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Name of stock broker/ trading member/clearing member	<b>SIC STOCKS &amp; SERVICES PVT. LTD.</b>
SEBI Registration No. and date	For BSE Cash INB 011180339 & Dated: 16-04-2004 For BSE F&O INB 011180339 & Dated: 16-04-2004 For NSE Cash INB 231180333 & Dated: 04-07-2008 For MCX-SX Cash INB 261180336 & Dated: 17-06-2013 For MCX-SX F&O INF 261180336 & Dated: 17-06-2013 For Dp (CDSL) IN-DP-CDSL-429-2007 BSE Member Code No: 922 • NSE Member Code No: 11803
Registered office address:	#501, Prestige Meridian II, # 29, 30 M G Road, Bangalore - 560 001. E-mail: query@sicstocks.com • Website: www.csbhouse.com
Correspondence office address:	1008-B & 1013, 10th Floor, Stock Exchange Towers, Dalal Street, Mumbai - 400001. <b>Contact CSB One: +91 7676 922 922</b>
Compliance officer name: phone no. & email id:	<b>Mr. Brijpal</b> 022-2272 2522 • brijpal@sicstocks.com
CEO name: phone no. & email id:	<b>Mr. Sidharth Handa</b> 080-2532 9222 • sidharth@sicstocks.com
For any grievance/dispute please contact <b>SIC STOCKS &amp; SERVICES PVT. LTD.</b> at the above address or email id: helpdesk@sicstocks.com and Phone no. 080-2555 0689. In case not satisfied with the response, please contact the concerned exchange(s). at on BSE Tel: 022 2272 8097 E-mail Id: is@bseindia.com & on NSE Tel: 022 2659 8190 • E-mail Id: ignse@nse.co.in	

**DISCLOSURE IN TERMS OF SEBI CIRCULAR NO.: SEBI/MRD/SE/CIR-42/2003 DATED NOVEMBER 19, 2003**  
**SIC STOCKS & SERVICES PVT. LTD.** besides doing client based business also does its own investment and/or trading. "Proprietary Trading Disclosure noted"



Account Opening Form for Resident Individuals Trading in Cash Segment


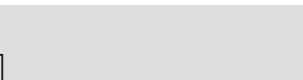

**I KYC - Please fill this form in BLOCK LETTERS.**

A. IDENTITY DETAILS					
Name of the Applicant					
Father's/ Spouse Name					
Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female	Marital status	<input type="checkbox"/> Single	<input type="checkbox"/> Married
Date of birth			Nationality		
PAN			Aadhaar Number if any:		
Specify the proof of identity submitted:					

PHOTOGRAPH  Please affix your recent passport size photograph and sign across it.
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B. ADDRESS DETAILS (Proof of address must be different from the proof of identity submitted).					
Correspondece Add. <input type="checkbox"/> Residence <input type="checkbox"/> Office			Perm. Add. (If different from Corps. Add.)		
City/Town/Village		Pin	City/Town/Village		Pin
State	Country		State	Country	
Resi No. (s)	Off. No. (s)		Resi No. (s)	Off. No. (s)	
Fax No. (s)			Fax No. (s)		
Mobile No.			Mobile No.		
Email Id			Email Id		
Specify the proof of add. submitted for Corps. Add.			Specify the proof of add. submitted for Permanent Add.		

DECLARATION	
I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.	
Date:	Signature of the Applicant    3/13

FOR OFFICE USE ONLY		
<input type="checkbox"/> Originals verified and Self-Attested Documents copies received	Signature of the Authorised Signatory	Seal/Stamp of the intermediary
	Name	
	Signature	
	Designation	
	Date	

II OTHER DETAILS					
1. BANK ACCOUNT(S) DETAILS					
Bank Name	Bank Address	Bank Account No.	Account Type: Saving /Current/Others	MICR No.	IFSC Code

**2. Demat account details:** (In case the client does not have DP account, this column may be crossed)

DP Name	(NSDL/CDSL)	Beneficiary name	DP ID	(BO ID)

**3. Whether DP account is also to be opened with the same intermediary (Yes/No)**
**4. Trading Preferences:** Please sign the relevant boxes where you wish to trade.

Exchange	Sign	Exchange	Sign	Exchange	Sign
NSE		BSE		MCX-SX	

**5. Mode of receiving Contract Note / Statement of Account: Physical / Electronic** (Please indicate your preference) .....

**6. Standing instructions to receive credits automatically into my BO account (Yes/No)**
**7. Nomination details**

Name of the Nominee			
Relationship with the Nominee		PAN of the Nominee	
Address and Phone No. of the Nominee			
If Nominee is a minor, details of guardian			
Name of guardian			
Address of Guardian			
Phone No. of Guardian		Signature of Guardian	

I have understood the contents of policy and procedures document, tariff sheet, 'Right and Obligations' document and 'Risk Disclosure Document'. I do hereby agree to be bound by such provisions as outlined in these documents. I have also been informed that the standard set of documents has been displayed for information on stock broker's designated website.



