Policy for voluntary freezing of client's online access

Background:

SEBI vide it's circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 and Exchanges vide their circulars dated April 08, 2024 mandated trading members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities. The said circular also requires the trading members to frame a policy in line with the framework specified by the Exchanges, which shall be the part of the trading member's Risk Management Policy. The trading members shall disclose the said policy on their website. The said policy shall also form a part of the account opening kit for all new clients on boarded with effect from July 01, 2024.

The Policy on Voluntary Freezing by Clients of Nikunj

This policy shall be applicable as and when clients require freezing / blocking online access to their trading account and subsequently desire to unfreeze the same. The client is required to proceed as under:

a. Request for freezing

1) Client is required to submit request for voluntary freezing / blocking the online access to their trading account through any one of the following modes:-

- ✓ Mobile Applications (Under Process)
- ✓ Web Trading Platform (WTP) (Under Process)
- ✓ By sending an SMS from registered Mobile number to Compliance Officer at 8700240043.
- ✓ By sending an Email from registered e-mail ID requesting for freezing / blocking to stoptrade@nikunjonline.com

2) Client Validation:

Client shall log in to the mobile application and WTP post 2-factor authentication (password and PIN). Hence the identity of the client shall be validated.

- ✓ The client shall submit request for freeze.
- ✓ On receipt of such request, the online access of the client's trading account shall be freeze/blocked and simultaneously all the pending shall be cancelled.
- ✓ Post freezing/blocking the client's trading account, a communication shall be sent 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. The communication shall also provide the details of all pending orders in the client's trading account, that have been cancelled along with the process of re-Enablement for getting the online access to the trading account.
- ✓ Details of Open Positions (if any) shall also be communicated to the client along with contract expiry information within such time as prescribed by regulators. This will eliminate the risk of unwanted delivery settlement.

- ✓ Once the online access of the trading account is freezed / blocked such client may place orders through alternate channels such as call and trade.

b. Request for Un-freezing

i. Client may request for unfreezing / unblocking the online access to their trading account through any one of the following modes that shall be made —

- ✓ Mobile Applications
- ✓ Web Trading Platform (WTP)
- ✓ By sending an Email from registered e-mail ID requesting for unfreezing / unblocking

ii. An email acknowledgement shall also be sent to the client informing him / her of the unfreeze request and the date by which online access shall be activated.

iii. On successful reactivation client shall be able to trade by login Mobile Applications / Web Trading Platform (WTP)

c. Important points

i. All logs of freeze and unfreeze request and communications sent shall be maintained for audit trail.

ii. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the online access to back office and the Risk Management activities of NSBL.

iii. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

iv. This policy shall be informed to all clients and shall also be a part of the account opening kit for all accounts opened with effect from July 01, 2024.

v. The freeze, unfreeze; issue of communication shall be within the timelines specified by SEBI/ Exchanges in this regard.

The said policy shall be a part of Nikunj Stock Brokers Limited Risk Management Policy.

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