

*Kyc Handout*

# Customer Copy

- Acknowledgment Receipt
- Tariff Sheet
- Policies & Procedures
- Rights & Obligations
- Risk disclosure document
- Guidance Note - Do's & Don'ts
- Demat Account Do's & Don'ts
- Rights & Obligations of BO & DP
- T&C for MFSS / BSE - Star MF
- Declaration for BSDA

Ver: 3.1 | January 2018

## ACKNOWLEDGMENT RECEIPT



**Angel Broking Pvt. Ltd.**

Tel.: 022 - 3355 1111 / 4281 5454. E-mail: support@angelbroking.com

Accepted the application from Mr./Ms. \_\_\_\_\_ on dated \_\_\_\_\_

Margin / Account opening amount collected: \_\_\_\_\_

Cheque No.: \_\_\_\_\_ Cheque Date: \_\_\_\_\_ Amount: \_\_\_\_\_ Bank Name: \_\_\_\_\_

Your Client Id will be intimated to you shortly on acceptance.

Marketing Executive Name: \_\_\_\_\_ Employee Code: \_\_\_\_\_

Sub Broker/AP Name: \_\_\_\_\_ SB/AP TAG: \_\_\_\_\_

For any queries, contact at 022 - 3355 1111 / 4281 5454 or Email us at support@angelbroking.com

## CHARGES FOR DEPOSITORY SERVICES

Charges Type	■ Annual Maintenance Charge (AMC)	■ Life Time AMC	■ Free Life Time AMC
DP AMC Charges	Rs. 450 (+ Rs. 500 CDSL Charges for corporate account ) + GST	Onetime payment of Rs. 2500 + GST	Margin money of Rs. 3,00,000/- and above * free AMC activation subject to credit
Franking charges	Rs. 50/-		
Debit transaction/Pledge creation & Pledge closure/ Debit transaction of client shares from Angel beneficiary and Angel collateral account.	Rs. 20 + GST per ISIN		
Dematerialization	Rs. 20 + GST per certificate and Rs.30/- per DRF for Postage Charges Plus Rs.30/- per rejection		
Rematerialization	Actual CDSL Charges + Rs. 30/- per RRF request for postage charges		
Additional DIS Request	Rs. 25.00 per booklet		
Additional Statement	Rs. 25.00 per request		

## OTHER CHARGES FOR TRADING SERVICES

NO.	SERVICES	CHARGES
1.	Duplicate Contract Note (CN) issued	Rs. 10/- per CN
2.	Duplicate Souda Summary issued	Rs. 25/- for 1 month period
		Rs. 50/- for 2 months period
		Rs. 100/- for 3 months period
3.	Bounced Cheque / Stop payment of cheque	Actual charges levied by the bank
4.	Inter-Settlement charge towards debit transactions of client shares from Angel beneficiary & Angel collateral account	Rs. 20/- per ISIN
5.	KRA Charges	Actual

**Note:**

- Brokerage levied to your trading account shall be the higher of brokerage value as per the existing rates or Rs. 30/- per settlement / segment, subject to the maximum rates prescribed by the regulator(s) from time to time.
- Inter-Settlement charge towards debit transactions of client shares from Angel beneficiary & Angel collateral account, Rs. 20/- per ISIN would be applicable.
- KRA/ CKYC charges on actual basis, on account fetching and / or registration from / with KRA/ CKYC authority.
- Stamp duty, GST, Education cess & other statutory levies (if any) will be charged as applicable from time to time.
- For availing 'Easiest' facility of CDSL, The charges as levied by CDSL would be collected from clients at actuals.
- Delivery brokerage would be levied to all customers who has either opted for delivery or by default delivery allocated. It would be levied as per the rates specified in above table. In the absence of any rate default brokerage @ 0.30% would be levied.
- For Electronic Delivery through NCDEX client needs to open separate account with COMTRACK participant. Separate charges with applicable taxes if any will be debited in client's ledger account.
- In case of intra day transaction in Commodity contract first leg rates as above shall be charged on the buy value or sell value depending upon whichever is higher and second leg rates shall be charged vice versa.
- Commission of Clearing & Forwarding Agent/Commission agents, if appointed on behalf of clients for the purpose of taking of deliveries will be charged at actual.
- Angel Broking Pvt. Ltd. reserves the right to revise the tariff structure from time to time at its sole discretion, under advance intimation to clients either by way of ordinary post or by an email or by SMS or by notification on the back office interface.
- Any amounts which are overdue from the Client in any trading segments shall be liable to interest at the rate of 1.5% per month or part thereof or such other rate as may be determined and communicated by Angel.

**This document contains the policies and procedures of Angel Broking Pvt. Ltd. (Angel):-**

- 1.Orders at Unrealistic Prices / in Illiquid securities / commodities
2. Applicable Brokerage limit
3. Setting up of exposure limits
4. Interest on delayed Payment
5. Angel's right to square-off
6. Market and Internal Shortage
7. Refusal of client requests for trades/ transactions
8. Suspension and deregistering of client's account/Suspension of services
9. Policy regarding treatment of inactive accounts.

### **1. Orders at Unrealistic Prices / in Illiquid securities / commodities**

The client hereby confirms that it will not place or cause to be placed with Angel, orders in securities / commodities at prices substantially different from their prevailing market price. The Client agrees that any order placed by the client at a price substantially different from the prevailing market price is liable to be rejected at the sole discretion of Angel. The client also agrees that Angel may in its sole discretion, and without disclosing any reasons, restrict or prohibit trading in any commodities / securities or reduce the open market interests of the client in such securities/ commodities which are considered illiquid or unsuitable for trade, a list of which is available for view on Angel's back office system through secured login. The client understands that the said list is not exhaustive, though on a best effort basis Angel keeps the list updated, and Angel would be within its rights to restrict or prohibit trades in any securities / commodities not included in the list.

### **2. Applicable Brokerage**

2.1. Angel shall levy brokerage for the Client's transactions as per the brokerage slabs mutually agreed with the Client in writing in the Client Registration Form and subsequent modification (if any) subject to the maximum rate prescribed by the Stock Exchanges / SEBI. The client shall pay such fees, charges and commissions as may be notified by Angel from time to time depending upon the services availed by the client.

2.2. Subject to such maximum prescribed rates, Angel may revise the rates from time to time after advance intimation to

the Client of the revised rates and the date on and from which the revised rates shall take effect. However in case of any upward revision in brokerage, Angel will give 15 days advanced intimation to the client. Angel may intimate the revised rates in writing addressed to the client and by publishing the rate on its back-office website. The client shall intimate its objection(s) if any to the revised brokerage in writing within 15 (fifteen) days of receipt of intimation of the change in brokerage. The Client shall be deemed to have agreed to the change in brokerage rates if he does not intimate any objection thereto within the time prescribed.

