

Policy for Inactive (Dormant) Accounts

Policy created by	Operational/ Risk Management Staff		
Policy reviewed by	Compliance Head		
Approval Authority	Board of Directors		
Officer responsible for implementation	Compliance Officer		
Reference Circulars	Exchange	Circular No.	Circular Date
	BSE	20200210-47	10-Feb-2020
	BSE	20201201-27	01-Dec-2020
	BSE	20210928-53	28-Sep-2021
	NSE	NSE/INSP/14048	03-Feb-2010
	NSE	NSE/INSP/43488	10-Feb-2020
	NSE	NSE/INSP/46506	01-Dec-2020
	NSE	NSE/INSP/49743	27-Sep-2021
	NSE	NSE/INSP/64718	25-Oct-2024
Policy reviewed on	16-Nov-2024		
Policy approved by Board on	18-Nov-2024		

Exchanges have issued various Circulars from time to time in order to provide guidelines regarding treatment of inactive accounts and ensure uniformity across all the members. It has been observed that many times client stops dealing with Member for a prolonged period of time. This leads to various kinds of risks for Member as well as for entire financial eco system. Needless to say, it is utmost important to have a policy in this regard to define inactive clients and to deal with them.

We have framed the policy in accordance with regulatory guidelines and framework under this backdrop. This policy addresses the risk posed by inactive clients, establishes a definition of dormant accounts, and provides procedures to manage them effectively in line with regulatory requirements.

1. **Definition of Inactive Trading accounts:** An account is deemed dormant if no activity has occurred in the last 24 months. Activities include:
 - (a) **Trading or Participation in any of the segment of the Exchanges:** This includes activities across segments such as Cash/Equity Derivatives, Currency Derivatives, Commodities Derivatives, EGR, Debt, Online Bond Platforms and any segments authorised by SEBI/ Exchanges in future.
 - (b) **Applications in IPOs, SGBs, Mutual Funds:** Participating in IPOs (where bids are successful), SGBs, or Mutual Funds through the Exchanges' mutual fund platform through us.

- (c) **Updates in KYC Details:** Modification/ updation of Email ID/ Mobile Number/ Address (“KYC Details”) in KYC record of client through us and the same has been uploaded to KRA to ensure “Registered”/ “Validated” status.
2. **Flagging of Clients as Inactive and Upload of correct status of the client code in UCC database of the Exchanges:** The accounts identified based on the above criteria shall be flagged as “Inactive” by us in UCC database of all relevant Exchanges. Additionally, correct status of the Unique Client Code (UCC) in the UCC database of the Exchanges shall be maintained. We shall also intimate the clients prior to flagging their trading account as inactive.
3. **Reactivation of the Client:** Client who is flagged as inactive seeks reactivation of trading account, we shall take following steps while reactivation of the said client
- (a) **In-Person Verification (“IPV”)/ Video In-Person Verification (“VIPV”):** Mandatory compliance with IPV/VIPV requirements for all inactive clients, as specified in SEBI Master Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023, on KYC.
- (b) **Confirmation of KYC Details and/or Non-KYC Details:** Confirm with the client if there are any changes/ updates to KYC related Details such as Address, Mobile number and Email ID etc. (“KYC Details”) and/ or Bank account details, DP account details or income range (“Non-KYC Details”) as registered with the us. In case no changes in any of the client’s KYC Details and Non-KYC Details, we shall reactivate the account post compliance with prescribed KRA Requirements.
- (c) **Non-KYC changes only:** In case change in any of the client’s Non-KYC Details and no change in KYC Details, we shall seek the updated Non-KYC Details along with the necessary supporting documents and update the said details in our records as well as UCC records of the respective Exchanges. Upon updation, we shall reactivate the account subject to compliance with prescribed KRA Requirements.
- (d) **KYC changes:** In case of change in KYC Details as registered with the us, we shall obtain the updated details along with the necessary supporting documents and upload the same with KRA to ensure “Registered”/ “Validated” status as per KRA before permitting client to trade on the Exchanges.

Once the client’s KYC status is updated to “Registered” or “Validated,” our back-office records, along with the UCC records of the respective Exchanges, will be updated accordingly. After these updates, we will reactivate the account.