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**Signature of Applicant** Date: \_\_\_\_\_ (dd/mm/yyyy)

**FOR OFFICE USE ONLY**

UCC Code allotted to the Client: \_\_\_\_\_

DP Name	NSDL/CDSL	Beneficiary name	DP ID	(BO ID)
	Documents verified with Originals	Client Interviewed By	In-person verification done by	
Name of the Employee				
Employee Code				
Designation of the employee				
Date				
Signature				

I / We undertake that we have made the client aware of "Policy and Procedures", tariff sheet. I/We have also made the client aware of 'Rights and Obligations' document (s), RDD, Guidance Note. I/We have given/sent him a copy of all the KYC documents. I/We undertake that any change in the "Policy and Procedures", tariff sheet would be duly intimated to the clients. I/We also undertake that any change in the 'Rights and Obligations' and RDD would be made available on my/our website, if any, for the information of the clients.

If the client chooses to avail the demat facility from the same stock broker who is also a depository participant, the stock broker may use the same form and provide the details of the demat account opened for the said client to the client while providing a copy of the KYC documents.

**Signature of the Authorised Signatory**

Date.....

**Seal / Stamp of the Stock Broker**

Note: This form is applicable for individual investors trading in the cash segment. If such investors wish to trade in segments other than cash segment and / or wish to avail facilities such as internet trading, running account, margin trading, Power of Attorney etc., they may furnish additional details required as per prescribed regulations to the concerned intermediary.



Address

Line 1\*

Line 2

Line 3

District\*  PIN/Post Code\*  State /U. T. Code\*  ISO 3166 Country Code\*

**4.2 Correspondence/Local ADDRESS DETAILS\* (Please see instruction E at the end)**

Same as Current / Permanent / Overseas Address details (In case of multiple correspondence / local addresses, please fill 'Annexure A1')

Address

Line 1\*

Line 2

Line 3

District\*  PIN/Post Code\*  State /U. T. Code\*  ISO 3166 Country Code\*

**4.3 ADDRESS IN THE JURISDICTION DETAILS WHERE APPLICANT IS RESIDENT OUTSIDE INDIA FOR TAX PURPOSES\* (Applicable if section 2 is ticked)**

Same as Current / Permanent / Overseas Address details       Same as Correspondence / Local Address details

Address

Line 1\*

Line 2

Line 3

District\*  PIN/Post Code\*  State /U. T. Code\*  ISO 3166 Country Code\*

**5. CONTACT DETAILS (All communications will be sent on provided Mobile no. / Email-ID) (Please refer instruction F at the end)**

Tel. (Off)  -  Tel. (Res)  -  Mobile  -

Fax  -  Email ID

**6. DETAILS OF RELATED PERSON (In case of additional related persons, please fill 'Annexure B1' ) (please refer instruction G at the end)**

Addition of Related Person     Deletion of Related Person    KYC Number of Related Person (if available\*)

Related Person Type\*     Guardian of Minor     Assignee     Authorised Representative

Name\*    Prefix     First Name     Middle Name     Last Name

(If KYC number and name are provided, below details of section 6 are optional)

**PROOF OF IDENTITY [PoI] OF RELATED PERSON\* (Please see instruction (H) at the end)**

A- Passport Number     Passport Expiry Date  -  -

B- Voter ID Card

C- PAN Card

D- Driving Licence     Driving Licence Expiry Date  -  -

E- UID (Aadhaar)

F- NREGA Job Card

Z- Others (any document notified by the central government)  ID No.

S- Simplified Measures Account - Document Type code  ID No.

**7. REMARKS (If any)**

**8. APPLICANT DECLARATION**

- I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.
- I hereby consent to receiving information from Central KYC Registry through SMS/Email on the above registered number/email address.

