



**Northeast Broking
Services Limited**

CLIENT REGISTRATION & CLOSURE OF CLIENT ACCOUNTS

CLIENT REGISTRATION:

A. Policy for acceptance of clients:

The company is governed by the byelaws, rules, and regulations of the SEBI and various exchanges. The authorities have specified minimum documentation and verification required before opening an account of a client, which is quite extensive.

We do not outsource client registration service. All representatives of the company must ensure following while opening an account of a client and doing transaction with them:

- a) No account is opened in a fictitious / benami name or on an anonymous basis.
- b) Factors of risk perception (in terms of monitoring suspicious transactions) of the client are clearly defined having regard to clients' location (registered office address, correspondence addresses and other addresses if applicable), nature of business activity, trading turnover etc. and manner of making payment for transactions undertaken. The parameters shall enable classification of clients into low, medium and high
- c) Documentation requirements and other information to be collected in respect of different classes of clients depending on the perceived risk and having regard to the requirements of AML Rules, Directives and Circulars issued by SEBI from time to time.
- d) Ensure that an account is not opened where the company is unable to apply appropriate Client Due Diligence measures/ KYC policies. This shall apply in cases where it is not possible to ascertain the identity of the client, or the information provided to the intermediary is suspected to be non - genuine, or there is perceived non - co-operation of the client in providing full and complete information. The company shall not continue to do business with such a person and file a suspicious activity report.
- e) Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client does not match with any person having known criminal background or is not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide

B. Registration Procedure:

Individual Clients

- a. Generally a client is introduced by another existing client or by new/existing branch head/relation managers/ Authorised Persons. However, if a client approaches directly, a proper verification of address, occupation and credential must be carried out.



Northeast Broking Services Limited

b. Know your client (KYC) / Client Registration form must be duly filled up and the information regarding residence/correspondence address, bank details, depository details must be verified with the original documents and if required from any other authentic sources.

c. The Client must provide a recent photograph and necessary identity proof and address proof as specified in the KYC form.

Non Individual Clients

a. The company will open a trading account for Non-individual entity, if the Partner/ Director/ Karta of Partnership Firm/ Company/ HUF respectively is our client and he/she has been properly verified as mentioned for individual clients.

b. Copies of PAN card, financials for last 2 years or from inception of such entity if such entity is not older than 2 years, must be obtained strictly.

c. Shareholding pattern and list of controlling persons must be obtained

d. Photograph of each Partner/Whole time Director/Karta/controlling person and details must be obtained as specified by the SEBI and Stock Exchange. The registration forms which are duly filled in and signed are collected and sent to the Head Office, if the prospective client has approached at branch or any AP office. In-person Verification/ Digital KYC is done by the employees/Authorised Person (AP). Verifying Personnel's Name, Designation Signature and date of verification is marked in the Registration form. Then the client details are entered in the Back Office software after receipt of the original forms and supporting documents.

For outstation clients an online verification through video or any other such mode is carried out after receiving the hard copy of account opening form in HO. Defective forms are sent back to the clients/AP for rectification with a covering note. For all satisfactory forms, PAN is checked with IT site and then required additional details, if any are entered in the back office, based on the Original form.

For individual clients we have incorporated financial details in our client registration kit and it is ensured that the same is duly filled by the client and the bank statement for the previous three months and minimum six months for derivative clients is also collected from the clients.

For Corporate clients we collect at least 2 years' audited financial statements and income tax return. Thereafter, the Unique Client Code (UCC) code is generated and activates the account after cross verification of all the details once again. The Required client details are then uploaded to Exchange site. After obtaining the Success file the same is given for mapping in the trading terminal.

A welcome kit including a welcome letter mentioning the Client code, Xerox copy of the Client registration form are sent to the Client and the proof of dispatch is maintained. The Unique Client Code activated for the client is intimated to the client by means of E-mail & SMS simultaneously. All the Client forms and the supporting documents are kept in safe custody at the Head Office.



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We have also started the process of updating the Client details including the financial details at regular intervals. This process is done in co-ordination with the APs.

CLOSURE OF CLIENT ACCOUNTS

The Client accounts shall be closed upon receipt of a closure request received from the client as per the specific format as decided by the Company, from time to time. The account will be closed immediately after settlement of the account. Settlement of account shall mean that there is no outstanding balance in the books of the client and Northeast Broking Services Ltd (NBSL) If the Client has credit balance in his/ her account, the remaining amount will be refunded to the client and if the client has debit balance in his/ her account, he/she will clear all his/ her dues first before closing the accounts.

In Case the company initiates the closure of an account which has NIL balance then a letter is sent to the client giving one month notice with regards to closing of the account. If no reply is received in that month or if no transaction is carried out in that period then the account is closed at that point in time.

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