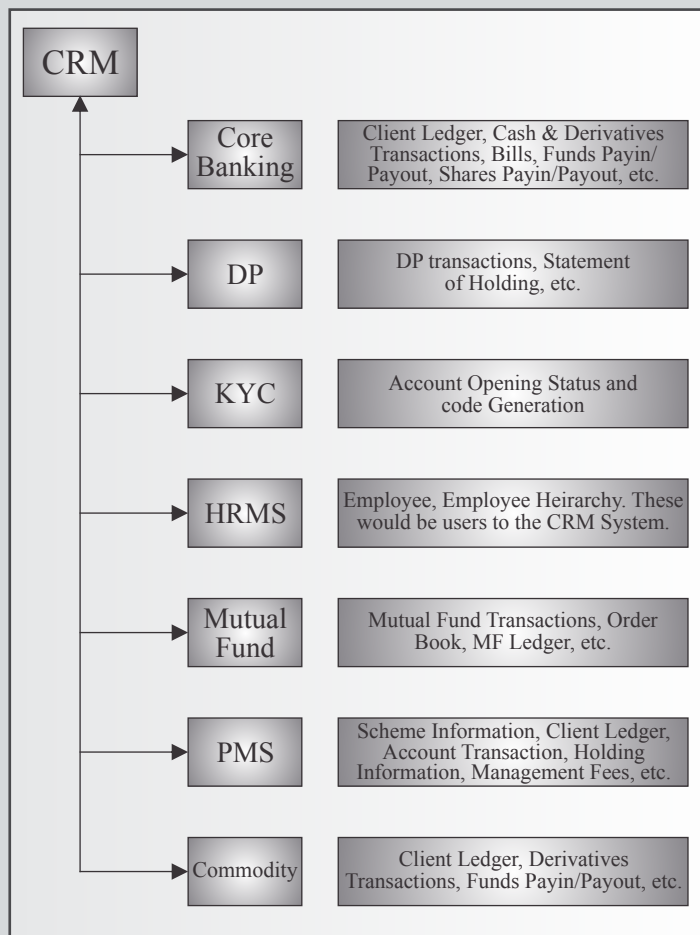
Customer Service Module consists of the following functionalities/features

- Centralized, Decentralized mode of Operation
- Receives call over a IVR – CTI
- Receive queries from Website and Email.
- Query Recording
- Resolution of Query within TAT (Customer Data View)
- Performance Analysis(Business Intelligence)
- Outbound Calls for Collection (Debtors and Margin Shortfall)
- Outbound Calls for Service Updates.

The typical process of customer service can be pictorially depicted as under:



The possible integration to back end systems are as under:



Six Good reasons for early implementation of CRM

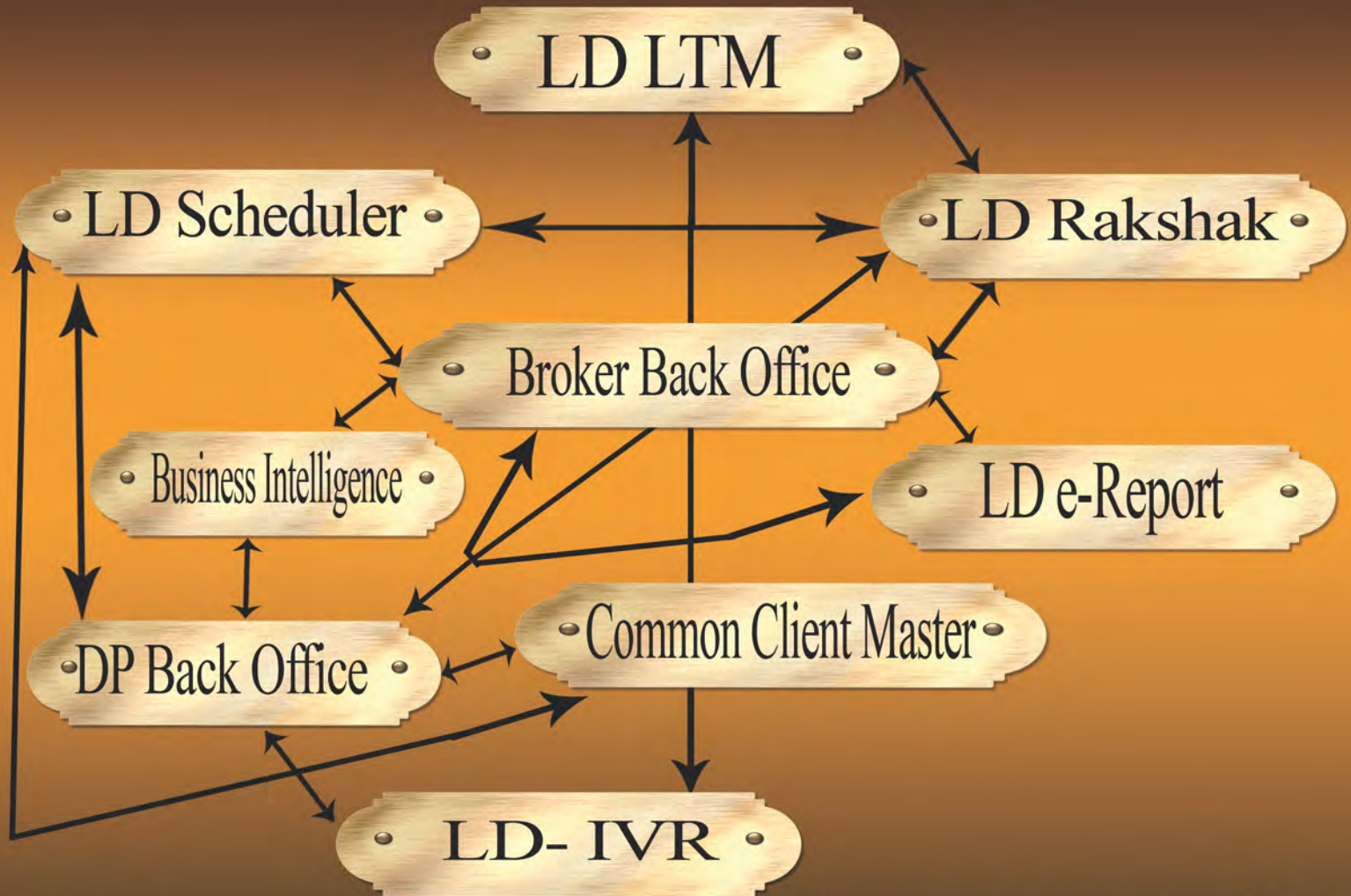
- Customers' expectations and demands are increasing constantly
- Poorly informed employees costs your organization trust, sales opportunities and customers
- 40% of all customer leave due to unsatisfied client service
- It is 5-7 times as expensive to acquire a new customer than keeping an existing one
- 5% less customers leaving can mean a 25% bigger earning
- Possible loss of 50% of customers in 4 years

So friends, implement CRM and achieve Customer Growth, Revenue Growth and Marketing Growth.

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"Fear Less, Hope More,
Risk Less, Revenue More,
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People make companies Great. Software make companies better



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Do you Know that all the Products are Inter - Linked with each other. So that at Market hours you get the Real Time Data of your Client



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