Investor awareness

This has reference to Exchange circular NSE/INSP/36889 dated February 02, 2018 and NSE/INSP/43250 dated January 16, 2020 with respect to actual settlement of client accounts. As per the existing requirements, members are required to mandatorily settle the client accounts at least once within a gap of maximum 30 / 90 days between two settlements of running account as per the preference of the client. Further, SEBI has issued circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021 revising the guidelines on settlement of running account of client's funds lying with the trading members and also mandated to return the credit balances of clients within three working days in case client has not done any transaction within 30 calendar days w.e.f. August 1, 2021. All members are advised to strictly adhere to the aforementioned requirements and put in place systems and procedures to ensure strict adherence to the timelines prescribed for settlement of running account of clients' funds. Further, members should ensure to credit the settlement amount to the client bank account directly and not run any schemes to invest the actual settlement amount with the consent/without consent of the client. Further, in the recent past, it has come to the notice of the Exchange that certain members were engaging into activities/schemes of fixed / periodic payments, which are not permitted under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges.

It is reiterated that members are not permitted to undertake any business/activity that is not allowed under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges including operating any schemes of unauthorised collective investments/portfolio management, promising indicative/ guaranteed/fixed returns/payments etc. Members attention is also drawn to Exchange circular NSE/COMP/48536 dated June 09 2021 which stipulates, that all the acts of omission and commission of the Authorised Persons and its Directors/Partners, employees etc., shall be deemed to be those of the member and member shall be responsible for all such acts of its Authorised person(s) and/or their Directors/Partners, employees etc., including liabilities arising there from. Members are advised to regularly caution and create awareness amongst their clients/investors to abstain them from dealing in any schemes of unauthorised collective investments/portfolio management, indicative/ guaranteed/fixed returns / payments etc. Members are also advised to display the following messages on their respective websites under a separate banner "Advisory for investors": "Attention Investors! ▪ Beware of fixed/guaranteed/regular returns/ capital protection

schemes. Brokers or their authorized persons or any of their associates are not authorized to offer fixed/guaranteed/regular returns/ capital protection on your investment or authorized to enter into any loan agreement with you to pay interest on the funds offered by you. Please note that in case of default of a member claim for funds or securities given to the broker under any arrangement/ agreement of indicative return will not be accepted by the relevant Committee of the Exchange as per the approved norms. ▪ Do not keep funds idle with the Stock Broker. Please note that your stock broker has to return the credit balance lying with them, within three working days in case you have not done any transaction within last 30 calendar days. Please note that in case of default of a Member, claim for funds and securities, without any transaction on the exchange will not be accepted by the relevant Committee of the Exchange as per the approved norms. ▪ Check the frequency of accounts settlement opted for. If you have opted for running account, please ensure that your broker settles your account and, in any case, not later than once in 90 days (or 30 days if you have opted for 30 days settlement). In case of declaration of trading member as defaulter, the claims of clients against such defaulter member would be subject to norms for eligibility of claims for compensation from IPF to the clients of the defaulter member. These norms are available on Exchange website at following link: https://www.nseindia.com/invest/about-defaulter-section.

▪ Brokers are not permitted to accept transfer of securities as margin. Securities offered as margin/ collateral MUST remain in the account of the client and can be pledged to the broker only by way of 'margin pledge', created in the Depository system. Clients are not permitted to place any securities with the broker or associate of the broker or authorized person of the broker for any reason. Broker can take securities belonging to clients only for settlement of securities sold by the client. ▪ Always keep your contact details viz. Mobile number/Email ID updated with the stock broker. Email and mobile number is mandatory and you must provide the same to your broker for updation in Exchange records. You must immediately take up the matter with Stock Broker/Exchange if you are not receiving the messages from Exchange/Depositories regularly. ▪ Don't ignore any emails/SMSs received from the Exchange for trades done by you. Verify the same with the Contract notes/Statement of accounts received from your broker and report discrepancy, if any, to your broker in writing immediately and if the Stock Broker does not respond, please take this up with the Exchange/Depositories forthwith. ▪ Check messages sent by Exchanges on a weekly basis regarding funds

and securities balances reported by the trading member, compare it with the weekly statement of account sent by broker and immediately raise a concern to the exchange if you notice a discrepancy. ▪ Please do not transfer funds, for the purposes of trading to anyone, including an authorized person or an associate of the broker, other than a SEBI registered Stock broker." Members may take note of the above and comply.

In case of any clarifications, Members may contact our below offices:

Regional Office	E MAIL ID
Ahmedabad (ARO)	inspectionahm@nse.co.in
Chennai (CRO)	inspection_cro@nse.co.in
Delhi (DRO)	delhi_inspection@nse.co.in
Kolkata (KRO)	inspection_kolkata@nse.co.in
Mumbai (WRO)	compliance_wro@nse.co.in
Central Help Desk	compliance_assistance@nse.co.in