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Date:  -  -     Place:

Signature / Thumb Impression of Applicant

9. ATTESTATION / FOR OFFICE USE ONLY

Documents Received  Certified Copies

KYC VERIFICATION CARRIED OUT BY	INSTITUTION DETAILS
Date: <input style="width: 100px;" type="text"/>	Name <input style="width: 300px;" type="text"/>
Emp. Name: <input style="width: 300px;" type="text"/>	Code <input style="width: 100px;" type="text"/>
Emp. Code: <input style="width: 100px;" type="text"/>	[Institution Stamp]
Emp. Designation: <input style="width: 100px;" type="text"/>	
Emp. Branch: <input style="width: 100px;" type="text"/>	
[Employee Signature]	

**CENTRAL KYC REGISTRY | INSTRUCTIONS / CHECK LIST / GUIDELINES FOR FILLING INDIVIDUAL KYC APPLICATION FORM**

**General Instructions:**

- 1 Fields marked with '\*' are mandatory fields.
- 2 Tick '✓' wherever applicable.
- 3 Self-Certification of documents is mandatory.
- 4 Please fill the form in English and in BLOCK Letters.
- 5 Please fill all dates in DD-MM-YYYY format.
- 6 Wherever state code and country code is to be furnished, the same should be the two-digit code as per Indian Motor Vehicle, 1988 and ISO 3166 country code respectively list of which is available at the end.
- 7 KYC number of applicant is mandatory for updation of KYC details.
- 8 For particular section update, please tick (✓) in the box available before the section number and strike off the sections not required to be updated.
- 9 In case of 'Small Account type' only personal details at section number 1 and 2, photograph, signature and self-certification required.

**A Clarification / Guidelines on filling 'Personal Details' section**

- 1 **Name:** Please state the name with Prefix (Mr/Mrs/Ms/Dr/etc.). The name should match the name as mentioned in the Proof of Identity submitted failing which the application is liable to be rejected.
- 2 Either **father's name or spouse's name** is to be mandatorily furnished. In case PAN is not available father's name is mandatory.

**B Clarification / Guidelines on filling details if applicant residence for tax purposes in jurisdiction(s) outside India**

- 1 Tax identification Number (TIN): TIN need not be reported if it has not been issued by the jurisdiction. However, if the said jurisdiction has issued a high integrity number with an equivalent level of identification (a "Functional equivalent"), the same may be reported. Examples of that type of number for individual include, a social security/insurance number, citizen/personal identification/ services code/number, and resident registration number)

**C Clarification / Guidelines on filling 'Proof of Identity [PoI]' section**

- 1 If driving license number or passport is provided as proof of identity then expiry date is to be mandatorily furnished.
- 2 Mention identification / reference number if 'Z- Others (any document notified by the central government)' is ticked.
- 3 In case of Simplified Measures Accounts for verifying the identity of the applicant, any one of the following documents can also be submitted and undernoted relevant code may be mentioned in point 3 (S).

Document Code	Description
01	Identity card with applicant's photograph issued by Central/ State Government Departments, Statutory/ Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions.
02	Letter issued by a gazetted officer, with a duly attested photograph of the person.

**D Clarification / Guidelines on filling 'Proof of Address [PoA] - Current / Permanent / Overseas Address details' section**

- 1 PoA to be submitted only if the submitted PoI does not have an address or address as per PoI is invalid or not in force.
- 2 State / U.T Code and Pin / Post Code will not be mandatory for Overseas addresses.
- 3 In case of Simplified Measures Accounts for verifying the address of the applicant, any one of the following documents can also be submitted and undernoted relevant code may be mentioned in point 4.1.

Document Code	Description
01	Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
02	Property or Municipal Tax receipt.
03	Bank account or Post Office savings bank account statement.
04	Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address.
05	Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation.
06	Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.

**E Clarification / Guidelines on filling 'Proof of Address [PoA] - Correspondence / Local Address detail's section**

- 1 To be filled only in case the PoA is not the local address or address where the customer is currently residing. No separate PoA is required to be submitted.
- 2 In case of multiple correspondence / local addresses, Please fill 'Annexure A1'

**F Clarification / Guidelines on filling 'Contact details' section**

- 1 Please mention two- digit country code and 10 digit mobile number (e.g. for Indian mobile number mention 91-9999999999).
- 2 Do not add '0' in the beginning of Mobile number.

**G Clarification / Guidelines on filling 'Related Person details' section**

- 1 Provide KYC number of related person if available.

**H Clarification / Guidelines on filling 'Related Person details - Proof of Identity [PoI] of Related Person' section**

- 1 Mention identification / reference number if 'Z- Others (any document notified by the central government)' is ticked.



## INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients including Promoters/Partners/Karta/ Trustees and whole time directors and Persons authorised to deal in securities on behalf of company/firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FEMA guidelines), copy of passport/PIOCARD/OCICARD and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.

### B. Proof of Identity (POI): List of documents admissible as Proof of Identity:

1. PAN card with photograph. This is a mandatory requirement for all applicants except those who are specifically exempt from obtaining PAN (listed in Section D).
2. Unique Identification Number (UID) (Aadhaar) / Passport / Voter ID card / Driving license.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/ Debit cards issued by Banks.

### C. Proof of Address (POA): List of documents admissible as Proof of Address: (\*Documents having an expiry date should be valid on the date of submission.)