2.3 Brokerage shall be paid in the manner intimated by Angel to the Client from time to time together with the GST and statutory levies and duties as may be applicable from time to time on the same.

2.4. Without prejudice to the absolute obligation of the Client to pay/reimburse monies to Angel as set-out above, Angel shall also be entitled to set-off and appropriate any monies that may be placed with or available with Angel for and/or on behalf of the Client towards any dues of the Client to Angel, arising howsoever.

### **3. Setting up of exposure limits**

3.1. Angel shall be entitled to sanction trading limits to the Client based on the upfront margin lying to the credit of the Client in the form of funds / securities / bank guarantees / fixed deposit receipts and such other applicable margin as may be prescribed by regulator or exchanges from time to time to be collected from clients. Other applicable margins means mark to market margin, special margin, additional margin, tender margin, deliver margin or any other margins. Angel at its sole discretion may refuse to accept any security as collateral/margin. Angel shall from time to time publish a list of securities which would be acceptable as collateral/margin. In case of non payment or short payment of any margin, penalty at the rate prescribed by the Regulator / Exchange(s) from time to time shall be levied to the Client on the margin not/short paid by him/her/it. Client accepts and agrees that Angel may, at its option, demand higher margins from the Client than the margins required by the Exchanges. In setting exposure limits for the Client, Angel shall be entitled to consider such factors as it may deem fit, including without limitation, the client's risk profile, risk appetite, loss bearing capacity, payment history, market volatility, risk management policy of Angel and such other factors or conditions which Angel may consider relevant for the purpose. Angel reserves liberty to vary the trading/exposure limits of the Client depending upon its risk assessment from time to time having

regard to the changes in any of the factors or market conditions bearing on the risk profile of the client.

3.2. Neither Angel, nor any affiliate of Angel nor their respective directors, officers, employees, agents shall in any circumstances be liable for any direct or indirect loss, cost, liability, expense or damage (including without limitation all legal fees and expenses) arising from any variation or reduction of exposure or turnover limits by Angel.

#### **4. Interest on delayed payment and consequences**

4.1. Notwithstanding anything contained in these presents and without prejudice to margin trading guidelines issued by SEBI, any amounts which are overdue from the Client in any trading segments shall be liable to interest at the rate of 1.5% per month or part thereof or such other rate as may be determined and communicated by Angel. Angel is authorised to debit the interest on the outstanding amount in the account of the Client at the end of each month/such other interval as may be decided by Angel.

4.2. Without prejudice to Angel's other rights and to the extent permissible under Applicable Laws, Angel shall be entitled to liquidate / close out all or any of the Client's positions for non payment of margin or other amounts, outstanding debts, etc, and adjust the proceeds of such liquidation/close out, if any, against the Client's liabilities / obligations. Any and all losses and financial charges on account of such liquidation/ closing-out shall be charged to and borne by the client.

4.3. Angel shall be entitled to suspend or terminate the member client relationship without prior notice if the Client fails to fulfil his/its payment obligations hereunder, under the Rights and Obligations / Terms and Conditions mentioned in this document or otherwise due to Angel. However, that client discharging payment obligations shall not preclude Angel from terminating the contract or refusing to place trade orders for the client if the client is found to have / be indulged / indulging in any activities which is in violations of the regulations or detrimental to the integrity of the market.

4.4. Angel shall not be obliged to return any money, margin or otherwise to the Client until the Client has satisfactorily discharged all its payment obligations or other obligations as specified in Client Registration Document.

#### **5. Angel's right to square off:**

Without prejudice to Angel's other rights (including the right to refer a matter to arbitration), in the event of the client failing to maintain/supply immediately on demand applicable margin money required to sustain the outstanding market positions of the client, Angel shall be entitled, at its option and liberty, to

liquidate / close out all outstanding market positions or any part thereof such that the outstanding market positions are either zeroed out or reduced to an extent where available margin covers the market positions remaining after such square off. For removal of doubt, it is clarified that Angel may square off the entire outstanding market interests of the client and the client shall not, as a matter of right, be entitled to reduction of the outstanding positions in stages in order that positions to the extent of available margin are retained in the client's account. Any loss arising from such square off of positions shall be to the account of the client. Angel may also sell all or any securities / collateral of the client lying with it and adjust the sale proceeds against the client's unpaid dues arising from any transactions, charges, levies, or fees in the client's account including squaring off of client's open market positions due shortage of margin. Any and all losses and financial charges on account of such sale shall be borne by the client. Such liquidation / sale may be without any prior reference or notice to the client. Client shall keep and hold Angel indemnified and harmless from any loss arising out of such squaring off / sale. Such liquidation or close out of positions shall apply to any segment in which the Client does business with Angel.

#### **6. Market and Internal Shortages:**

The Client hereby agrees that if he/she/it has short-delivered any securities against his/her/its pay-in obligation towards a counter party who is a Client of Angel and delivery of the securities was also not effected through auction in the market (self-auction) for any reason including that self-auction is not permitted on the Exchange, then the contract shall be closed out and the close out price will be higher of:

(a) The highest price for the securities prevailing in NSE or as the case may be BSE on any date commencing from the date of transaction till the day of auction relevant to the trade (auction day) or

(b) The closing price for the securities on the auction day as increased by 3% of the closing price for F & O traded scrip or 7% for other scrip or such other % as may be revised by Angel from time to time. The amount so determined shall be debited to the account of the Client who defaulted to deliver.

#### **7. Refusal of Client requests for trades/transactions:**

7.1. Angel is entitled in its sole discretion to restrict or refuse execution of any orders for transaction in any securities/ commodity if transaction is not in accordance with its internal due diligence policy and/or the directives and guidelines of the Exchanges and/or the Regulator issued from time to time and the client shall not call in question any decision of Angel to restrict or refuse transactions on the ground that transactions

are not in violation of Angel's due diligence policy or the directives or guidelines of the Exchange and/or the Regulator or on the ground that the Client has not been put on notice about the securities / commodities on which trade restrictions have been imposed by Angel. Impose trade restrictions having regard in particular to any one or more of the following factors viz.

(i) Market volatility, or (ii) Price sensitive announcements relating to any security /commodity or (iii) Restrictions on trade volume imposed by the Exchange concerned or (iv) Political instability in the country or (v) External aggression or internal rebellion or (vi) Default by the Client to maintain applicable collateral/margin or to make payment of dues or such other factors influencing the market.

