

CLIENT REGISTRATION

Account Opening Process

The Stock Broker has made available a folder / book containing all the documents required for registration of a client. The folder/book has an index page listing all the documents contained in it and briefly indicating significance of each document. SEBI has vide its circular CIR/MIRSD/16/2011 dated August 22, 2011 has prescribed the uniform documentation to be followed by all the Stock Brokers.

Details of such documentation is as under:

1. Index of documents giving details of various documents for client account opening,
2. Client Account Opening Form in two parts:
 - a. Know Your Client (KYC) form capturing the basic information about the client and instruction/check list to fill up the form.
 - b. Document capturing additional information about the client related to trading account.
3. Document stating the Rights & Obligations of Stock Broker, and client for trading on exchanges including additional rights & obligations in case of internet / wireless technology based trading.
4. Uniform Risk Disclosure Documents for all segments / exchanges.
5. Guidance Note detailing Do's and Don'ts for trading on exchanges.

In the account opening process, the Stock Brokers also gives the following useful information to the clients:

- a. A tariff sheet specifying various charges, including brokerage, payable by the client to avoid any disputes at a later date.
- b. Information on contact details of senior officials within the stock broking firm and investor grievance cell in the stock exchange, so that the client can approach them in case of any grievance.

The folder/ book shall have two parts:

- a) Mandatory and
- b) Non-Mandatory Documents

1. Client Account Opening Form in two parts:

- a. Know Your Client (KYC) form capturing the basic information about the client and instruction/check list to fill up the form
- b. Document capturing additional information about the client related to trading account

The client shall put his signatures while indicating preferences for trading in different exchanges / segments, in accordance with existing requirements and sign the account opening form. However, in case the investor wants to avail Running Account facility, execute Demat Debit and Pledge Instruction' (DDPI) or Power of Attorney, etc., he would have to give specific authorization to the stockbroker in order to avoid any dispute in the future.

The Stock Broker may verify the PAN of their clients online at the Income Tax website without insisting on the original PAN card, provided that the client has presented a document for Proof of Identity other than the PAN card.

Aadhaar Letter issued by UIDAI shall be admissible as Proof of Address in addition to its presently being recognized as Proof of Identity as per SEBI circular CIR/MIRSD/09/2013 dated October 08, 2013.

The Stock Broker shall ensure verification of PAN linking with Aadhaar at the time of account opening and if not linked, request such clients to ensure compliance with the same and further ensure that all its clients (both new and existing clients) are in compliance with the requirement of PAN-Aadhaar linkage as per the timelines prescribed by Government of India from time to time.

SEBI with a view to simplify and rationalize the account opening process, had reviewed, consolidated and updated all the documents/requirements prescribed in respect of account opening process over the years. The simplification includes replacement of all client-broker agreements with the 'Rights and Obligations' document, which shall be mandatory and binding on the existing and new stockbrokers including trading members and clients.

1. Uniform Risk Disclosure Documents for all segments / exchanges
2. Guidance Note detailing Do's and Don'ts for trading on exchanges
3. Policies and Procedures – Document describing significant policies and procedures of the stock broker. There shall be a mandatory document dealing with policies and procedures for the following:
 - i. Refusal of orders for penny stocks.
 - ii. Setting up client's exposure limits.
 - iii. Applicable brokerage rate.
 - iv. Imposition of penalty / delayed payment charges by either party specifying the rate & the period. The same should not result in funding.
 - v. The right to sell client's securities or close client's position without giving notice to the clients on account of non-payment of client's dues limited to the extent of settlement / margin obligation.
 - vi. Internal Shortage
 - vii. Conditions under which a client may not be allowed to take further position, or the broker may close the existing position.
 - viii. Temporarily suspending or closing a client's account at the client's request and deregistering a client.
4. Tariff Sheet – Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the stock exchanges

b Non-mandatory Documents

It may be noted that any voluntary clause / document added by the stockbrokers shall form part of the non-mandatory documents. The stockbroker shall ensure that any voluntary clause/document shall neither dilute the responsibility of the stockbroker nor it shall be in conflict with any of the clauses in the mandatory documents, Rules, Bye-laws, Regulations, Notices, Guidelines and Circulars issued by SEBI and the stock exchanges from time to time. Any such clause introduced in the existing as well as new documents shall stand null and void.

Stock Brokers are further advised to ensure the following:

- (1) It may be noted that proper segregation of the mandatory and non-mandatory documents shall be made.
- (2) All the documents in both the mandatory and the non-mandatory parts shall be printed in minimum font size of 11.
- (3) Additional documents shall state at the beginning in bold that the document is voluntary.
- (4) However, if such documents are required in order to ensure smooth functioning of special facility such as internet trading offered by the trading member, the client shall be informed in writing clearly that such documents are voluntary and the client need not execute such documents if he / she does not wish to use that facility.