1. Unique Identification Number (UID) (Aadhaar) /

Passport / Voter ID card / Driving license.

2. Passport/Voters Identity Card/Ration Card/Registered Lease or Sale Agreement of Residence/ Driving License/Flat Maintenance bill/Insurance Copy.
3. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill Not more than 3 months old.
4. Bank Account Statement/Passbook - Not more than 3 months old.
5. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
6. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/ Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/ Parliament/Documents issued by any Govt. or Statutory Authority.
7. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
8. For FII/sub-account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
9. The proof of address in the name of the spouse may be accepted.

### D. Exemptions/clarifications to PAN

#### (\*Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50, 000/- p.a.
5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

### E. List of people authorized to attest the documents:

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of Scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy /Consulate General in the country where the client resides are permitted to attest the documents.

## RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS 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 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 shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).
7. The client shall provide/ update the financial information to the stock broker on a periodic basis.
10. The stock broker and sub-broker 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.

### 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

### 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 and Regulations of the Exchanges and the circulars/ notices issued thereunder.
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).

#### **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 and 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.

#### **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 the certificate is cancelled by the Board.
28. The stock broker, sub-broker 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 or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker 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 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 the 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 the 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 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 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 within the stock exchanges, if either party is not satisfied with the 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.

## RISK DISCLOSURE DOCUMENT FOR CAPITAL MARKET AND DERIVATIVES SEGMENTS

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

Stock 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 Stock 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.

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, derivatives contracts or other instruments traded on the Stock 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 Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock 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 and no contract can be rescinded on that account. You must acknowledge and 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 Stock exchanges.

It must be clearly understood by you that your dealings on Stock 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 Stock exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

Stock 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 Stock 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. No consideration to trade should be made without thoroughly understanding and reviewing the 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:-

### 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 Stock 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 active securities /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:

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.

**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 pre-determined 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 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 example 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 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.
- 4.2 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.

## GUIDANCE NOTE - DO'S AND DON'TS FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

### 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.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.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.
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

### 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. 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.

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 give 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 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 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.

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## POLICIES AND PROCEDURES (MANDATORY) OF SIC STOCKS & SERVICES PVT. LTD.

### A. REFUSAL OF ORDERS FOR PENNY STOCKS:

Although, the term 'Penny Stock' has not been defined by BSE/ NSE or any stock exchanges, SEBI a penny stock generally refers to a stock which has following mentioned characteristics:

- Has small market capitalization;
- Trades at a price less than its face value;
- Has unsound fundamentals;
- Is illiquid (A list of illiquid securities is jointly released by NSE & BSE from time to time.) SIC Stocks & Services Pvt. Ltd. recognizes that it is client's privilege to choose shares in which he/ she would like to trade. However, SIC Stocks & Services Pvt. Ltd. like to have special attention to dealing in "Penny stocks".
- SIC Stocks & Services Pvt. Ltd. may refuse to execute any clients orders in penny stocks without assigning any reason for the same.
- Any large order for purchase or sale of a "Penny stocks" should be referred to Head - Dealing, before such orders can be put in the market for execution.
- Clients must ensure that trading in "Penny stocks" doesn't result in creation of artificial volume or false or misleading appearance of trading. Further, clients should ensure that trading in "Penny stocks" doesn't operate as a device to inflate or depress or cause fluctuations in the price of such stocks.
- Clients are expected not to place orders in penny stocks at prices which are substantially different from the prevailing market prices. Any such order is liable to be rejected at the sole discretion of SIC Stocks & Services Pvt. Ltd.
- In case of sale of penny stocks, client should ensure delivery of shares to SIC Stocks & Services Pvt. Ltd. before the pay-in date.

### B. SETTING UP CLIENT'S EXPOSURE LIMIT:

- Exposure limit for each client is determined by the Risk management Department based on Net-worth information, client's financial capacity, prevailing market conditions and Margin deposited by client in the form of funds/ securities with the SIC Stocks & Services Pvt. Ltd. These limits may be set exchange-wise, segment-

wise, & scrip-wise.

- SIC Stocks & Services Pvt. Ltd. retains the discretion to set and modify form time to time any clients exposure limit decided as above.
- The limits are determined by Risk Management Department based on the above criteria and payment history of the client in consultation with Sales/Sales trader.
- Whenever, any client has taken over or wants to take exposure in any security, SIC Stocks & Services Pvt. Ltd. may call for appropriate margins in the form of early pay-in of shares or funds before or after execution of trades in the Cash segment. In case of any margin shortfall, the clients are told to reduce the position immediately or requested to deposit extra margin to meet the shortfall. Otherwise, SIC Stocks & Services Pvt. Ltd. may refuse to trade on behalf of such client in its own discretion.