7.2. Refuse to accept or act upon any request/order which in Angel's sole opinion, amounts to manipulating trades or price manipulation or artificial trade(s) and/or fraudulent trade(s) or otherwise in breach of applicable laws and/or Angel's internal policies, without obligation to give the Client its reasons for doing so;

7.3. Close out any transaction which may have been executed but which Angel was entitled to refuse to execute being contrary to its internal due diligence policies or by reason of any other factors including but not limited to trades being manipulative in nature;

7.4. Disallow any trades or transactions in respect of certain securities/ commodities or segments which may be below/above certain value/quantity as may be decided by Angel from time to time;

7.5. Angel may at its sole discretion decline to carry out the instructions for any reason whatsoever.

## **8. Suspension and deregistering of Client's Account/ Suspension of services:**

8.1. If the Client apprehends that security of his account has been breached, the Client shall by writing to Angel or by immediately informing to the customer care dept of the Angel, request suspension of transactions in the Client's account and Angel may on receipt of such request suspend transactions in the account. The Client shall ensure pay in of funds and securities in respect of all transactions pending to be settled on or before the respective settlement date(s) and shall compulsorily square off all open derivative positions, failing which Angel without further reference to the Client shall square off all open derivative positions prior to suspending the account. Angel reserves the right to report to investigating agencies, the concerned exchange or the regulator, any breach of security or integrity of the account of the client or its misuse in a manner which may be a violation of the applicable rules and regulations and policy of the Angel, whether on information received from the client or from any reliable

source or on such breach coming to its notice on its own investigation. The account of the Client shall, if suspended, remain so suspended until such time as the Client's request in writing for reactivation of the account is not received by Angel. Provided always that Angel may, without prejudice to its other rights to effect recovery of its dues, sell all or any collateral and other securities of the Client lying with it in the Client's account towards full or part recovery of the dues owing by the Client without prior notice or consent of the Client.

8.2. Angel may at any time, as it considers necessary in its sole discretion & without prior notice to the Client, prohibit, restrict or suspend the Client's access to or use of Services provided to the Client under this document, whether in part or entirely.

8.3. Angel reserves the right to suspend and deregister the client without prior notice in the event of:

- a. Any breach of the terms of this document.
- b. In the event of infraction of any Rules, Bye-Laws, Regulations of SEBI or the Stock Exchange or of the provisions of any law for the time being in force governing dealings in the securities market without prior notice or on the directions of SEBI and/or the Exchanges.
- c. Upon the death, winding up, bankruptcy, liquidation or lack of legal capacity of the client.
- d. The Client being designated as a defaulter by any credit rating agency or any action or proceedings have been initiated by the relevant regulator/Authority including without limitation SEBI.
- e. Bank account, demat account, securities account of the client being frozen or attached by any court of law or any other competent authority for whatever reason.
- f. The Client having misrepresented facts at the time of registration or at the time of giving instructions or otherwise.
- g. Any proceedings or investigations that involve the Client or his / its properties having been initiated (or is/are ongoing).
- h. The Client fails to fulfil his/its payment obligations under this document or otherwise due to Angel or
- l. If the Client migrates to a jurisdiction which prohibits trading in Indian Securities or otherwise subjects Angel or any of its employees to any licensing or registration requirements.

## **9. Policy regarding treatment of inactive accounts:**

In case of trading account the term dormant/Inactive account refers to such account wherein no transactions have been carried out since last 12 (twelve) calendar months.

The Dormant accounts identified based on the above criteria shall be flagged as such in Angel's record. Angel reserves the right to freeze/deactivate such accounts and shall not permit to carry out any fresh transactions in such account. The client account would be reactivated only after undertaking

proper due diligence process and fulfilment of such conditions as may be deemed fit, in the cases where the account has been frozen/deactivated.

The client's request through letter/registered email ID / recorded telephone lines may be impressed upon to reactivate the account or carry out any fresh transactions in a dormant / inactive accounts.

The above stated policy may vary depending on various rules, regulations and bye laws as may be prescribed by SEBI, exchanges or any other authority or as per internal policy of Angel from time to time. This Policy for dormant accounts is over and above the transaction monitoring in Dormant account as per Anti-Money laundering Policy of the Company.

In case of clients who have credit balance and who are flagged as Dormant, the funds/ securities of such clients are

duly flushed out during monthly/quarterly payout of funds and securities.

10. The prevailing policies and Procedures of Angel in respect of the above said matters shall remain published on its website as may be notified to the Client from time to time and the Client agrees that it is Client's responsibility to access, understand and abide by such policies at all times during the subsistence of the relationship with the client.

**I agree and understand that Angel may from time to time at its sole discretion amend or modify the policies and procedures under intimation to me / us.**

I/we have read and understood the above mentioned policies and procedures.

## **RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS/ AUTHORISED PERSON AND CLIENTS** as prescribed by SEBI and Stock Exchanges

1. The client shall invest / trade in those securities / contracts / other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.

2. The stock broker, sub-broker/authorised person and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.

3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.

4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.

5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.

6. The sub-broker/authorised person shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).

### **CLIENT INFORMATION**

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges /

SEBI from time to time.

8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.

9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.

10. The stock broker & sub-broker/authorised person shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

### **MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI)



and the client shall be obliged to pay such margins within the stipulated time.

12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

## **TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.

15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.

16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).

17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws & Regulations of the Exchanges and the circulars/notices issued thereunder.

## **BROKERAGE**

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and/or rules & regulations of SEBI.

## **LIQUIDATION AND CLOSE OUT OF POSITION**

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s) / Promoter(s) / Partner(s) / Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

## **DISPUTE RESOLUTION**

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.

23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.

26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

## **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client

shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if certificate is cancelled by the Board.

28. The stock broker, sub-broker/authorised person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

29. In the event of demise/insolvency of the sub-broker / authorised person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker / authorised person by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker/authorised person and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

### **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.

31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.

32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.

33. The stock broker shall make pay out of funds or delivery of

securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from receipt thereof to the Stock broker.

35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.

36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

### **ELECTRONIC CONTRACT NOTES (ECN)**

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with digital signature, encrypted and non-tamperable.

39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.

40. The stock broker shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules / regulations / circulars / guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under



the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.

41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.

42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

## **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker/authorised person and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.

44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.

45. The stock broker & the client shall abide by any award passed by the Arbitrator(s) under Arbitration & Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with arbitration award.

46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars / notices issued thereunder of the Exchanges/SEBI.

