

POLICY ON CLIENT CODE MODIFICATIONS

Policy made 11th July, 2011

Reviewed on 22nd July, 2013

The below mentioned policy on modification of Client codes in various Trades has been approved by the Board of Directors in their meeting held and are further reviewed.. All the employees are required to follow the same and take due care for its proper implementation.

No client code modification will be allowed to be done other than as allowed by the Exchange / SEBI. However, the following policy is being laid down for clarity:

1. The modification to the client code should not be encouraged to the clients except for cases where 'punching errors'/'typing errors' have occurred. The client / branch / franchise / sub-broker should inform the head office of the error during the market hours so that appropriate corrections may be informed to the exchange. Penalty debited by the exchange for the modifications made would be debited to the respective client / branch / franchise / sub-broker / dealer due to which the error has been made.
2. The reason for modification will be analyzed and only after establishing the genuineness of modification and the modification would be made. If voice recording is in practice, then the same would also be studied.
3. Normally as a principle, other than for punching errors, no modification to the client codes be allowed.

4. It is imperative that the modification should be reported to the Director and only with his approval, the modification should be carried. The facility to modify the client codes should be available only with the Compliance Officer / Risk Manager at the head office and is not to be given to any branch/franchise/sub-brokers.
5. Hence, the facility to modify the client code should be available only Compliance officer/Risk Manager at the head office and should not be given to the branches.
6. Training program to be conducted to appraise Dealers about misuse of client code modification and also to train them so that errors are not made while inputting of orders.
7. In case of modifications that have been reported after the closure of the direct modification time with the exchange, then in such case a register should be maintained and details like error code, correct code, scrip name quantity, client name, the name of the dealer, explanation for the error, etc would be noted and the directors permission / ratification would be taken before making any change in the back office. The exchange would also be required to inform about the modification by sending an email / letter to the exchange regarding the error made and the modification being carried out by the broker.
8. A register is to be maintained for recording all the code modifications with details like error code, correct code, scrip name quantity, client name, the name of the dealer who punched the code, the explanation of the dealer/Branch Manager, the 'analysis /study' of the authorized Manager and his approval/disapproval for modification. Finally the decision of the authorized Manager should be ratified later by the Director