

Policy on Error Accounts

Policy created by	Operational staff		
Policy reviewed by	Compliance Head		
Approval authority	Board of Directors		
Periodicity of Review periodicity	Whenever changes are introduced by a statutory authority or when circumstances necessitate adjustments to the policy, we will implement these modifications as required		
Officer responsible for implementation	Compliance Officer		
Reference Circulars	Issued by	Circular No.	Circular Date
	SEBI	CIR/DNPD/6/2011	05-Jul-2011
	NSE	NSE/INVG/2011/18484	29-Jul-2011
	NSE	NSE/INVG/2011/18716	26-Aug-2011
	NSE	NSE/INVG/24045	31-Jul-2013
	NSE	NSE/SURV/27878	21-Oct-2014
	NSE	NSE/INVG/31729	12-Feb-2016
	NSE	NSE/INVG/31729	12-Feb-2016
	NSE	NSE/INVG/35398	19-Jul-2017
	NSE	NSE/INVG/41356	20-Jun-2019
	NSE	NSE/INVG/41459	28-Jun-2019
	NSE	NSE/INVG/42106	11-Sep-2019
	NSE	NSE/INVG/56395	17-Apr-2023
Policy reviewed on	16-Nov-2024		
Policy approved by Board on	18-Nov-2024		

Objective:

The main objective of the policy is to deal with modification of client code modification (“CCM”) after the execution of trade and to create an awareness amongst the relevant staff such as dealers, Branch- in-charge, Compliance Officer and Authorised Persons.

Background:

SEBI through its various circulars directed that modifications of client codes of non-institutional trades are done only to rectify a genuine error in entry of client code at the time of placing/ modifying the related order. Stock Exchanges shall levy penalty to the Trading Members for CCM.

Policy:

Dealers are advised to hear or note patiently the client code /scrip name and reconfirm the same to their best possible efforts before placing order into the system. However, the below mentioned client code modifications are considered Genuine Errors as per the circulars issued by the SEBI/ Exchanges:

1. Where original client code/ name and modified client code/ name are similar to each other but such modifications are not repetitive.

2. Error due to communication and/or punching or typing such that the original client code/name and the modified client code/ name are similar to each other.
3. Modification within relatives ('Relative' for this purpose would mean "Relative" as defined under the Companies Act, 2013).

Provided there is no consistent pattern in the above mentioned modifications.

Modification in client codes:

1. Any trade shifted (institutional or non-institutional) to the Error Account, are subsequently liquidated/ closed out in the market and not shifted to some other client code within prescribed timelines. New order would be punched in original code.
2. As per Exchange circular NSE/INVG/2011/18716 dated August 26, 2011, shifting of any trade (institutional or non-institutional) to the error account shall not be treated as modification of client code provided the positions arising out of trades in error account are subsequently liquidated/ closed out in the market and not shifted to some other client code.
3. Client code modification issues should be reported to the Compliance Officer/ Concerned Operations In-Charge at Head Office for approval and it should be approved only in line with SEBI/ Exchange directives issued from time to time.
4. The Compliance Officer/ Concerned Operations in charge should review every day the Error Account file sent by the Exchange.
5. A separate register must be maintained for the purpose of recording Client Code Modifications (CCM) details.
6. An error account with UCC "ERROR" is opened and the same is uploaded in UCC Database of the Stock Exchanges. Error account is mapped with back office code "9007".
7. The modification of client code is to be done on exceptional basis only.
8. The access/ rights of client code modification is given only to Head of operations and/ or Compliance department.
9. Department head/ compliance officer are advised to analyze the mistake for genuineness of code modification, verify for patterns, which indicates the intention to adversely impact one investor over other by transferring profits/ losses to/ from specific codes.

Operations:

Exchanges provide a provisional file containing summary of cumulative client code modifications for the month. The provisional file for T day is available on T+1 day. We are

required to review this file and take necessary remedial actions to ensure compliance. We will strictly adhere to policy that Proprietary trades will not be modified as client codes, nor will client codes be modified as proprietary trades.

Documentation Requirement for CCM:

As per the Exchange's recent instructions, we are required to document reasons for client code modifications on non-institutional and error trades.

Data Availability and Access:

Modification data will be accessible on a T+1 basis on the Member portal of the exchanges. Authorized personnel may select the trade date and segment to retrieve the relevant data. The appropriate reason code must be selected for each modification

The reason for modification is mapped as following:

Reason Code	Description
0	Modified to Error
1	Error due to communication or Punching/ Typing Error such that the original client code/ name and the modified client code/ name are similar to each other
2	Modification with Relatives (as per Companies Act, 2013)
3	Allocation to related schemes/ sub-accounts

Designated ERROR account guidelines:**1. Disclosure Requirement:**

In line with Exchange circular - NSE/INVG/2011/18716 dated August 26, 2011, we are required to disclose the client code which is classified as Error Account during the UCC upload process.

2. Naming Conventions:

Exchange has proposed to standardize the naming convention of the designated error account. The naming convention with respect to classification of Error Accounts shall be as under:

- Client Code: The client code of the designated error account should have the nomenclature as "ERROR" or "ERROR%" where % is a number.
- Account Name: The name of the designated error account should have the nomenclature as "TM Name - Error Account".

Modification and Liquidation of trades in ERROR Accounts:**1. Modification to Error Account:**

As per Exchange circular - NSE/INVG/2011/18716 dated August 26, 2011, shifting of any trade (institutional or non-institutional) to the error account shall not be treated as modification of client code provided the positions arising out of trades in error account are subsequently liquidated/ closed out in the market within prescribed timelines and not shifted to some other client code.

2. Liquidation Timeline:

We must liquidate trades transferred to the error account within 3 working days, inclusive of the trade day, subject to liquidity availability in the respective scrip/ contract. Should liquidity be insufficient, we must notify the Exchange within one trading day. Timely liquidation is mandatory, and the Exchange's decision on liquidity matters will be considered final.

Reporting Process:

Department Head/ Compliance officer are advised to update the modified cases report to the Board/ Management on the implementation of the said policy periodically.

Approval Authority:

This policy is approved by the Board.

Review Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs. The policy may be reviewed by the Managing Director/CEO and place the changes in policy before the Board at the meeting first held after such changes are introduced.

Policy communication:

A copy of this policy shall be made available to all the relevant staff such as dealers, Branch-in-charge, Compliance Officer and Authorised Persons

For & Behalf of
Unique Stockbro Private Limited

Compliance Officer

Date: November 16, 2024

End of Report

Disclaimer: Error Account Policy and Policy for Client Code Modification (CCM) as depicted above is subject to change from time to time having regard to change in circumstances &

regulatory guidelines. Error Account Policy and Policy for Client Code Modification (CCM) shall be reviewed periodically in accordance with regulatory guidelines and management perception.