



## **POLICY ON INACTIVE CLIENT ACCOUNTS**

Name of The Policy	<b>Policy on Inactive Client Accounts</b>
Prepared By	<b>Compliance Department</b>
Approved By	Board of Directors
Review/ Approval Date	July 10, 2024
Version	<b>1.2024</b>

## **1. Introduction:**

The Securities and Exchange Board of India (“SEBI”) vide circular MIRSD/SE/Cir-19/2009 dated December 3, 2009 , Bombay Stock Exchange of India (“BSE”) vide circular 20200210-47 dated February 10, 2020 and National Stock Exchange (“NSE”) vide circular NSE/INSP/43488 dated February 10, 2020 (together referred to as the “Circulars”), have directed the stock brokers to frame a policy with respect to treatment of Inactive/ Dormant accounts which, inter-alia, covers aspects of time period, return of client assets and procedure for reactivation of the same.

## **2. Scope & Objective:**

Objective of this policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 12 continuous months.

This document outlines the policy & minimum procedures for classification and reactivation of inactive accounts for non-institutional clients. This policy does not apply to accounts opened by institutional clients.

## **3. Directives:**

### **➤ Inactive and Dormant Account**

The term Inactive/ Dormant account refers to such an account wherein no trades have been carried out in the last 12 (twelve) months across all the Exchanges. An account in which a client has placed an order or effected a pay-in / pay-out or placed a trade with a Trading member would be construed as an operative account for the purpose of this policy.

Once the Trading account has been identified as an Inactive/ Dormant account, the Operations team shall inform the respective dealer/ salesperson and will start with the process of inactivation in the Back Office, front-end trading database and at the UCC at Exchange level. The following process will then be followed:

1. The status of the client account shall be changed to ‘Inactive/ Dormant’ in the back office and at front-end trading database.
2. Update the status of the client as dormant in the UCC database of all the respective stock Exchanges (BSE and NSE).

### **➤ Consequences**

With the client account being treated as Inactive, such accounts shall be flagged as ‘Inactive’ by ACL in UCC database of all the respective Exchanges. The client’s fund account shall be settled. ACL will also ensure that any further trading by such a client should be allowed only after undertaking sufficient due diligence and obtaining updated information/reactivation documents related to KYC/ Re KYC from the concerned Client.

➤ **Reactivation of Trading account**

The Inactive/ Dormant Account will be re-activated only after receiving a duly signed request from the client/account holder along with supporting and updated documents. Client can also send an email from registered mail id for reactivation request.

ACL shall undertake the fresh documentation, due diligence where a client is requesting reactivation after a period of 1 year of being flagged as inactive. The Operations team, upon verifying the documentation its end, may activate client's trading code in the Back Office and Front-end database and subsequently reactivate the same in UCC database of the Stock Exchanges and inform the client and to its respective dealer/ salesperson.

**4. Review:**

This Policy shall be reviewed once a year. However, during the course of the year whenever there is a regulatory amendment, it will be updated and approved by MANCOM.