

# **COCHIN STOCK BROKERS LTD. (CSBL)**

## **Client Reactivation and Inactive Trading Account Policy**

### **1. Background:**

The Securities and Exchange Board of India (“SEBI”) vide circular MIRSD/SE/Cir-19/2009 dated December 03, 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.

### **2. Inactivity Criteria:**

The term Inactive/ Dormant account refers to such account wherein no trades have been carried out in the last 12 (twelve) months across all the Exchanges.

- i. Such clients shall be flagged as inactive in the UCC database of the Exchanges and in our back office.
- ii. The Client will be marked as Inactive in our trading system as well.

### **3. Reactivation Requirements:**

- i. Members are required to undertake fresh documentation, due diligence, and In-Person Verification (IPV) for clients seeking reactivation after a period of 1 year of being flagged as inactive.
- ii. Exceptions to the above requirement include clients who have undertaken transactions through the Member in IPO/Mutual Fund subscriptions and DP

operations (if the Member is a DP) during the inactive period. In such cases, the need for fresh documentation, due diligence, and IPV may be waived.

iii. In conditions specified in SEBI circular dated April 24, 2020 (reference number SEBI/HO/MIRSD/DOP/CIR/P/2020/73), the requirement for IPV shall not be applicable, including cases where KYC is completed using Aadhaar authentication/verification of UIDAI or when the KYC form has been submitted online with documents provided through Digi locker or any other verifiable online source.

#### **4. Early Reactivation:**

If a client seeks reactivation before the completion of 1 year of being flagged as inactive, Members must ensure that basic client details such as Address, Mobile number, Email ID, and Bank/DP account are updated in their records and the UCC records of the Exchange. Necessary documents shall be collected for any changes.

For Cochin Stock Brokers Ltd.

Compliance Officer