47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules / regulations / notices / circulars of Exchanges / SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.

48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

## **INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT**

**(All the clauses mentioned in the 'Rights & Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.

2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.

3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.

4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.

5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whatsoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading / securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers

of the stock broker

6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies / unauthorized access through his username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.

7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.

8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web

portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.

9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions & dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.

10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

### ANNEXURE 3 - RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORISED PERSON AND CLIENTS AS PRESCRIBED BY SEBI AND COMMODITY EXCHANGES

1. The client shall invest/trade in those commodities / contracts / other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Business Rules / Regulations of Exchanges / SEBI and circulars / notices issued there under from time to time.

2. The Member, Authorized Person & the client shall be bound by all the Rules, Byelaws & Business Rules of the Exchange & circulars/notices issued there under & Rules & Regulations of SEBI & relevant notifications of Government authorities as may be in force from time to time.

3. The client shall satisfy himself of the capacity of the Member to deal in commodities and/or deal in derivatives contracts and wishes to execute its orders through the Member and the client shall from time to time continue to satisfy itself of such capability of the Member before executing orders through the Member.

4. The Member shall continuously satisfy itself about the genuineness & financial soundness of the client & investment objectives relevant to the services to be provided.

5. The Member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Member acts.

#### 6. Requirements of professional diligence

a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it.

b. "Professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with :

i. Honest market practice;

ii. The principle of good faith;

iii. The level of knowledge, experience & expertise of the Client;

iv. The nature and degree of risk embodied in the financial product\* or financial service being availed by the Client;

and

v. The extent of dependence of the Client on the Member.

\*Commodity derivative contract

7. The Authorized Person shall provide necessary assistance and co-operate with the Member in all its dealings with the client(s).

#### CLIENT INFORMATION

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by commodity exchanges/SEBI from time to time.

9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-mandatory; therefore, subject to specific acceptance by the client.

10. The client shall immediately notify the Member in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the Member on a periodic basis.

#### 11. A. Protection from unfair terms in financial contracts\*\*

a. An unfair term of a non-negotiated contract will be void.

- b. A term is unfair if it :
  - i. Causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and
  - ii. Is not reasonably necessary to protect the legitimate interests of the Member.
- c. The factors to be taken into account while determining whether a term is unfair, include :
  - i. The nature of the financial product or financial service dealt with under the financial contract;
  - ii. The extent of transparency of the term;
- d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

#### **11. C.**

- a. The above does not apply to a term of a financial contract if it :
  - i. Defines the subject matter of the financial contract;
  - ii. Sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or
  - iii. Is required, or expressly permitted, under any law or regulations.
- b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non-occurrence of any particular event.

**12.** The Member and Authorized Person shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the Member may so disclose information about his client to any person or authority with the express permission of the client.

#### **13. A. Protection of personal information and confidentiality**

- 11. B.**
- a. “Non-negotiated contract” means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes :
  - i. A financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and
  - ii. A standard form contract.
- b. “Standard form contract” means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.
- c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a nonnegotiated contract if so indicated by :
  - i. An overall and substantial assessment of the financial contract; and
  - ii. The substantial circumstances surrounding the financial are not negotiated between the parties to the financial contract and includes :

- a. “Personal information” means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes :
  - i. Name and contact information;
  - ii. Biometric information, in case of individuals
  - iii. Information relating to transactions in, or holdings of, financial products
  - iv. Information relating to the use of financial services; or
  - v. Such other information as may be specified.

#### **13. B.**

- a. A Member must :
  - i. Not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;
  - ii. Maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B.b.;
  - iii. Make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to

date and complete;

iv. Ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and

v. Allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.

b. A Member may disclose personal information relating to a Client to a third party only if :

i. It has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;

ii. The Client has directed the disclosure to be made;

iii. The Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

iv. The disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;

v. The disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member :

1. Informs the Client in advance that the personal information may be shared with a third party; and

2. Makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or

vi. The disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to

maintain the confidentiality of the personal information in the manner required under this Part

c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

#### **14. A Requirement of fair disclosure both initially and on continuing basis**

a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.

b. In order to constitute fair disclosure, the information must be provided :

i. Sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;

ii. In writing and in a manner that is likely to be understood by a Client belonging to a particular category; and

iii. In a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.

c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding :

i. Main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;

ii. Consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;

iii. Existence, exclusion or effect of any term in the financial product or financial contract;

iv. Nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;

v. Contact details of the Member & the methods of communication to be used between the Member & the Client;

vi. Rights of the Client to rescind a financial contract within a specified period; or

vii. Rights of the Client under any law or regulations.

#### **14. B.**

a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures :

i. Any material change to the information that was required to be disclosed under point 14.A at the time when the client initially availed the financial product or financial service;

ii. Information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and

iii. Any other information that may be specified.

b. A continuing disclosure must be made :

i. Within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and

ii. In writing and in a manner that is likely to be understood by a Client belonging to that category.

#### **MARGINS**

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI) and the client shall be obliged to pay such margins within the stipulated time.

16. The client understands that payment of margins by the

client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

## **TRANSACTIONS AND SETTLEMENTS**

17. The client shall give any order for buy or sell of commodities derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

18. The Member shall inform the client and keep him apprised about trading / settlement cycles, delivery / payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules / procedures of the relevant commodity exchange where the trade is executed.

19. The Member shall ensure that the money deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.

20. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, Member shall be entitled to cancel the respective contract(s) with client(s).

21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules and circulars / notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be

specified by the Byelaws and Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars / notices issued thereunder.

## **BROKERAGE**

22. The Client shall pay to the Member brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that Member renders to the Client. The Member shall not charge brokerage more than the maximum brokerage permissible as per the Rules, Business Rules and Bye-laws of the relevant commodity exchanges and/or Rules of SEBI.

## **LIQUIDATION AND CLOSE OUT OF POSITION**

23. Without prejudice to the Member's other rights (including

the right to refer a matter to arbitration), the client understands that the Member shall be entitled to liquidate/close out all or any of the client's positions for nonpayment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation / close out, if any, against the client's liabilities / obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to & borne by the client.

24. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the client has ordered to be bought or sold, Member may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/commodities in favor of a Nominee shall be valid discharge by the Member against the legal heir.

## **DISPUTE RESOLUTION**

25. The Member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.

26. The client and the Member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws & Business Rules of the Exchanges where the trade is executed and circulars / notices issued thereunder as may be in force from time to time.