### C. APPLICABLE BROKERAGE RATE:

- The applicable brokerage rate is mentioned in the Client registration form and any future change in the brokerage rate is communicated to the client.
- The maximum brokerage chargeable will not exceed as prescribed by SEBI and exchanges.

### D. IMPOSITION OF PENALTY / DELAYED PAYMENT CHARGES BY EITHER PARTY, SPECIFYING THE RATE AND THE PERIOD:

- Penalty and other charges levied by Exchanges pertaining to trading of the client shall be recovered from the respective client.
- If there is delay on part of client in satisfying his/ her margin obligation or settlement obligations, then, SIC Stocks & Services Pvt. Ltd. shall levy interest at the rate of 24% p.a. on such shortage amount for the delayed period on such client. SIC Stocks & Services Pvt. Ltd. shall recover such delayed payment charges from the client by debiting the client's account.
- No interest or charges will be paid by SIC Stocks & Services Pvt. Ltd. to any client in respect of retention of funds or securities towards meeting future settlement obligations and in respect of running account authorizations.

**E. RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON PAYMENT OF CLIENT'S DUES TO EXTENT OF SETTLEMENT/ MARGIN OBLIGATION:**

- SIC Stocks & Services Pvt. Ltd. has the right to close out/ liquidate or square off any open position of the client (limited to the extent of settlement /margin obligation) without giving any prior notice, all or any of the client's positions as well as securities / collaterals placed as margins for non-payments of margin or other amounts due from such client in respect of settlement or any other dues that are recoverable from the client by SIC Stocks & Services Pvt. Ltd. The proceeds of the same shall be adjusted against the client's liabilities / obligations. Any loss or financial charges on account of such close-out /liquidation shall be debited to the client's account.

**F. SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES:**

- To determine the net obligation of a broker / trading cum clearing member (for securities and funds) in a settlement, clearing house does the netting of trades at the broker level. It is possible that a broker's net obligation towards clearing house may be nil but due to default by one or more clients in satisfying their obligations towards the broker, the broker internally might have shortages to fulfill its obligation towards the other client(s). In such situation, SIC Stocks & Services Pvt. Ltd. shall endeavor to collect the securities from the selling client and deliver it to the purchasing client within 48 hours of the settlement date. In case the selling client is unable to deliver the securities within 48 hours, then SIC Stocks & Services Pvt. Ltd. shall attempt to purchase the security from the market and deliver it to the purchasing client. If SIC Stocks & Services Pvt. Ltd. is unable to obtain the securities from the market, then the transaction will be closed out as per the auction rate prescribed by the Exchange for that scrip and the closing amount will be credited to the purchasing client and

same will be debited to the selling client.

**G. CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR THE BROKER MAY CLOSE THE EXISTING POSITION OF THE CLIENT**

SIC Stocks & Services Pvt. Ltd. shall have absolute discretion and authority to limit client's volume of business or to close any existing position of a client without giving any prior notice to the client under following mentioned conditions:

- Extreme volatility in the market or in particular scrip.
- If there is shortfall in the margin deposited by client with SIC Stocks & Services Pvt. Ltd.
- If there is insider trading restrictions on the client.
- If there are any unforeseen adverse market conditions or any natural calamities affecting the operation of market.
- If there are any restrictions imposed by Exchange or Regulator on the volume of trading outstanding positions of contracts.
- If the client is undertaking any illegal trading practice or the client is suspected to be indulging in money laundering activities.
- If SIC Stocks & Services Pvt. Ltd. has reached its limit in that scrip.
- If the clients has breached the client-wise limit.
- If the client has taken or intends to take new position in a security which is in the ban period.
- If due to abnormal shortfall in the market, if market are closed.

**H. TEMPORARILY SUSPENDING OR CLOSING A CLIENT'S ACCOUNT BASED AT THE CLIENT'S REQUEST:**

- Any client desirous of temporarily suspending his or her trading account has to give such request in writing to the management. After management's approval, any further dealing in such client's account will be blocked. Whenever, any suspended account wants to resume trading, request in writing should be made to management and management may ask for updated financial information & other details for reactivating such account. After receiving necessary documents, details etc. and



approval from the management, client is reactivated & is allowed to carry out transaction.

- Similarly, any client desirous of closing his/her account permanently is required to inform in writing and the decision in this regard is taken by management. After necessary approval from the management, the client code is deactivated. Only after scrutinizing the compliance requirements and "no pending queries" confirmation is taken, securities and funds accounts are settled.

