



**NORTHEAST BROKING SERVICES LIMITED**

**Policy Framework for voluntary freezing/blocking the online access of trading account for clients  
(Annexure to Risk Management Policy)**

**1. INTRODUCTION**

In order to enhance the ease of doing business and ease of doing investments for investors and to enhance protection of investors from suspicious activities; SEBI, has vide its circular ref. No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 has mandated that a framework shall be laid down by stock exchanges for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients.

**2. SCOPE AND APPLICABILITY**

- A. The clients may use the two below modes for communicating their request to voluntarily freeze/block the online access to their trading account if any suspicious activity is observed in their trading account:
  - a) SMS from registered mobile number
  - b) IVR/tele calling
- B. The policy shall be applicable with effect from July 01, 2024.
- C. The policy shall be provided to new on boarded clients as part of account opening kit with effect from applicable date, July 01, 2024.

**3. Mode of receipt of request for freezing/blocking the trading A/c:**

Following modes shall be provided by company for receipt of request for freezing/blocking the clients trading A/c:

- A. SMS from registered mobile number: An option shall be provided to clients wherein they can send the SMS to 7207772959 from their registered mobile number, Customer support team of company to place request for freezing/blocking their trading A/c.
- B. IVR/Tele calling on **8858895889**: An option shall be provided to clients wherein they can call in on IVR Platform / Customer support team of company to place request for freezing/blocking their trading A/c.

**4. Procedure to be followed on receipt of request for freezing/blocking the trading A/c.:**

On receipt of request from clients through any of the prescribed modes of communications; for freezing/blocking of the online access of the trading account from the client:

- a. Company shall validate that the request is received from a registered client as per and issue an acknowledgement as well as freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client.
- b. (i) To validate that the request for freezing/blocking of the online access of the trading account is received from the respective client; company shall verify, whether request is received from the registered mobile number of the client; and wherever request is received from other than registered mobile number of the client, company shall authenticate the client with 2 Factor Authentication.  
  
(ii) To validate the request received on IVR / tele calling desk; company shall verify the client by authenticating that request is received from registered mobile no. of client and with 2 Factor Authentication.

- c. The timelines for freezing/ blocking of the online access of the clients' trading account is as under:

| <b>Scenario</b>  | <b>Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.</b> |
|--|--|
| Request received during the trading hours and within 15 minutes before the start of trading. | Within 15 minutes  |
| Request received after the trading hours and 15 minutes before the start of trading.         | Before the start of next trading session   |

- d. Post freezing/blocking the client's trading account, company shall send a communication 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 and all the pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.
- e. Company shall also communicate / provide the details of open positions of client (if any) along-with contract expiry information within one hour from the freezing/blocking of the trading account.
- f. Company shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.

**5. Re-enabling the client for online access of the trading account: -**

Company shall re-enable the online access of trading account after carrying out necessary due diligence including validating the client request and unfreezing / unblocking the online access of the trading account.

**6. Clarification for clients:**

1. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of company.
2. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the records of respective Exchanges.

**7. Record Management:**

1. Company shall maintain a verifiable record of communication of this policy to all existing clients and obtain a confirmation of providing a copy of this policy from all new on boarded clients with effect from July 1, 2024.
2. Company shall maintain a verifiable record of all such requests received for freezing/ blocking of online access to trading account received from clients as per record management guidelines prescribed by the exchanges/regulator.

**8. Reporting of freezing / blocking of the online access of the clients trading account:**

The data relating to freezing / blocking of the online access of the clients trading account shall be reported as per compliance requirement prescribed by SEBI / Exchanges, if any.