(5) Such documents, if any shall also recognize specifically the right of the client to terminate the document. In such an eventuality, the trading member may terminate the special facility.

(6) The docket or folder containing draft mandatory documents for signing and the checklist containing mandatory documents shall not include draft voluntary documents, if any.

(7) No term in the client registration documents, other than those prescribed by SEBI, shall be changed without the consent of the client. Such change needs to be preceded by a notice of 15 days.

(8) The Client shall indicate the stock exchange as well as the market segment where he intends his trades to be executed. He shall do so in the KYC form in his own hand and sign against these.

(9) The stockbroker shall have documentary evidence of financial details provided by the clients who opt to deal in the derivative segment. In respect of other clients, the stockbroker shall obtain the documents in accordance with its risk management system.

List of Illustrative documents

- Copy of ITR Acknowledgement
- Copy of Annual Accounts
- In case of salary income - Salary Slip, Copy of Form 16
- Net-worth certificate
- Bank account statement for last 6 months
- Copy of Holding statement of de-mat account
- Any other relevant documents substantiating ownership of assets
- Self-declaration along with relevant supporting

(10) Details of any action/proceedings initiated/pending/ taken by SEBI/ Stock exchange/any other authority against the applicant/client or its partners/promoters/whole time directors/authorized persons in charge of dealing in securities during the last 3 years.

(11) No documentation shall give any exclusive right or control to the trading member or third party over the demat account or ledger account or bank account of the client except to the extent of and restricted to the client's obligation to the trading member in respect of the transactions done or to be done like up-front margin by the trading member on behalf of the client on the Exchange.

(12) The stockbroker shall frame the policy regarding treatment of inactive accounts which should, inter-alia, cover aspects of time period, return of client assets and procedure for reactivation of the same. It shall display the same on its web site, if any. The guidelines in this regard have been issued vide Exchange circular NSE/INSP/43488 dated February 10, 2020 and NSE/INSP/46506 and December 01, 2020.

(13) In the case of existing clients, if the policies & procedures are not explicitly elaborated, TM should intimate the same to all clients & maintain the proof of dispatch or delivery. In case of internet clients, TM may provide the same electronically in a secured manner.

(14) It has been decided that while a stockbroker may use the brand name / logo of its group companies, it must display more prominently its name as registered with SEBI, its own logo, if any, its registration number, and its complete address with telephone numbers and e-mail address on account opening documents

Accessing Securities Market by Visually Challenged Investor

Based on the representations received, SEBI has clarified that there shall be no restrictions for a visually challenged person in getting registered as a client for trading/investing in the securities market, subject to the compliance requirements. Members are advised to offer trading/investment facilities to the visually challenged persons without any discrimination and render all possible assistance to such persons for registering them as clients.

1.4 In-person verification (IPV)

In line with the uniformity brought out in the KYC procedure across intermediaries, the IPV requirements for all the intermediaries have been streamlined and harmonized by SEBI, as follows:

- i. It shall be mandatory for all the intermediaries to carry out IPV of their clients.
- ii. The intermediary shall ensure that the details like name of the person doing IPV, his designation, organization with his signatures and date are recorded on the KYC form at the time of IPV.
- iii. The IPV carried out by one SEBI registered intermediary can be relied upon by another intermediary.
- iv. In case of Stock Brokers, or Authorised Persons appointed by the Stock Brokers after getting approval from the concerned Stock Exchanges in terms of SEBI Circular No. MIRSD/DR- 1/Cir-16/09 dated November 06, 2009 can perform the IPV.
- v. In case of Mutual Funds, their Asset Management Companies AMCs and the distributors who comply with the certification process of National Institute of Securities Market NISM or Association

tagging to ensure physical location in India etc is also implemented. RI shall ensure that the process is a seamless, real-time, secured, end-to-end encrypted audiovisual interaction with the customer and the quality of the communication is adequate to allow identification of the customer beyond doubt. RI shall carry out the liveness check in order to guard against spoofing and such other fraudulent manipulations. The RI shall before rolling out and periodically, carry out software and security audit and validation of their App. The RI may have additional safety and security features other than as prescribed above.

Clarification in respect of In-person Verification:-

1. In case of individuals:

- a. Stock Broker has an option of doing 'in-person' verification through web camera at the branch office of the Stock Broker/authorised person's office.
- b. In case of non-resident clients, employees at the Stock Broker's local office, overseas can do in- person' verification. Further, considering the infeasibility of carrying out 'In-person' verification of the non-resident clients by the Stock Broker's staff, attestation of KYC documents by Notary Public, Court, Magistrate, Judge, Local Banker, Indian Embassy / Consulate General in the country where the client resides may be permitted.

