

Policy regarding treatment of Inactive/Dormant Account

Policy Title: Policy regarding treatment of Inactive/Dormant Account

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Company: Interactive Brokers (India) Private Limited (IBI)

Objective:

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 11 continuous months.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by Sebi, Exchanges and Internal Risk Management Policies.

Background:

SEBI vide circular no. dated December 3, 2009 and National Stock Exchange vide circular no. NSE/INSP/13606 dated December 3, 2009 directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

Policy:

Procedure to handle Inactive/dormant accounts:

If there is no transaction (buy / sell) entered into by the account holder for more than 11 continuous months, the account will be marked as "INACTIVE/DORMANT".

All the accounts marked as "INACTIVE/DORMANT" needs to be monitored carefully in order to avoid unauthorized transactions in the account. If the client wants to make the account "ACTIVE" after 11 continuous months or after providing the required documents supporting the financial status, the client needs to submit a request to reactivate his/her account. In case there is any change in the information such as; address, mobile number, email id, bank/demat account, financial disclosure provided in KYC at the time of registration as client, the same has to be submitted along with the request. After proper verification of the updated / revised details and approval from the compliance officer / or concerned department in-charge of registration of clients, the account can be made "ACTIVE" and transaction can take place.

Process for reactivation of Inactive / dormant account which are inactive for 11 continuous months:

The Client can follow any of the below processes:

1. Call the customer care centre/main office/branch office/sub-broker or authorized person identifying himself (through validation questions/T-PIN/ other confirmation tools, if any) and request for activation of account for placing orders/ transacting in the account **or**
2. Client can give the duly signed request in writing at any of the branch/main offices of trading member or office of sub-broker or authorized person along with documents such as Address Proof – such as Aadhar Card, Electricity Bill Passport Copy. Identity Proof such as Aadhar Card , Passport Copy, Pan Card and financial Information required for trading in derivative segment. The Client may also courier/ post the same for activation of account **or**
3. By placing request for reactivation of account through the Internet trading portal **or**
4. Client can also send an email from registered mail id for reactivation request.

Process for reactivation of Inactive / dormant account which are inactive on account of Risk Management Policies / Non Compliance as per Rules, Bye laws, Circulars and Guidelines issued by Sebi, Exchanges:

Client can give the duly signed request in writing at any of the branch/main offices of trading member or office of sub-broker or authorized person along with the financial Information required for trading. The Client may also courier/ post the same for activation of account.

On verification of the same the compliance officer / risk department in-charge can authorize the activation of such Inactive accounts subject to Rules, Bye laws, circulars and guidelines issued by Sebi, Exchanges and Internal Risk Management Policies.

Consequences of Inactive Account

On a client being declared inactive, the client's funds and demat account shall be settled.

Settlement of client account needs to be done as per the periodicity (monthly/quarterly) opted by the client and his/her assets (funds, securities or any other collateral) be returned to him/her and statement needs to be sent to client. Proof of sending the statements of settlement of accounts has to be maintained. Settlement of client account needs to be done at least once in a calendar quarter. In case of interim request received from the client for release of funds/securities, the funds and/or securities will be transferred to his account after due verification of the client as per the procedure mentioned above.

If client has provided running account authorization the funds/securities shall be transferred to client's bank/demat account as a part of daily settlement.

Controls after activation of Inactive Accounts:

1. Trades in such Inactive accounts be confirmed with respective clients by a person from Head Office who has note punched / received such orders.
2. Alert generation & monitoring at Head Office in case of trade in any Inactive account which is made Active.

Approval Authority:

This policy shall be approved by its Board (in case of corporate trading member), Partners (in case of partnership firms) or Proprietor (in case of sole proprietorship firm) as the case may be.

Review Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management policy.

In case Corporate Members: The policy may be reviewed by the Managing Director/CEO and place the changes in policy before the Board at the meeting first held after such changes are introduced.

In case of Individuals / Partnership Members: The policy may be reviewed by the Managing Partners / Sole proprietor.

Policy communication:

A copy of this policy shall be made available to all the relevant staff/persons such as: compliance officer / department in-charge of registration of clients and sub-broker /authorized persons.