#### I. DEREGISTERING A CLIENT

SIC Stocks & Services Pvt. Ltd. may, in its absolute discretion, decide to deregister a particular client. The illustrative circumstances under which SIC Stocks & Services Pvt. Ltd. may deregister a client are given below:

- SEBI or any other regulatory body has passed an order against such client, prohibiting or suspending such client from participating in the securities market.
- Such client has been indicated by a regulatory body or any government enforcement agency in case of market manipulation or insider trading or any other case involving violation of any law, rule, regulation, guideline or circular governing securities market.
- Such client is suspected of indulging in illegal or criminal activities including fraud or money laundering.
- Such client's name appears in the UN list of prohibiting entities or SEBI debarred list.
- Such client's account has been lying dormant for a long time or client is not traceable.
- Such client has declared insolvent or any legal proceedings to declare him/her as such have been intended.
- Such client has been irregular in fulfilling obligations towards margin or settlement dues.

- Such client has a tainted reputation and any business relationship with such clients is likely to tarnish the reputation of SIC Stocks & Services Pvt. Ltd. or may act as detriment to SIC Stocks & Services Pvt. Ltd.'s prospects.

Any outstanding dues in the client's account will be communicated and collected from the client and the client will be liable to pay such dues immediately on receiving such communication.

#### J. INACTIVE CLIENT ACCOUNT:


Client account will be considered as inactive if the client does not trade for the period of one year. The client has to make written request for reactivation of the trading account, with recent proofs and up gradation in KYC form.

#### RETURN OF CLIENT ASSETS:

When a client is declared as inactive all the securities of the client are transferred to the demat account of the client. The funds belonging to the client shall be returned to the client. If for any reason the funds and securities of the client cannot be transferred to the client's bank account or demat account then the same shall be transferred into a separate account of the organization. The funds and securities shall be held in the separate account until the time the organization hears from the client or their representatives.

#### K. CLIENT ACCEPTANCE OF POLICIES AND PROCEDURES STATED HEREINABOVE:

- I/we have clearly understood and agree to abide by aforesaid policies and procedures.
- I/we also understand and agree that these policies and procedures can be changed by MVCPL from Time to time subject to posting of the amendments and modification therein on its website. The changes will be done with the consent of the client proceeded by notice as per applicable laws rules & regulations of Exchange/SEBI and their applicability with prospective effects.

Signature :  \_\_\_\_\_

Clients' Name : \_\_\_\_\_

Date : \_\_\_\_\_




**SCHEDULE OF FEES / COMMISSION / CHARGES**

**Brokers Charged by SIC Stocks & Services Pvt. Ltd.**

<b>CASH SEGMENT</b>				
Brokerage Name	Slab %		Minimum	
	First Leg	Second Leg	First Leg	Second Leg
Delivery Based		Not Applicable		Not Applicable
Daily Square Up				

- The above rates are exclusive of Transaction Charge, Stamp Duty, Securities Transaction Tax, Service Tax, Sebi Fees & Cm Charges which will be charged extra at the rate prevailing from time to time.
- The General rates as mentioned here shall be applied unless the special rates as may be agreed by the sub-broker/Authorised Person/Introducer and client and the same are mentioned here.
- Brokerage rate shall not exceed the maximum rate as prescribed by SEBI/Exchanges.

   
8/13

Client's Signature

\_\_\_\_\_  
 Signature of Sub-broker /  
 Authorised Person / Introducer

\_\_\_\_\_  
 Signature of Broker

Sub-Broker/Authorised Person/Relationship Manager (RM):

Name : \_\_\_\_\_

Signature : \_\_\_\_\_

**RUNNING ACCOUNT AUTHORISATION FOR ALL EXCHANGES**

Date: \_\_\_\_\_

To,  
**SIC Stocks & Services Pvt. Ltd.**  
 1008-B & 1013, 10th Floor, Stock Exchange Towers,  
 Dalal Street, Mumbai - 400001.

Dear Sir,

I am / we are regularly trading with you for Cash & Derivatives Market in BSE/NSE. I / we hereby authorize you to do following on my/our behalf:

1. You are requested to accept all my orders over the telephone / fax conveyed by myself /ourselves or Mr. \_\_\_\_\_ who is duly authorized by me/us, and thus no need to take our orders in writing every time. All such orders and trades will be binding on me/us. This authorisation is valid only for NRI clients who has issued POA for the same.
2. I/we hereby authorize the undersigned Mr. / Ms \_\_\_\_\_ to collect & acknowledge on my /our behalf the Bills, Contract notes, daily margin statements, payout cheques, etc on behalf of my/our daily transactions. The Signature of the authorized person is as under:

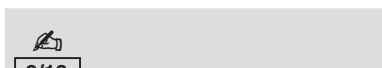
1	Name:	Signature:
2	Name:	Signature:

3. I/We request you to maintain running balance in my account across exchange/ segment & retain the credit balance in any of my/our account and to use the unused funds towards my/our margin/pay-in/other future obligation(s) at any segment(s) of any or all the Exchange(s)/Clearing corporation unless I/we instruct you in writing otherwise.
4. I/We request you to retain securities with you for my/our margin/pay-in/other-future obligation(s) at any segment(s) of any or all exchange(s) / Clearing Corporation, unless I/we instruct you to transfer the same to my / our account in writing.
5. I/We request you to settle my fund and securities account once in every calendar  Quarter or  Once in a calendar month or such other higher period as allowed by SEBI/Stock Exchange time to time except the fund given towards collaterals/margin in form of Bank Guarantee and /or Fixed Deposit Receipt.
6. In case I/We have an outstanding obligation on the settlement date, you may retain the requisite securities/funds towards such obligation and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. You may charge the cost of holding securities to my / our account with you.
7. I/We confirm you that I will bring to your notice any dispute arising from the statement of account or settlement so made in writing preferably within 30 working days from the date of receipt of funds/securities or statement of accounts or statement related to it, ever and agree that you shall not be liable for any incidental loss/ damage caused due to retention of funds and/or securities.
8. I/We hereby authorize you to transfer, make adjustments and / or to set off a part or whole of the securities placed as margin and / or any surplus funds in any of my account/(s) in any other segments of same Exchange / any other Exchanges maintained with you against the outstanding dues payable if any, by me in any of my account/(s). You have right of lien on the credit balance in any of my accounts. Any entries passed by you in accordance with this authorization shall be binding on me.
9. "I / We hereby declare that I / We can revoke this authorization at any point of time".

I have noted the following:-

The authorization shall be signed by me only and not any power of attorney holder or by any authorized person.

Yours faithfully,

Signature of Client :  9/13

Name of the client : \_\_\_\_\_

Client Code : \_\_\_\_\_

**ECN LETTER**

Date: \_\_\_\_\_

To,  
**SIC Stocks & Services Pvt. Ltd.**  
 1008-B & 1013, 10th Floor, Stock Exchange Towers,  
 Dalal Street, Mumbai - 400001.

Dear Sir,

**Mandate to issue Contract Notes in Electronic Format (ECN), Ledger Accounts & all other communications**

I / We hereby authorize you to send all my contract notes / bills, statement of accounts. ledger for trading done on Bombay Stock Exchange Limited, National Stock Exchange of India Limited, in digital / electronic form on my Email ID given below. I/we would be bound to treat it/them as acknowledged.

I/We hereby agree and consent to accept the contract notes for transactions carried on by me in digital form subject to the conditions given below. In terms of the client registration form filled by me, digital contracts issued by you as per the terms and conditions specified shall be binding on me.

I/We undertake to check the contract notes and bring the discrepancies to your notice. My non-verification or not accessing the contract notes on regular basis shall not be a reason for disputing the contract note any time. This instruction to issue digital contract note is applicable with immediate effect.

I/We hereby give my Email ID for this purpose.

My/Our Email id is	1	
My/Our alternate Email id is	2	

I / We also acknowledge the upload of contract notes / bills, statement of accounts / ledgers and other statements / documents for trading on BSE/NSE on your website: www.csbhouse.com. I/We hereby agree and confirm to verify the information / documents that are sent on email and/or upload on the said website regularly and the same shall be deemed to be received by me/us (vide SEBI circular ref. No. SEBI/SMD/SE/15/2003/29/04 dated April 29, 2003 regarding issuance of contract notes / bills, statements of ledger / accounts in digital / electronic form and also to disseminate the same on the website for easy access to the investor).

If there is any change in my Email id or in the name or in the residential/correspondence address, the same shall be intimated to you in writing through physical letter within reasonable period of time. In respect of internet clients, the request for change of email id may be made through the secured access by way of client specific used id and password.


Non-receipt of bounced mail shall tantamount to delivery of Contract notes / other documents.

I/We have noted the following:

The authorization shall be signed by me only and not by any authorised person on my behalf or any holder of the Power of Attorney.

Thanking you

Yours faithfully,

Signature of Client :  10/13

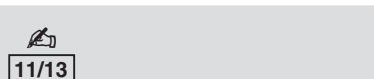
Name of the client : \_\_\_\_\_ Client Code: \_\_\_\_\_

**FOR NRI / FN**
**TO WHOMSOEVER IT MAY CONCERN**

I/We agree to abide by all necessary rules and regulations introduced or amended from time to time by all statutory government bodies in India, and guidelines as prescribed by the Reserve Bank of India under the Foreign Exchange Management Act, 1999 (FEMA).