Individual checklist

IMPORTANT INSTRUCTIONS for filling the KYC Form:

- The account opening form should be filled in BLACK / BLUE INK and CAPITAL LETTERS ONLY.
- All proofs, photographs and signature on the form should be clearly visible and should be self-attested by client.
- The details mentioned in the proof submitted matches with the form filled up by you as per the Checklist table.
- Signatures and date of birth should match with the proof submitted.
- White ink is not allowed on form. All corrections need to be countersigned with full signature.
- In case of DP in joint names, all the proofs-PAN card, address proof and photo should be provided for 2nd & 3rd Holder also.
- Pan Card & Adhaar Card Proof of Nominee and Guardian also to be provided.

Validation Required Proof type	ID Details			Address Details		Bank Details	
	Name	Sign	Photo	Correspondence Address	Permanent Address	Bank Name & A/c No.	MICR/IFSC Code
PAN Card	✓	✓	✓				
UID (Aadhaar)	✓		✓	✓	✓		
Voter ID	✓		✓	✓	✓		
Driving Licence*	✓	✓	✓	✓	✓		
Passport*	✓	✓	✓	✓	✓		
Ration Card				✓	✓		
Telephone Bill** (Mobile bill not accepted)				✓	✓		
Electricity Bill**				✓	✓		
Bank Statement #				✓	✓	✓	✓
Bank Passbook ##				✓	✓	✓	
Cancelled Cheque (With Client name & A/c NO. Printed)						✓	✓
Bank Verification Letter (Original Stationary)	✓	✓	✓	✓	✓	✓	✓

Abbreviations:

- 1) *The proof should be valid on the date of agreement.
- 2) **The proof should not be more than 3 months old.
- 3) # Bank Statement should be attested and of latest quarter.
- 4) ## Bank Passbook should have Bank Manager's

Stamp & Sign if it is handwritten. **PROOF OF**

FINANCIAL DETAILS, anyone (for

Derivatives only)

Net-worth Certificate (CA certified) Return
Tax

Demat Holding Statement

Copy of Annual Accounts

Copy of Income

Copy of Form 16 (Salary Certificate)
bank statement of last 6 Months

ADDITIONAL PROOFS FOR NRI (NON-RESIDENT INDIAN)

1. Bank A/c should be either Repatriable Bank A/c for NRE or Non-Repatriable A/c for NRO Status.
2. Valid Passport/ PIO/ OCI card as proof of Identity. Proof of Foreign Address and Indian Address (if any)
3. Proof of Demat Account should be only with NRI Status.
4. Permission for dealing in securities from Authorized Dealer (Bank) / RBI.

PROOF OF EXISTING DEMAT ACCOUNT HOLDERS

Client Master Report/DP Statement

- 1) Client name & DP A/c No. on the proof of DP submitted should match with that mentioned in the account opening form.
- 2) DP Statement should clearly show DP ID & Client ID

Non-Individual checklist

IMPORTANT INSTRUCTIONS for filling the KYC Form:

- The account opening form should be filled in BLACK / BLUE INK and CAPITAL LETTERS ONLY.
- All proofs, photographs and signature on the form should be clearly visible and should be self-attested by client.
- The details mentioned in the proof submitted matches with the form filled up by you as per the Checklist table.
- Signatures and date of birth should match with the proof submitted.
- White ink is not allowed on form. All corrections need to be countersigned with full signature.
- In case of DP in joint names, all the proofs-PAN card, address proof and photo should be provided for 2nd & 3rd Holder also.
- Pan Card of Nominee and Guardian also to be provided.

