

Freezing/ Blocking online access of client trading account policy

SPS Share Brokers Private Limited

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Freezing/Blocking online access of client trading account policy

1. Preface

Trading members are required to establish framework to provide facility to clients for voluntary freezing/blocking of online access of trading account on account of suspicious activities. This policy is formulated pursuant to SEBI circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, NSE circular NSE/INSP/61529 dated April 08, 2024 and BSE circular 20240408-12 dated April 08, 2024 which are to be implemented by the Trading member as part of the Risk Management System.

For the purpose of this policy, **SPS Share Brokers Private Limited** shall be referred as "Trading member"

2. Procedure for requesting voluntary freezing/blocking of online access of trading account by clients

- (i) The Trading member shall maintain at least 2 modes of communication through which the client can place request for freezing/blocking of online access of trading account.
- (ii) The clients shall place request with the Trading member for freezing/blocking of online access of their trading account through the modes of communication mentioned in Annexure-1.
- (iii) The client shall mention details as per Annexure-2 in the request.

3. Procedure for validation of request received from client

- (i) The Trading member shall ensure that the request is received from the respective client only by:
 - (a) verifying whether request is received from the registered phone number/e-mail ID of the client or
 - (b) where request is received from other than registered phone number/e-mail ID of the client, the Trading Member shall have a client authentication procedure (2 Factor Authentication) in place or
 - (c) Following any other process as may be prescribed by the Exchanges from time to time
- (ii) After validating that the request is received from the client as per point (i), the Trading member shall issue the acknowledgement as well as freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client within the following timelines:

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account
Request received during the trading hours and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

- (iii) In case of failure of the Trading Member in freezing/ blocking the online access within the above timelines, the Trading Member shall be responsible for any trades executed from the time of receipt of such request till such time the online access is blocked/frozen.

4. Procedure post freezing/blocking client trading account

- (i) The Trading member shall send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.
- (ii) The Trading member shall also communicate details of open positions (if any) to the client along with contract expiry information within one hour from the freezing/blocking of the trading account thus eliminating the risk of unwanted delivery settlement.
- (iii) Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the Trading Member.
- (iv) The request for freezing/ blocking shall not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

5. Process for re-enablement of online access of client trading account

- (i) The client shall place the request for re-enablement of online access of trading account through the modes of communication specified in Annexure-3.
- (ii) The client shall mention details as per Annexure-4 in the request.
- (iii) On receipt of the request from the client, the Trading member shall validate that the request is received from the respective client by

verifying that the request is received from the registered email ID and mobile number of the client.

- (iv) If the email id and/or mobile number of the client is found to be unregistered with the Trading member, the Trading member shall be constrained to not entertain/execute/ implement such request at it deemed fit.

6. Maintenance of records

The Trading Member shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.

7. Review of the policy

The policy shall be reviewed as and when management thinks fit or whenever changes are mandated by statutory authorities.

Annexure-1

Modes of communication for placing of request of freezing/blocking online access by client:

Mode of communication	Details of the Trading member
Email ID	stoptrade@domainname.com
Mobile number	
IVR/tele calling	1. 022-62746274(Ext:-101) 2. 022-62746274(Ext:-227)
Chatbot	
Trading member's app/website	
Any other legally verifiable mechanism	

Annexure-2

The client shall send the request from their registered email ID and mobile number and mention the following details in the request:

Client code/ Trading AC: - xxxx

Client Name: - ABC

Reason for freezing/ blocking: - Suspicious activity

Request Date:-dd/mm/yyyy

Annexure-3

Modes of communication for placing of request of unfreezing/unblocking online access by client:

Mode of communication	Details of the Trading member
Email ID	<u>enablingtrade@sps.group</u>
Mobile number	
IVR/tele calling	1. 022-62746274(Ext:-101) 2. 022-62746274(Ext:-227)
Chatbot	
Trading member's app/website	
Any other legally verifiable mechanism	

Annexure-4

The client shall send the request from their registered email ID and mobile number and mention the following details in the request:

Client code/ Trading AC: - xxxx

Client Name: - ABC

Request Date:-dd/mm/yyyy