Further, in the process of opening my/our accounts with the Indian Bank/s, members of Indian Stock Exchange/s, and Depository Participants, I/We have complied with the current laws and will continue to do so as required for the proper maintenance of the aforesaid accounts.

In case there is any change in my/our status from Resident to Non-resident or vice versa, I/We shall inform all concerned agencies of the same and will abide by the procedures and requirement for the transition.

Signature  11/13

Name: \_\_\_\_\_

Date: \_\_\_\_\_

DP ID	12052800	Client ID	0	0	0				Client Code	
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The below information is required for all applicant(s) / guardian / PoA holder.


Sr. No.	Details	1st Holder	2nd Holder	3rd Holder
1	Are You a Tax Resident of Country other than India?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	Is your Country of Birth/Citizenship other than India?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	If your Residence address/Mailing address/Telephone No. other than in India?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
4	Is the POA holder/person to whom signatory authority is given, covered under any of the categories 1, 2 or 3 above?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

If you have answered YES to any of above, please provide the below details

Sr. No.	Details	1st Holder	2nd Holder	3rd Holder
1	Country of Residence			
2	Nationality			
3	Tax Identification No. or Reason for not providing TIN			
4	Identification Type (TIN or Other, please specify)			
5	Residence address for tax purposes (include City, State, Country & Pin code)			
6	Address Type	<input type="checkbox"/> Residential <input type="checkbox"/> Business <input type="checkbox"/> Regd. Office	<input type="checkbox"/> Residential <input type="checkbox"/> Business <input type="checkbox"/> Regd. Office	<input type="checkbox"/> Residential <input type="checkbox"/> Business <input type="checkbox"/> Regd. Office
7	City of birth			
8	Country of birth			

**Certification:** I/We have understood the information requirements of this Form (read along with the FATCACRS Instructions), and hereby certify that the information provided by me/us on this Form is true, correct, and complete. I/We also confirm that I/We have read and understood the FATCACRS Terms and Conditions and hereby accept the same.

I/We agree to indemnify SIC Stocks & Services Pvt. Ltd. in respect of any false, misleading, inaccurate and incomplete information regarding my/our "U.S. person" status for U.S. federal income tax purposes. or in respect of any other information as may be required under applicable tax laws.

	First / Guardian Applicant	Second Holder	Third Holder
Name			
Signature 			
PAN			

**FATCA-CRS Instruction**

**Details under FATCACRS/Foreign Tax Laws:** The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income Tax Rules 1962, which Rules require Indian financial institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In certain circumstances (including if we do not receive a valid self -certification from you) we may be obliged to share information on your account with relevant tax authorities/appointed agencies. If you have any questions about your tax residency, please contact your tax advisor. Should there be any **change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days.** Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s).

**INSTRUCTIONS/ CHECK LIST**

1. In respect of clients, documents as per risk management policy of the stock broker need to be provided by the client from time to time.
2. Self-certified copy of cancelled cheque leaf/ pass book/bank statement specifying name of the constituent, MICR Code or/and IFSC Code of the bank should be submitted. (Not more than 4 months old)
3. Demat master or recent holding statement issued by DP bearing name of the client.
4.
  - a. Stock broker has an option of doing 'in-person' verification through web camera at the branch office of the stock broker/sub-broker's office.
  - b. In case of non-resident clients, employees at the stock broker's local office, overseas can do in-person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the stock broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.
5. The requirement of submission of 'proof of address' is as follows:
  - a. Henceforth, individual investor may submit only one documentary proof of address (either residence/ correspondence or permanent) while opening a trading account and / or demat account or while undergoing updation.
  - b. In case the proof of address furnished by the said investor is not the address where the investor is currently residing, the intermediary may take a declaration of the residence/correspondence address on which all correspondence will be made by the intermediary with the investor. No proof is required to be submitted for such correspondence/residence address. In the event of change in this address due to relocation or any other reason, investor may intimate the new address for correspondence to the intermediary within two weeks of such a change. The residence/ correspondence address and any such change thereof may be verified by the intermediary through 'positive confirmation' such as (i) acknowledgment of receipt Welcome Kit/ dispatch of contract notes / any periodical statement, etc. (ii) telephonic conversation; (iii) visits, etc.

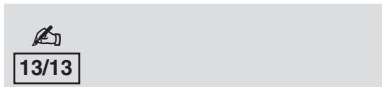
**Confirmation of Receipt of executed documents**

Dear Sir,

With reference to my/our registration as Client with you, I/We hereby confirm that I/We have received copies of the Know Your Client Form (KYC), Rights & Obligations, Risk Disclosure Documents (RDD), Guidance note, Policies and Procedures & all other executed documents.

Name: \_\_\_\_\_

Client Code: \_\_\_\_\_

Signature of Client:  \_\_\_\_\_