Type of Entity	Type of documents
HUF	<ul style="list-style-type: none"> • Pan card of HUF (Mandatory) <p>Address Proof of HUF (Anyone)</p> <ul style="list-style-type: none"> • Bank Statement not more than 3 months. • Passbook Copy <p>Bank Proof (Anyone)</p> <ul style="list-style-type: none"> • Pre-printed cheque HUF Name Printed • Bank Statement <p>Karta Documents</p> <ul style="list-style-type: none"> • Pan Card (Mandatory) • Aadhar / Driving License / Passport / Voter ID <p>Additional Documents</p> <ul style="list-style-type: none"> • 2 Photograph • Deed of declaration of HUF / List of Coparceners <p>Note: All the coparceners and HUF signature required in the DDPI & Stamp Paper</p> <p style="text-align: center;">HUF affix stamp required at all the place where the KARTA sign</p>
Partnership	<ul style="list-style-type: none"> • Pan card of Firm (Mandatory) <p>Address Proof (Anyone)</p> <ul style="list-style-type: none"> • Bank Statement not more than 3 months • Land line Telephone Bill / Electricity bill (Not more than 3 months old) <p>Bank Proof (Anyone)</p> <ul style="list-style-type: none"> • Pre-printed cancelled Cheque • Bank statement/passbook <p>Additional Document</p> <ul style="list-style-type: none"> • Copy of the Balance sheets for the last 2 financial years • Copy of Partnership deed • Certificate of registration (for registered partnership firms only) • Photograph, POI, POA, PAN of all Partners • Consent letter from Partners • Authorized partners list with specimen signatures • Copy of the Board Resolution
LLP	<ul style="list-style-type: none"> • Pan card of Firm (Mandatory) <p>Address Proof (Anyone)</p> <ul style="list-style-type: none"> • Bank Statement not more than 3 months • Land line Telephone Bill / Electricity bill (Not more than 3 months old) <p>Bank Proof</p> <ul style="list-style-type: none"> • Pre-printed cancelled cheque • bank statement/passbook <p>Additional Document</p>

	<ul style="list-style-type: none"> • Certificate of Incorporation/ Registration • Latest Shareholding Pattern • Authorized Signatories List with specimen signature • PAN, DIN & Address Proof of all Partners • Copy of latest share holding pattern • Last 2 Years Annual Report (Balance sheet, P&L,Auditors Reports etc.) / Declaration for New entity • Partnership Deed/ LLP Agreement/ Constitution Agreement • All the Authorized Partners signature required on the DDPI & Stamp Paper • UBO Declaration with PAN and Photo for holders >10% holding • Board Resolution
Trust	<ul style="list-style-type: none"> • Pan card of Trust as well as all Trustee (Mandatory) <p>Address Proof of Trust (Anyone)</p> <ul style="list-style-type: none"> • Bank Statement not more than 3 months • Land line Telephone Bill / Electricity bill (Not more than 3 months old) <p>Bank Proof of Trust</p> <ul style="list-style-type: none"> • Pre-printed cheque • Bank statement/passbook <p>Additional Documents</p> <ul style="list-style-type: none"> • Copy of the Balance sheets for the last 2 financial years • Copy of Board Resolution required • Copy of Trust deed • Certificate of registration (for registered trust only) • Photograph, POI, POA, PAN of all Trustees • List of trustees certified by managing trustees/CA • List of Authorized Trustees with specimen Signature • UBO Declaration with PAN and Photo for holders >10% holding <p>Note</p> <ul style="list-style-type: none"> • Registered Trust – DP account in the name of Trust • Unregistered Trust – DP account will be open in the name of Trustees bases on Resolution • All the Authorized Signatory signature required on the DDPI & Stamp Paper
FDI	<ul style="list-style-type: none"> • Pan card of Entity (Mandatory) <p>Address Proof (Any one)</p> <ul style="list-style-type: none"> • Bank Statement not more than 3 months • Land line Telephone Bill / Electricity bill (Not more than 3 months old) <p>Bank Proof</p> <ul style="list-style-type: none"> • Pre-printed Cancelled cheque • Bank statement/passbook <p>Additional Document</p> <ul style="list-style-type: none"> • Copy of the Balance sheets for the last 2 financial years • Copy of latest share holding pattern • Photograph, POI, POA, PAN and DIN numbers of all directors as well as Authorised signatories • Copy of the Memorandum and Articles of Association and Certificate of Incorporation • Copy of the Board Resolution • Authorised signatories list with specimen signatures • FDI Declaration • For an FDI category – need to submit copy of (RBI Approval) • FIPB – Foreign Investment Promotion Board – approval • List of Director
Body Corporate	<ul style="list-style-type: none"> • Pan card of Entity (Mandatory) <p>Address Proof (Any one)</p> <ul style="list-style-type: none"> • Bank Statement not more than 3 months

	<ul style="list-style-type: none">• Land line Telephone Bill / Electricity bill (Not more than 3 months old) <p>Bank Proof</p> <ul style="list-style-type: none">• Pre-printed cancelled cheque• bank statement/passbook <p>Additional Document</p> <ul style="list-style-type: none">• Copy of the Balance sheets for the last 2 financial years• Copy of latest share holding pattern• UBO Declaration with PAN & POA and Photo for holders >10% holding• Photograph, POI, POA, PAN and DIN numbers of all directors as well as Authorized signatories• Copy of the Memorandum and Articles of Association and Certificate of Incorporation.• Copy of the Board Resolution• Authorized signatories list with specimen signatures• List of Director
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