



Northeast Broking Services Limited

Policy regarding treatment of Inactive/Dormant Account

Objective:

The objective of the policy is to appropriately deal with Inactive/Dormant accounts, where clients have not traded for more than 12 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, any statutory/ regulatory authority and Internal Risk Management Policies.

Background:

SEBI vide circular MIRSD/SE/Cir-19/2009 dated December 3, 2009 and BSE notice no. 20091204-7 dated December 4, 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 12 months, the account will be marked as “INACTIVE/DORMANT”.

All accounts marked as “INACTIVE/DORMANT” shall be monitored closely in order to avoid unauthorized transactions in such accounts. If the client wants to make the account “ACTIVE” after 12 months or after providing the required documents supporting the financial status, the client needs to submit a request to reactivate the 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 on account of Risk Management Policies / Non Compliance as per Rules, Bye laws, Circulars and Guidelines issued by SEBI, Exchanges or any statutory/regulatory authority:

Client can give duly signed request in writing along with the financial information required for trading. 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.

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.