

# Arham Share Consultants Pvt. Ltd.

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## **Pre Trade Confirmation Policy**

### **Objective:**

Streamline & smoother trading operational activity by implementing regulatory as well as exchange guideline issued by time to time. Also as per our Risk Management Policy set a system for error free operation, Client Satisfaction, Transparent & effective client services to reduce Client complain related to un-authorized trading activity. Our main objects to serve our best services to Client all time.

### **Reference:**

SEBI Circular dated September 26, 2017 ref no. CIR/HO/MIRSD/MIRSD2 /CIR /P /2017/108, NSE Circular no. NSE/INSP/35929 & BSE notice no. 20170927-38 dated September 27, 2017.

### **Applicability:**

Policy is in force **from April 01, 2018** as per the exchange & regulatory guideline.

### **Operational Guideline:**

Each & every order will be compulsorily supported by following way of evidence of Client placing order with date & time stamp:

1. Physical record written & signed by client: Order confirmation slip signed by client for each order or register to be maintained with in & out time stamp with client signature with one order confirmation slip mentioning word “all order placed by me for the day”.
2. Telephone recording from registered mobile number of client
3. Email from registered email Id of Client
4. Log for internet transactions like messenger etc with prior approval of Management
5. Record of SMS messages received from registered mobile of Client.
6. Any other legally verifiable record (with prior approval of Management) which proves Client identity.

### **Roll of the Person engage in Dealing Activity with Client:**

#### **For Employees (Branch Manager, RM, Dealer & All dealing Staff)**

1. All communication with the client should be done from the land line only (with recording facility).
2. Mobiles should not be used while communicating with the client.
3. The respective RM needs to take PRE-TRADE confirmation of the clients before placing order.
4. If the client agrees and confirms then only order should be placed in the respective client account.
5. Once the trade is executed, the actual trade confirmation with Scrip Name, Qty, Buy/Sell and Price must be given to the clients.
6. Ensure that the dispute if any will be resolve SAME DAY only and immediate corrective action shall be taken.

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## **For Authorised Person, Sub Broker & Remiser**

1. All communication with the client should be done from the land line only (with recording facility).
2. Mobiles should be used if land line not available or recording facility not available. For such case record all communication in mobile phone while communication with client for placing of order.
3. The respective AP, Sub Broker & Remiser needs to take PRE-TRADE confirmation of the clients before executing any trade.
4. If the client agrees and confirms then only order should be placed in the respective client account.
5. Once the trade is executed, the actual trade confirmation with Scrip Name, Qty, Buy/Sell and Price must be given to the clients.
6. Ensure that the dispute if any will be resolve SAME DAY only and immediate corrective action shall be taken.

## **Monitoring & Compliance:**

Head office compliance department will randomly check & verify random trade done for the day with Client directly. Also will be ask at the time of exchange inspection or at the time of client complaint, if any un-authorized trade identify by Compliance Department, ask for pre trade confirmation proof from respective authority. Respective authority has to submit such evidence before eod of next working day of the company; else following action will be initiated.

## **Disciplinary Action:**

### **For Employee engage in Dealing Activity:**

1. In case it is found that pre-trade confirmation is not taken then salary/incentive for the respective employee shall be kept on hold.
2. The salary/incentive shall be released only after the respective employee gets the MOU/Ledger signed from the client else loss will be directly pass on to respective client. Compliance Department will verify such submitted documents with Client directly.
3. If the respective employee repeats the offence for a second time he/she will be immediately asked to resign.

### **For Authorised Person, Sub Broker & Remiser:**

1. In case it is found that pre-trade confirmation is not taken then brokerage for the respective Authorised Person, Sub Broker & Remiser shall be kept on hold.
2. Brokerage shall be released only after the respective Authorised Person, Sub Broker & Remiser gets the MOU/Ledger signed from the client else loss will directly pass on to respective client. Compliance Department will verify such submitted documents with Client directly.
3. If the respective Authorised Person, Sub Broker & Remiser repeats the offence for a second time the Agreement will be terminate with immediate effect & inform respective exchange accordingly.

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**Penalty:**

Failing to produce evidence at the time of random checking, at time of exchange inspection or at the time of client complaint, respective dealing authority will be liable to pay penalty and disciplinary action will be taken by management. For repeated case management will take more action if any.

**Policy Review:**

This policy reviewed as and when there are any changes introduced by exchange or regulatory authority or as and when it is found to necessary change on account of business needs and need of risk management policy of the company.

**Review Authority:**

The policy reviewed by Compliance Officer & Compliance Team and placed the changes in policy before the Board at the meeting first held after such changes are introduced.

**Approval Authority:**

This policy approved by Board.

**Policy Communication:**

A copy of this policy shall be made available to Regional Manager, Area Manager, Branch Manager, Dealer, Sub Broker, Authorised Person, Remiser, Compliance Officer, HR Department, RMS Department & Surveillance Department.

**For and on behalf of Board****Priyank Mehta - Director**

Last Review on: 17/02/2018

Board Approval on: 24/02/2018