

Inactive Client Policy

Policy regarding treatment of inactive accounts

Asian Broking Pvt. Ltd. (ABPL) as a matter of policy accepts and realizes that the investor community is made of traders as well as investors. Whereas traders trade frequently, the investors trade with longer gaps. The inactive client policy is framed keeping the same in mind.

The policy for a Inactive Account is framed as per NSE Circular NSE/INSP/43488 dated 10/02/2020 and NSE/INSP/46506 dated 01/12/2020 in the interest of clients who have not traded from a significant time period.

1. How is a client marked inactive?

a. Client declared inactive voluntarily

A client may write to ABPL stating that he wishes to transfer his account into an “inactive” status, based on which the account will be marked as such.

b. Client declared inactive by passage of time

In case of trading account, the term inactive account refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges.

c. Client declared inactive by law

Any client will be moved to the “inactive” category if required by law.

2. Procedure to activate the client

To reactivate the account, the client is expected to write to Asian Broking Pvt.Ltd. requesting for activation of the account, based on which the account would be activated after due diligence by the member.

3. Transaction in Inactive Trading accounts

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by the Trading Member in UCC database of all the respective Exchanges. The Members are also required to ensure that any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client. Appropriate disciplinary actions may be initiated in case of any trades are executed in any account flagged as 'Inactive'.

4. All trading members are advised to upload correct status of the client code in the UCC database of the Exchanges prior to the execution of the trades.

5. Return of Clients assets

Members are required to ensure that all client accounts are settled on monthly or

quarterly basis (as per the client preferences) in the manner prescribed from time to time.

In case ABPL is unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, APL will try make all efforts to trace the clients to settle their funds and securities lying with them and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients.

Further in cases where ABPL is unable to trace such clients in spite of all efforts taken, ABPL will:

- a. Open one separate Client Bank/Client collateral Demat account and immediately set aside the funds and securities of these clients in such account.
- b. Maintain audit trail of UCC wise client funds transferred to/from such bank account and UCC wise / BO ID wise securities transferred to/from such demat account (as the case may be).
- c. Submit UCC wise/BO ID wise and fund/securities information of such account to the Exchange on quarterly basis. The mechanism and the format of the same will be shared in due course based on NSE information
- d. In case of receipt of any claims from such clients, members are advised to settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

6. **Reporting of client Funds & Securities**

Henceforth, Members will not be required to upload the details of such inactive clients having NIL balances in their weekly submission of securities holding to the Exchange as prescribed in NSE Circular NSE/INSP/40743 dated April 12, 2019 and NSE/INSP/41711 dated July 25, 2019 and monthly upload of client funds and securities balances to Exchange under Enhanced Supervision prescribed in NSE Circular NSE/INSP/33276 dated September 27, 2016, NSE/ISC/2017/35268 dated July 3, 2017 and NSE/ISC/36817 dated January 24, 2018. However, details of clients having funds or securities balances shall be reported even if their UCC has been flagged as 'Inactive'.