27. The client/Member understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/Member shall be binding on the client/Member in accordance with the letter authorizing the said representative to deal on behalf of the said client/Member.

## **28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients**

a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.

b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of:

- i. The Client's right to seek redress for any complaints; and
- ii. The processes followed by the Member to receive and redress complaints from its Clients.

**29. A. Suitability of advice for the Client:** Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Client's financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and

service that necessarily require such advice to be given.

a. A Member must :

- i. Make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and
- ii. Ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.

b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.

c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for client, the Member :

- i. Must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and
- ii. May provide the financial product or financial service requested by the Client only after complying with point 29. A.a & obtaining a written acknowledgment from the Client.

**30. Dealing with conflict of interest:** In case of any conflict between the interests of a Client and that of the Member, preference must be given to the Client interests.

a. A Member must :

- i. Provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and
- ii. Give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between :
  1. Its own interests and the interests of the Client; or
  2. The interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.

b. The information under point 16a.i. must be given to the Client in writing & in a manner that is likely to be understood by the Client and a written acknowledgment of the receipt of the information should be obtained from the Client.

c. In this section, "conflicted remuneration" means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients, that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

## TERMINATION OF RELATIONSHIP

31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the Member's default, death,

resignation or expulsion or if the certificate is cancelled by the Exchange.

32. The Member, Authorized Person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in / be binding on the respective parties or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

33. In the event of demise/insolvency of the Authorized Person or the cancellation of his / its registration with the Board or/withdrawal of recognition of the Authorized Person by the commodity exchange and/or termination of the agreement with the Authorized Person by the Member, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the Member and all clauses in the 'Rights and Obligations' document(s) governing the Member, Authorized Person and client shall continue to be in force as it is, unless the client intimates to the Member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

## ADDITIONAL RIGHTS AND OBLIGATIONS

34. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI & the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his clients for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.

36. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities in respect of each of its clients in such periodicity and format within such



time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement immediately but not later than 30 calendar days of receipt thereof, to the Member. A detailed statement of accounts must be sent every month to all the clients in physical form. The proof of delivery of the same should be preserved by the Member.

38. The Member shall send margin statements to the clients on monthly basis. Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance / due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee, warehouse receipts, securities etc.

39. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

40. In case, where a member surrenders his / her / its membership, Member gives a public notice inviting claims, if any, from investors. In case of a claim relating to transactions executed on the trading system of the Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.

41. A. Protection from unfair conduct which includes misleading conduct & abusive conduct a. Unfair conduct in relation to financial products or financial services is prohibited.

b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes :

- i. Misleading conduct under point 41.B
- ii. Abusive conduct under point 41.C
- iii. Such other conduct as may be specified.

#### **41. B.**

a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves :

- i. Providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
- ii. Providing accurate information to the Client in a manner that is deceptive.

b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors" :

- i. The main characteristics of a financial product or financial service, including its features, benefits & risks to the Client;
- ii. The Client's need for a particular financial product or financial service or its suitability for the Client;
- iii. The consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
- iv. The existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
- v. The nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and
- vi. The rights of the Client under any law or regulations.

#### **41.C.**

a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it :

- i. Involves the use of coercion or undue influence; and
- ii. Causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.

b. In determining whether a conduct uses coercion or undue influence, the following must be considered :

- i. The timing, location, nature or persistence of the conduct;
- ii. The use of threatening or abusive language or behavior;
- iii. The exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
- iv. Any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including
- v. The right to terminate the financial contract;
- vi. The right to switch to another financial product or another Member and
- vii. A threat to take any action, depending on the circumstances in which the threat is made.

#### **ELECTRONIC CONTRACT NOTES (ECN)**

42. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id (created by the client) to the Member (Kindly refer Appendix A of Annexure 1). Member shall ensure that all the rules / Business Rule / Bye-Laws / circulars issued from time to time in this regard are complied with. The client shall communicate to the Member any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

43. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
44. The client shall note that non-receipt of bounced mail notification by the Member shall amount to delivery of the contract note at the e-mail ID of the client.
45. The Member shall retain ECN and acknowledgment of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/circulars/guidelines issued by SEBI / Commodity exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the Member for the specified period under the extant rules / circulars / guidelines issued by SEBI / Commodity exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The Member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges.
46. The Member shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI / commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.
47. In addition to the e-mail communication of the ECNs to the client, the Member shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.
48. The Electronic Contract Note (ECN) declaration form will be obtained from the client who opts to receive the contract note in electronic form. This declaration will remain valid till it is revoked by the client.
50. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by SEBI and Circulars, Rules, Business Rules and Bye laws of the relevant commodity exchanges, where the trade is executed, that may be in force from time to time.
51. The Member and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal, if either party is not satisfied with the arbitration award.
52. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations/Business Rules and circulars / notices issued thereunder of the Exchanges / SEBI.
53. All additional voluntary/non mandatory clauses/document added by the Member should not be in contravention with Rules / Business Rules / Notices / Circulars of Exchanges / SEBI. Any changes in such voluntary clauses / document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges / SEBI shall also be brought to the notice of the clients.
54. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.
55. Members are required to send account statement to their clients every month in physical form.

**INTERNET AND WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY MEMBERS TO CLIENT (All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

1. Member is eligible for providing Internet based trading (IBT) and commodities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The Member shall comply with all requirements applicable to internet based trading/-commodities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
  2. The client is desirous of investing / trading in commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities trading through use of wireless technology. The Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI / Exchanges Provisions and the terms and conditions specified on the Member's
- LAW AND JURISDICTION**
49. In addition to the specific rights set out in this document, the Member, Authorised Person and the client shall be entitled to exercise any other rights which the Member or the client may have under the Rules, Bye-laws and Business Rules of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.

IBT Web Site provided that they are in line with the norms prescribed by Exchanges / SEBI.

3. The Member shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with commodities trading through wireless technology / internet or any other technology should be brought to the notice of the client by the Member.
4. The Member shall make the client aware that the Member's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Member's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/commodities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the Member.
6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member's IBT System, discovers/suspects discrepancies/unauthorized access through his username / password / account with full details of such unauthorized use, the date,

the manner and the transactions effected pursuant to such unauthorized use, etc.

7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet / commodities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username / password in any manner whatsoever.
8. The Member shall send the order / trade confirmation through email to the client at his request. The client is aware that the order / trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the Member shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Member and the Exchange do not make any representation or warranty that the Member's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Member on account of any suspension, interruption, non-availability or malfunctioning of the Member's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link / system failure at the Client / Members / Exchange end for any reason beyond the control of the Member / Exchanges.

#### RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS (EQUITIES & COMMODITIES)

This document contains important information on trading in Equities/Commodities /Derivatives Segments of the exchanges. All prospective constituents should read this document before trading in Equities/Commodities / Derivatives Segments of the Exchanges.

Exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Exchanges / SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading. You should, therefore, study derivatives trading carefully before becoming involved in it.

In the light of the risks involved, you should undertake transactions only if you understand the nature of the relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that trading in Equity shares, Commodities derivatives contracts or other instruments traded on the Exchange, which have varying element of risk, is generally not an appropriate avenue for someone of limited

resources / limited investment and/or trading experience and low risk tolerance. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In case you trade on Exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Exchanges/its Clearing Corporation and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned stock broker. The constituent shall be solely responsible for the consequences & no contract can be rescinded on that account. You must acknowledge & accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a derivative contract being traded on Exchanges.

It must be clearly understood by you that your dealings on Exchanges through a stock broker shall be subject to your fulfilling certain formalities set out by the stock broker, which may inter alia include your filling the know your client form, reading the rights and obligations, do's and don'ts, etc., and are subject to the Rules, Byelaws and Regulations of relevant

exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by exchanges or its Clearing Corporation and in force from time to time.

Exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of exchanges and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment advice. No consideration to trade should be made without thoroughly understanding & reviewing risks involved in such trading. If you are unsure, you must seek professional advice on the same.

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following:

Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Exchange.

## 1. BASIC RISKS:

**1.1 Risk of Higher Volatility:** Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in actively securities /commodities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

### 1.2 Risk of Lower Liquidity:

a. Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

b. Buying / Selling without intention of giving and / or taking delivery of certain commodities may also result into losses, because in such a situation, commodity derivative

contracts may have to be squared-off at a low / high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such commodities.

**1.2.1** Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

**1.3 Risk of Wider Spreads:** Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

**1.4 Risk-reducing orders:** The placing of orders (e.g., “stop loss” orders, or “limit” orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders. 1.4.1 A “market” order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a “market” order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.

**1.4.2** A “limit” order will be executed only at the “limit” price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.

**1.4.3** A stop loss order is generally placed “away” from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the predetermined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

**1.5 Risk of News Announcements:** News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an

unexpected positive or negative movement in the price of the security / contract.

**1.6 Risk of Rumors:** Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.

**1.7 System Risk:** High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

**1.7.1** During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations.

**1.7.2** Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.

**1.8 System/ Network Congestion:** Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

2. As far as Derivatives segments are concerned, please note and get yourself acquainted with the following additional features:

**2.1 Effect of "Leverage" or "Gearing":** In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin / principal investment amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move

against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

**A.** Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

**B.** If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.

**C.** Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

**D.** In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

**E.** You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

## **2.2 Currency specific risks:**

**1.** The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

**2.** Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for eg. when a currency is deregulated or fixed trading bands are widened.

**3.** Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur



losses from such events.

### **2.3 Risk of Option holders:**

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.
2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

### **2.4 Risks of Option Writers:**

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks

and potential rewards of combination transactions under various market circumstances.

### **3. TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY:** Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology / smart order routing or any other technology should be brought to the notice of the client by the stock broker.

### **4. GENERAL:**

- 4.1. Deposited cash and property: You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.
- 4.2. Commission and other charges: Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.
- 4.3. For rights and obligations of the Members/Authorised Persons/ clients, please refer to Annexure 1.
- 4.4 The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.
- 4.5 The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.



## BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges [www.nseindia.com](http://www.nseindia.com) / [www.bseindia.com](http://www.bseindia.com) / [www.mcx-sx.com](http://www.mcx-sx.com) and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

## TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker/authorised person. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of

securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:

- a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
  15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.
- ## IN CASE OF TERMINATION OF TRADING MEMBERSHIP
16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges gives a public notice inviting claims relating to only the "transactions executed on the trading system" of Stock exchange, from the investors. Ensure that you lodge a claim

with the relevant Stock exchanges within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker's insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors' Protection Fund in force from time to time.

### **DISPUTES/ COMPLAINTS**

18. Please note that the details of the arbitration

proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.

19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker/authorised person then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

20. Note that all the stock broker/sub-brokers/authorised person have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

### **DEMAT ACCOUNT DO's & DON'Ts**

1. Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.

2. Intimate any change of address or change in bank account details to your DP immediately.

3. While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre-stamped on all the pages along with the serial numbers.

4. Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.

5. Strike out the empty space, if any, in the DIS, before submitting to DP.

6. For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.

7. The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.

8. To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.

9. Register for CDSL's SMART (SMS Alerts Related to Transactions) facility. If any unauthorized debit is noticed, the BO should immediately inform CDSL & the Main DP, in writing an email may be sent to CDSL at [complaints@cdslindia.com](mailto:complaints@cdslindia.com).

10. Register for CDSL's Internet based facility "easi" to monitor your demat account yourself. Contact your DP or visit CDSL's website: [www.cdslindia.com](http://www.cdslindia.com) for details.

11. In order to receive all the credits coming to your demat account automatically, you can give a one-time, standing instruction to your DP.

12. Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.

13. Signatures can be in English or Hindi or any of the other languages contained in the 8th Schedule of the Constitution of India. Thumb impressions & signatures other than the above mentioned languages must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate / Special Executive Officer under his/her official seal.

14. Signatures should be preferably in black ink.

15. Details of the Names, Address, Telephone Number(s), etc., of the Magistrate / Notary Public / Special Executive Magistrate / Special Executive Officer are to be provided in case of attestation done by them.

16. In case of additional signatures (for accounts other than individuals), separate annexures should be attached to the account opening form.

17. In case of applications containing a Power of Attorney, the relevant Power of Attorney or the self-certified copy thereof, Name of the POA, Signature of the POA, must be lodged along with the application.

18. All correspondence / queries shall be addressed to the Sole / First Applicant only.

19. Strike off whichever is not applicable.

**Do's**

1. Trade only through Registered Members of the Exchange. Check from the Exchange website at the following link <http://www.mcxindia.com/SitePages/MembersDetails.aspx> and <http://www.ncdex.com/Membership/MemDirectory.aspx> to see whether the Member is registered with the Exchange.
2. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and / or other documents executed by you with the Member, from the Member.
6. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website <http://www.mcxindia.com/SitePages/TradeVerification.aspx> and <http://www.ncdex.com/MarketData/VerifyTrade.aspx>. The trades can be verified online where trade information is available up to 5 working days from the trade date.
7. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
9. Obtain receipt for collaterals deposited with the Member towards margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
11. Ask all relevant questions and clear your doubts with your Member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
15. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
16. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
17. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
18. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
19. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand & comply with accounting standards for derivatives.
21. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
22. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions / guidelines specified by SEBI / Commodity exchanges.
23. Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank / demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank / demat account.
24. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke same at any time.
  - b) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay.
  - c) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Commodity exchange.
  - d) Please register your mobile number and email id with the Member, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the

trading day, from the commodity exchanges.

25. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives market or the member becomes insolvent or bankrupt.
26. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
27. In case your problem / grievance / issue is not being sorted out by concerned Member / Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

#### **Don'ts**

1. Do not deal with any unregistered intermediaries.
2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
3. Do not enter into assured returns arrangement with any Member.
4. Do not get carried away by luring advertisements, rumours, hot tips, explicit / implicit promise of returns, etc.

5. Do not make payments in cash / take any cash towards margins and settlement to / from the Member.
6. Do not start trading before reading and understanding the Risk Disclosure Agreement.
7. Do not neglect to set out in writing, orders for higher value given over phone.
8. Do not accept unsigned / duplicate contract note / confirmation memo.
9. Do not accept contract note / confirmation memo signed by any unauthorized person.
10. Don't share your internet trading account's password with anyone.
11. Do not delay payment/deliveries of commodities to Member.
12. Do not forget to take note of risks involved in the investments.
13. Do not sign blank Delivery Instruction Slips (DIS) while furnishing commodities, deposits and/or keep them with Depository Participants (DP) or member to save time.
14. Do not pay brokerage in excess of that rates prescribed by the Exchange.
15. Don't issue cheques in the name of Authorized Person.

## **RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT AS PRESCRIBED BY SEBI AND DEPOSITORIES**

#### **General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

#### **Beneficial Owner Information**

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in

writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

#### **Fees / Charges / Tariff**

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "*no charges are payable for opening of demat accounts*".
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars / directions / notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

#### **Dematerialization**

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories,

dematerialized in the form and manner laid down under the ByeLaws, Business Rules and Operating Instructions of the depositories.

### **Separate Accounts**

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.

10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and / or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

### **Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.

12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

### **Statement of account**

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/ depository in this regard.

14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such Bos and shall resume sending the transaction statement as and when there is a transaction in the account.

15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.

16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

### **Manner of Closure of Demat account**

17. The DP shall have the right to close the demat account of

the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

### **Default in payment of charges**

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.

20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

### **Liability of the Depository**

21. As per Section 16 of Depositories Act, 1996,

1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.

2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

### **Freezing/ Defreezing of accounts**

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.

23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or

any statutory authority.

### **Redressal of Investor grievance**

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

### **Authorized representative**

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

### **Law and Jurisdiction**

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.

27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations

and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.

28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.

29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and / or SEBI.

30. Any changes in the rights and obligations which are specified by SEBI / Depositories shall also be brought to the notice of the clients at once.

31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

## **DETAILS OF TERMS & CONDITIONS FOR THE INVESTOR / CLIENT FOR USING MUTUAL FUND TRANSACTION FACILITY**

### **1. Pre-requisites for becoming Client/Investor for Mutual Fund Transaction Facilities:**

1.1. The client who is desirous of investing in units of mutual fund schemes through the Mutual Fund Transaction Facilities available at the Exchanges platform.

1.2. The Client intends to execute his instruction for the subscription/redemption of units of Mutual Fund Schemes through the broker who is a Mutual fund Intermediary (MFI) / Participant (hereinafter referred as Angel) of the Mutual Fund Transaction Facilities.

1.3. The client has satisfied itself of the capacity of Angel to deal in Mutual Fund units and wishes to execute its instruction through Angel and the client shall from time to time continue to satisfy itself of such capability of Angel before executing transacting through Angel.

1.4. The Client has approached to Angel with the application for availing the Mutual Fund Transaction Facilities.

1.5. The client has submitted relevant KYC (Know Your Client) details to the Angel.

### **2. Terms and Conditions**

2.1. The client shall be bound by circulars issued by the Exchanges, Rules, Regulations and Notices/circulars

issued there under by SEBI and relevant notifications of Government authorities as may be in force from time to time.

2.2. The client shall notify Angel in writing if there is any change in the information in the 'client registration form' provided by the client to Angel at the time of registering as a client for participating in the Mutual Fund Transaction Facilities or at any time thereafter.

2.3. The client shall submit to Angel a completed application form in the manner prescribed format for the purpose of placing a subscription order with Angel.

2.4. The client has read and understood the risks involved in investing in Mutual Fund Schemes.

2.5. The client shall be wholly responsible for all his investment decisions and instruction.

2.6. The client shall ensure continuous compliance with the requirements of the Exchanges, SEBI and AMFI.

2.7. The Client shall pay to Angel fees and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that Angel renders to the Client.

2.8. The client will furnish information to Angel in writing, if any winding up petition or insolvency petition has been filed



or any winding up or insolvency order or decree or award is passed against him or if any litigation which may have material bearing on his capacity has been filed against him.

2.9. In the event of non-performance of the traded obligation by Angel, the client is not entitled to claim any compensation either from the Investor Protection Fund or from any fund of Exchanges or its Clearing Corporation.

2.10. In case of any dispute between the Angel and the investors arising out of Mutual Fund Transaction Facilities Exchanges and/or Clearing Corporation agrees to extend the necessary support for the speedy redressal of the disputes.

### 3. Additional Terms and conditions:

3.1. Mutual fund Transaction Facilities provided by Angel shall be available for the units of the eligible schemes which are in dematerialized form. The said facility shall not be provided for the units of the schemes which are not available in dematerialized form.

3.2. Fees: Angel reserves the right to charge such fees from time to time as it deems fit for providing the services to the Client and the Client agrees and undertakes to pay fees / brokerage and statutory levies /charges as may be levied by Angel from time to time.

3.3. The Client agrees and understands that Angel is only a facilitator for the client for applying in the Mutual Fund units. Allotment of units shall be at the sole discretion of the respective Asset Management Company ("AMC") and the Angel shall not be held liable or responsible for any act/ deed / non-action of the AMC.

3.4. The Client agrees and undertakes to provide funds to Angel equivalent to the subscription amount and applicable brokerage/ fees / charges before applying for mutual fund units through the Angel. The client further agrees and authorizes the Angel to utilize the surplus funds in the client's Broking account held with the Angel in its capacity as a Stock Broker and transfer funds to the extent of subscription amount and / or applicable brokerage, fees and charges (in case of both subscription and redemption) to meet the trade related debit in the clients Mutual fund transaction account.

