

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 websites or Exchange(s) at www.nseindia.com, www.bseindia.com, www.mcxindia.com, www.ncdex.com, www.cdslindia.com and SEBI website: 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 Member.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and Member 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/ Exchange(s).
6. Obtain a copy of all the documents executed by you from the Member free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Member, authorizing to operate your Bank and Demat account, please refer to the guidelines issued by SEBI/Exchange(s) in this regard.

TRANSACTIONS AND SETTLEMENTS

8. The Member may issue electronic contract note (ECN) if specifically authorized by you in writing. You should provide your email id to the Member 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 Member.
11. Make the payment by account payee cheque in favour of the Member. Don't issue cheques in the name of sub-broker, stating date, scrip, quantity, toward which bank/Demat account such money or securities deposited and from which bank/Demat account.
12. Note that facility of Trade Verification is available on stock exchanges/commodity 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 Exchange(s).
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities/commodities (as the case may be), may not be made to you within one working day/24 hours from the receipt of payout from the Exchange(s). Thus, the Member 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/commodities shall be done by the Member, at least once in a calendar quarter or month, depending on your preference. while settling the account, the member shall send to you a 'statement of account' containing an extract from the client ledger for funds and an extract from the register of securities/commodities displaying all the receipts/deliveries of funds and securities/commodities. The statement shall also explain the retention of funds and securities/commodities and the details of the pledged securities/commodities, if any.
 - c) On the date of settlement, the Member may retain the requisite securities/commodities/funds towards outstanding obligations and may also retain the fund expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchange(s). In respect of cash market transactions, the member may retain entire pay-in obligation of funds and securities/commodities due from clients as on date of settlement and for next day's business, he may retain funds/ securities/commodities/ margin to the extent of value of transactions executed on the day of such settlement in the cash market.

d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/ securities / commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the investors Grievance Cell of the relevant Exchange(s) without delay.

14. In case you have not opted for maintaining running account and pay-out of funds/ securities / commodities in not received on the next working day of the receipt of payout from the exchange(s), please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the investors Grievance Cell of the relevant Exchange(s).

15. Please register your Mobile number and email id with Member, to receive trade confirmation alerts/ details of the transaction through SMS or email, by the end of the trading day, from the Exchange(s).

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

16. In case, a Member surrenders his membership, or is expelled from membership or declared a defaulter; Exchange(s) give a public notice inviting claims relating to only the "transaction executed on the trading system" of Exchange(s), from the investors. Ensure that you lodge a claim with the relevant Exchange(s) within the stipulated period and with the supporting documents.


17. Familiarize yourself with the protection accorded to the money and/or securities / commodities you may deposit with your Member, particularly in the event of a default or the Member's insolvency or bankruptcy and the extent to which you may recover such money and/or securities/commodities may be governed by the Bye-laws and Regulations/Business Rules of the relevant Exchange(s) where the trade was executed and 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 member and investor complaints against the Member are displayed on the website of the relevant Exchange(s).

19. In case your issue/problem/grievance is not being sorted out by concerned member/sub-broker then you may take up the matter with the concerned Exchange(s). if you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

20. Note that all the Member/sub-broker 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.

Signature of Client :  _____
Place : _____
Date : _____