- (e) **Registered/ Validated KYC:** In the event there is no modification in the KYC details and KRA status is Registered/ Validated with KRA through us, we shall fetch the details from KRA and present them for the client's confirmation. If there is change then will shall adhere to the procedure outlined in point (d) above. Upon the client's affirmation that no changes exist in the KYC details, we shall proceed with the reactivation of the account.
- (f) **KYC Status as per KRA "On hold", "Rejected" or "Registered through other intermediary":** Notwithstanding anything contained above, in case a client seeks re-activation, we shall verify client status as per KRA and if the client's KYC status as per KRA is not validated (i. e. "On hold" or "Rejected" or "Registered through other intermediary", etc.) then we shall seek KYC and Non-KYC details along with the necessary supporting documents and upload the same to KRA to ensure registered/ validated status before permitting client to trade on the Exchanges.

Above Scenerio are summarized as under:

Sr. No.	Scenerio	Requirements
(i)	NO CHANGE in client's KYC Details as well as Non-KYC details	IPV or VIPV requirement is mandatory for all inactive clients as prescribed by SEBI
(ii)	NO CHANGE in client's KYC Details and CHANGE in Non-KYC details	<p>IPV or VIPV requirement is mandatory for all inactive clients as prescribed by SEBI</p> <p>Client shall be re-activated upon updating Non-KYC Details along with the necessary supporting documents and updating UCC/ back office records. Upon updation, the account shall be reactivated subject to compliance with prescribed KRA Requirements.</p>
(iii)	CHANGE in client's KYC Details	We shall obtain the updated details along with the necessary supporting documents and upload the same with KRA to ensure "Registered"/ "Validated" status as per KRA before permitting client to trade on the Exchanges. On status of the client KYC getting Registered/ Validated, our back office and UCC records of the respective Exchanges shall be updated. Upon updation, we shall reactivate the account.
(iv)	NO CHANGE in KYC Details and status with KRA is Registered / Validated through us	<p>IPV or VIPV requirement is mandatory for all inactive clients as prescribed by SEBI</p> <p>We will fetch the necessary details and documents from the KRA records and</p>

		present them for the client's confirmation. If any changes are noted, we will follow the procedure outlined in "Sr. No. (iii)" above. If the client confirms that there are no changes to the KYC details, we will proceed with reactivating the account.
(v)	REACTIVATION where client status as per KRA is not validated (i. e. "On hold" or "Rejected" or "Registered through other intermediary" etc.)	We shall obtain the updated details along with the necessary supporting documents and upload the same with KRA to ensure "Registered"/ "Validated" status as per KRA before permitting client to trade on the Exchanges. On status of the client KYC getting Registered/ Validated, our back office and UCC records of the respective Exchanges shall be updated. Upon updation, we shall reactivate the account.

4. **Return of Clients assets:** All client accounts are settled on monthly or quarterly basis (as per the client preferences) in the manner prescribed from time to time.
5. **Settlement/ return of funds & securities of inactive clients which are non-traceable and/ or non-availability of proper client bank/ demat account details:** In cases, where it is not possible to settle the clients' bank accounts/ demat accounts due to non-availability of bank account details/ demat account details and non-traceability of client, proper audit trail for efforts taken to trace the clients and to settle their funds & securities should be maintained.
 - (a) **Settlement of funds of inactive clients:** For settlement of funds of inactive clients following
 - i. In view of the latest Upstreaming requirements, we are required to upstream unclaimed client funds (funds of the clients which are non-traceable and/ or non-availability of proper client bank account details) to Clearing Corporation.
 - ii. In case of receipt of any claims from such clients, we shall settle the accounts immediately and ensure that the payment is made to the respective clients only.
 - (b) **Settlement of securities of inactive clients:** In such cases, where it is not possible to return client securities due to non-availability of client's demat account details and/ or non-traceability of client, proper audit trail for efforts taken to trace the clients and to return their securities should be maintained.
6. **Reporting of client Funds & Securities:** Requirement of upload of the details of such inactive clients having NIL balances is done away in daily submission of Holding Statement to the Exchange as prescribed in NSE Circular NSE/INSP/55380

dated January 25, 2023 and daily submission of Segregation and Monitoring of Collateral at Client level to Clearing Corporations. However, details of the clients having funds or securities balances shall be reported (daily submission of Segregation and Monitoring of Collateral at Client level file reporting to Clearing Corporations in case of funds and daily submission of Holding Statement to the Exchange in case of securities) even if their UCC has been flagged as 'Inactive'.

This policy is circulated amongst all departmental heads and all dealers. The same is also displayed on our website.

For & Behalf of
Unique Stockbro Private Limited

Compliance Officer

Date: November 16, 2024

End of Report

Disclaimer: Policy Framework for Policy for Inactive (Dormant) Accounts as depicted above is subject to change from time to time having regard to change in circumstances & regulatory guidelines. This Policy for Inactive (Dormant) Accounts shall be reviewed periodically in accordance with regulatory guidelines and management perception.