

Policy on Voluntary Freezing/Blocking of Trading Accounts for Offline Brokers

1. Introduction:

This policy outlines the framework for providing clients the facility to voluntarily freeze/block their trading accounts in case of suspicious activities, in line with SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, and Exchange Circular no. NSE/INSP/60277 dated January 16, 2024.

2. Objective:

To enable clients to safeguard their trading accounts by offering a mechanism to voluntarily freeze/block trading accounts in case of suspicious activities and to ensure compliance with regulatory requirements.

3. Modes of Communication for Freezing/Blocking Requests:

Clients may request to freeze/block their trading accounts through at least two of the following modes of communication:

- **Email from the registered email ID**
- **SMS from the registered mobile number**
- **IVR/tele calling**

A dedicated email ID and telephone number for this purpose will be provided: stoptrade@khambattasecurities.com.

4. Processing Requests:

Upon receiving a request to freeze/block a trading account:

- **Validate the request** by verifying it is received from the registered phone number/email ID of the client.
- **Issue an acknowledgment and freeze/block the trading account** within the following timelines:
 - Requests received during trading hours: within **15 minutes**
 - Requests received outside trading hours: before the start of the next trading session

Cancel all pending orders and send a communication to the client's registered mobile number and email ID confirming the freezing/blocking of the trading account and cancellation of pending orders.

5. Notification of Open Positions:

Details of open positions and contract expiry information will be communicated to the client within **one hour** of freezing/blocking the trading account.

6. Record Keeping:

Maintain appropriate records/logs of:

- Requests received for freezing/blocking trading accounts
- Confirmations issued for freezing/blocking trading accounts
- Cancellations of pending orders

7. Accountability:

In case of failure to freeze/block the trading account within the prescribed timelines, the Broker will be responsible for any trades executed from the time of receipt of the request until the account is blocked/frozen.

8. Re-enabling Trading Accounts:

The Broker will re-enable the trading account after:

- Carrying out necessary due diligence
- Validating the client's request for unfreezing/unblocking the trading account

9. Clarifications:

- Freezing/blocking applies only to the trading account and does not restrict Risk Management activities.
- The request for freezing/blocking does not constitute a request for marking the client's Unique Client Code (UCC) as inactive in the Exchange records.

10. Disclosure:

This policy, along with the process and modes through which clients can request to freeze/block and unfreeze/unblock their trading accounts, will be disclosed on the Broker's website. The policy will form part of the account opening kit for new clients from **July 01, 2024**, and will be communicated to existing clients by **July 01, 2024**, via email or other suitable mechanisms which can be preserved. If communication is undelivered, alternate channels will be used, including physical delivery, SMS, or electronic instant messaging services in adherence to Exchange Circular No. NSE/INSP/52604 dated June 10, 2022.

Contact Information: For any queries or further information, clients may contact:

- **Email:**compliance@khambattasecurities.com
- **Phone:**022-66413328

Effective Date: This policy is effective from **July 01, 2024**.