Policy on Client Code Modifications

1. The modification to the client code is to be done only in exceptional cases and not as a routine manner.
2. The reason for modification has to be ascertained and analyzed and genuineness is to be established and also it's impact on the clients shall be studied before the modification. If voice recording is available, the same shall be considered before arriving at a decision.

3. As per circulars of both Nse/Bse, the following would Constitute genuine errors with regard to client code modifications:

- 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.

- Modification within relatives

- Shifting of any trade (institutional or non institutional) to the error account of the trading member shall not be treated as modification of client code under SEBI circular dated July 5, 2011, 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.

4. Penalties are applicable for all cases of modifications except shifting to "error account" which should be passed on to the concerned client with due intimation
5. Therefore it is imperative that the issue should be reported to the senior level Manager/Director and only with his approval, the modification should be carried after being satisfied that it is genuine and the same is required to be done to protect the interests of the client.
6. Hence the facility to modify the client codes should be available only at the Corporate Manager level and should not be given to the branches/franchise/sub-brokers.
7. The Director/management should identify the Managers who are authorized and can take decision to carry the modification.
8. Training program shall be conducted to all the Dealers and they be explained how code modifications can be misused and what steps should be taken to avoid the same. It also should be explained that code modifications should not be encouraged to the clients except as mentioned above.
9. A register is to be maintained for recording all the code modifications with details like error code, correct code, scrip name quantity, client name, the name of the dealer who punched the code, the explanation of the dealer/Branch Manager, the analysis /study of the authorized Manager and his approval/disapproval for modification.