3.5. The Client and Angel agree to refer any claims and / or disputes to the Arbitration under the Indian Arbitration and Conciliation Act, 1996.

3.6. The Client have read and understood the terms and

conditions mentioned above and agree to abide by them and any amendments thereto made by Angel from time to time which will be intimated in writing.

### 4. Internet based trading facility:

4.1. Client is fully aware about the features, risks, responsibilities, obligations and liabilities associated with internet based trading facility and same has been brought to client notice by Angel for Mutual Fund Transaction Facilities.

4.2. Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the internet based trading facility offered by Angel and undertakes to ensure that the password will not revealed to any third party including employees and dealers of the Angel.

4.3. Client shall immediately notify Angel in writing if client forgets password, discovers security flaw in internet based trading facility, discovers/suspects discrepancies/ unauthorized access through client username / password / account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.

4.4. Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet based trading facility and shall be fully liable and responsible for any and all acts done in client's Username/password in any manner whatsoever.

4.5. Client is fully aware that trading over the internet based trading facility involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Angel and the Exchange do not make any representation or warranty that internet based trading facility will be available to client at all times without any interruption.

4.6. Client shall not have any claim against the Exchange or the Angel on account of any suspension, interruption, non-availability or malfunctioning of internet based trading facility offered by Angel or Service or the Exchange's service or systems or non-execution of client's orders due to any link/system failure at client/ or Angel or Exchanges end for any reason beyond the control of Angel / Exchanges.

**What is FATCA/ CRS?**

The U.S. government introduced the Foreign Account Tax Compliance Act, 2010 (FATCA) for obtaining information on accounts held by U.S. taxpayers in other countries. Further, Organization for Economic Co-operation & Development (OECD) and G20 countries agreed for automatic exchange on information through Common Reporting Standards (CRS). The Government of India has signed an Inter-Government Agreement (IGA) with US and has also joined the Multilateral Competent Authority agreement (MCAA) for automatic sharing of information with member countries of OECD and G20. By virtue of India signing an IGA with US and joining MCAA, Indian financial institutions will have to provide the required financial information to Indian tax authorities which in turn would forward reportable information to US IRS and member countries of OECD and G20 countries.

In order to implement FATCA and CRS norms in India, Angel Broking Private Limited is required to implement procedures to identify U.S. account holders or other jurisdictions reportable accounts, perform due diligence and obtain documentary evidence wherever required and report details of such accounts to relevant tax authority.

**US Person means:**

In case of individuals, U.S. person means a citizen or resident of the United States. Persons who would qualify as U.S. persons could be born in United States, born outside the United States of a US parent, Naturalized citizens, Green Card Holders, tax residents.

**Who is Reportable Person (Non US) under Common Reportable Standards (CRS)?**

Under Common Reportable Standards (CRS), reportable person means Tax residents of a reportable foreign jurisdiction other than U.S. (Please note the above information is provided only for quick reference to customers. You are requested to consult a legal/ tax advisor if in doubt.)

**Documents to be collected if Customer's Country of birth is U.S. but declare that he/ she are not a U.S. person:**

1. Certificate of relinquishment of citizenship (Loss of nationality certificate); OR
2. Self certification for stating reasons for not having such a certificate despite relinquishment U.S. citizenship; OR
3. Self certification for stating reasons for not obtaining U.S. citizenship at birth.

**DECLARATION FOR AVAILING OF BASIC SERVICES DEMAT ACCOUNT (BSDA) FACILITY (For Individual only)**

To,  
Angel Broking Pvt. Ltd.  
G-1, Ackruti Trade Centre, MIDC,  
Andheri (E), Mumbai - 400 093.

Date

Dear Sir / Madam,

- I / We wish to avail the BSDA facility for the new account for which we have submitted my / our account opening form
- I / We wish to avail the BSDA facility for my / our below mentioned demat account number

DP ID

Client ID

**Holders Details**

Sole / First Holder's Name		PAN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Second Holder's Name		PAN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Third Holder's Name		PAN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

I/We have read and understood the regulatory (SEBI) guidelines for opening a Basic Services Demat Account and undertake to comply with the aforesaid guidelines from time to time. I/we also undertake to comply with the guidelines issued by any such authority for BSDA facility from time to time. I/We also agree that in case our demat account opened under BSDA facility does not meet the eligibility for BSDA facility as per guideline issued by SEBI or any such authority at any point of time, my / our BSDA account will be converted to regular demat account without further reference to me/us and will be levied charges as applicable to regular accounts as informed by the DP.

I, the first / Sole holder also hereby declare that I do not have / propose to have any other demat account across depositories as a first / sole holder.

**FH**   
(First/Sole Holder Signature)

**SH**   
(Second Holder Signature)

**TH**   
(Third Holder Signature)

**CHARGES FOR BASIC SERVICES DEMAT ACCOUNT (BSDA)**

Sr No.	Services	Schemes	
		Holding value less than Rs.50,000/-	Holding Value 50,001 to 2,00,000/-
1.	Annual Maintenance Charges	NIL	Rs. 100/- + Service Tax
2.	Franking charges	Rs. 50/-	
3.	Debit transaction/Pledge creation & Pledge closure/ Debit transaction of client shares from Angel beneficiary and Angel collateral account.	Rs. 50 + Service Tax per ISIN	
4.	Dematerialization Charges	Rs. 20 + Service Tax per certificate and Rs.30/- per DRF for Postage Charges Plus Rs.30/- per rejection	
5.	Rematerialization Charges	Actual CDSL Charges + Rs. 30/- per RRF request for postage charges	
6.	Additional DIS requisition	Rs. 25/- per booklet	
7.	Additional Statement	Rs. 25/- per request	

**Notes:**

- Stamp duty on the documents to be executed shall be payable of the rates applicable from time to time.
- For availing 'Easiest' facility of CDSL, The charges as levied by CDSL would be collected from clients at actuals.
- Services tax, Education cess and other statutory levies (if any) would be charged extra wherever applicable as per the prevailing rates.
- If there are no transactions in any quarter, no transaction statement will be sent for that quarter.
- In case of conversion of BSDA Account into regular demat account by virtue of exceeding of value of holding held in BSDA account beyond the prescribed limit of Rs. 2 lacs, the charges as applicable to normal demat account will be applicable from that date onwards.

**FH**

(First/Sole Holder Signature)

**SH**

(Second Holder Signature)

**TH**

(Third Holder Signature)