

ABans Group of Companies

Client Code Modification / Transfer **of Trade Policy**

(Reviewed on 21st day of Mar'2017)

**Abans Securities Private Limited
Abans Commodities (I) Private Limited
Abans Broking Services Private Limited**

(Applicable for all Exchanges/Segments)

The modification to a client code is to be done only in exceptional cases and not as a routine one. Normally as a principle, other than genuine errors, no modifications to the client codes are allowed. The following errors would be considered as genuine, provided there is no consistent pattern in such errors:

- i. Where original client code/name and modified client code/name are similar to each other, and**
- ii. Where original client code and modified client code belongs to a family (family for this purpose means spouse, dependant parents, dependent children and HUF).**

On Line – Client Code Modification:

Genuine punching errors in client codes while placing orders are allowed to be modified. Client code modification facilities have been disabled from all the dealer terminals. Client code modification shall be carried out only from the admin terminals located at Head Office surveillance desk by Mr. Ritesh Mehta (Sr. VP-Trading & Operations) under the intimation to the Compliance Officer and/or to the Operations Head.

While carrying out code modification, genuineness of the punching errors shall be verified against corroborative circumstantial evidences like similarities of codes, trades in immediately preceding codes, square off trades without holdings or positions or any such other evidences shall have to be taken into account. Complete records of daily online trade modifications shall be maintained in soft form.

Off Line – Client Code Modification:

Client Code Modification during market hours -

On execution of trade, Dealer immediately informs Client over telephone or confirms trade if client is sitting in the Dealing Office itself. If client does not confirm the trade or refuses to confirm the trade on the plea that the concerned trade is not belonging to him, the Dealer immediately takes steps to find the correct client code as per his records, and/or refers to the voice logger system under an intimation to the Compliance Officer and/or to the Operations Head about the dealing/punching error. After filling a Client Code Error Sheet and signing the same, Operations Head and/or the Compliance Officer authorizes the client code change. Letter is obtained from the respective client if mistake is at their end while placing orders; before sending contract notes to them.



Client Code Modification after market hours -

Client code modification after market hours is done on an exceptional basis only. Genuine punching errors in client code, if detected after the end of post closing sessions may be allowed to be modified subject to the verification of genuineness as narrated above. If a Dealer could not be able to contact a client during market hours immediately after execution of trades, and the client subsequently refuses to accept the trade or if the client code entered is a non-existing one, the respective Dealer inquires other clients mapped with his terminal/refers to voice logger etc., and on getting the correct client code, after filling the Client Code Error Sheet and taking approval from the Regional Head/Compliance Officer and/or from the Operations Head, correct client code is entered. Any such back office client code modification shall be carried out by Mr. Ritesh Mehta (Sr. VP-Trading & Operations) under the intimation to the Compliance Officer and/or to the Operations Head. Here too, letter is obtained from clients if mistake is at their ends while placing orders, before sending contract notes to them.

For F&O and CDS segment, as far as possible, the errors would be rectified by reversal trade in next trading session and the rate differences shall be set off by passing a JV entry in the ledgers of the affected clients. In case the client do not agrees to keep such wrong trade record in his account, such trades may be rectified by moving both legs of the trades to the account of actual client instead of settling it though JV entry.

Monitoring Mechanism and the Precautions taken:

Management has proper Monitoring mechanism in place to review such transfer of trades. A Client Code Error Register containing required details is maintained for all such modifications. Each code change approval has to be ratified later by any one Director, and is reviewed by Management in order to ensure that there is no regular pattern observed or any deliberate intentions involved. Also number of daily punching errors made by each Dealer is reviewed and based on findings they are warned and instructed. Even clients are called to find out reasons for such code changes if situation demands. Dealers are required to show cause in writings at the Client code Error Sheet. Monitoring of such client code changes in a daily basis, if any, are done by Management, and the Dealers are specially instructed to remain careful while executing the trades. Daily trades of a client are monitored and if modifications are repetitive i.e. five or more modifications are observed in a week, such clients are not allowed to trade unless Management is satisfied with the reasons provided by such client. Training programs are conducted, and all the Dealers are explained how code modifications can be misused and what steps should be taken to avoid the same. The fact is conveyed to them that code modifications are not encouraged by the Management.
