

National Stock Exchange of India Limited**Department: INVESTOR SERVICES CELL**

Download Ref No: NSE/ISC/61835

Date: April 30, 2024

Circular Ref. No: 24/2024

To All Members and Market Participants,

Subject: Master Circular for Investor Grievance Redressal Mechanism

Various circulars have been issued from time to time on Dispute Resolution Mechanism i.e. Investor Complaints, SCORES and Online Dispute Resolution. With a view to facilitate Market Participants to comply with the current regulatory requirements and have access to the applicable guidelines at one place relating to the above, the Exchange has consolidated all the applicable circulars on Dispute Resolution Mechanism issued up to March 31, 2024.

Members are advised to take note of the same and comply with these norms, in letter and spirit, on a continuous basis. In case of any detailed clarification required, Members are advised to refer to the respective circulars.

For the convenience of members, circular is categorized as following:

Part A	Investor Grievances
Part B	Arbitration
Part C	Circular References

In case of any inconsistency between the Master Circular and the applicable circulars, the content of the relevant circular shall prevail.

Notwithstanding such rescission

- a. Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.*
- b. The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the*

rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded.

For and on behalf of

National Stock Exchange of India Limited

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PART A - INVESTOR GRIEVANCES

Sr. No.	Particulars
1.	Introduction
2.	General provisions regarding investor grievance redressal
3.	Framework for handling of investor grievances received through SCORES 2.0 by Entities
4.	Process of Dispute Resolution Mechanism through SMARTODR PORTAL
5.	Registration of Market Participants on SMART ODR PLATFORM
6.	Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites
7.	Escalation Matrix for Investor Grievance Redressal Mechanism
8.	Penalty structure for Non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website (As per NSE circular no. NSE/ISC/54332 dated November 9, 2022)
9.	Information regarding Grievance Redressal Mechanism to be displayed at offices of Stockbrokers
10.	Requirements for Members to address complaints regarding ‘unauthorised trades’.
11.	Penalty to be levied on the cases of unauthorized trading
12.	Dedicated Email ID for Investor Grievance
13.	Enhanced Supervision of Stockbrokers – “Trading member details”
14.	Introduction of dedicated web-based Help desk portal for Investors
15.	Flashing a link to SCORES on the dashboard of Demat Accounts and Displaying of information regarding SEBI Complaint Redress System (SCORES) on the website
16.	Types of complaints against listed companies taken up by Exchange
17.	Types of complaints against listed companies not taken up by Exchange
18.	Resolution of Complaints against Listed Companies through NEAPS
19.	Action for failure to redress investor complaints by listed companies
20.	Integration of Investor Complaints
21.	Investor Protection Fund, Investor Services Fund and Investor Services Cell
22.	Introduction of Investor Risk Reduction Access (IRRA)

Sr. No.	Particulars
23.	Centralised Mechanism for reporting the demise of an investor through KRAs

PART B - ARBITRATION MECHANISM

Sr. No.	Particulars
24.	Process of Dispute Resolution Mechanism through SMARTODR PORTAL
25.	Interim Relief by the Exchange
26.	Panel of Conciliators and Arbitrators
27.	Place of Conciliation & Arbitration
28.	Process of Arbitration
29.	Cost of Arbitration and Conciliation
30.	Trading members leading to default.
31.	Disclosures
32.	Defaulting clients
33.	Arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s)
34.	NSE's Online Investor Complaint Filing interface: NICE Plus

PART A - INVESTOR GRIEVANCES

1. Introduction

With a view to streamline and make the investor grievance redressal mechanism at Stock Exchanges more effective, SEBI has issued various circulars including the Master Circular for Online Resolution of Disputes in the Indian Securities Market (SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195) dated July 31, 2023 and Circular on Redressal of investor grievances through the SEBI Complaint Redressal System (SCORES) Platform and linking it to Online Dispute Resolution platform (SEBI/HO/OIAE/IGRD/CIR/P/2023/156) dated September 20, 2023, as amended from time to time.

All claims, differences or disputes between the Trading Members, Constituents, Authorised Persons and Issuers arising out of or in relation to transactions made subject to the Bye-Laws, Rules and Regulations of the Exchange and circulars issued by SEBI.

2. General provisions regarding investor grievance redressal¹

- 2.1. Investors shall first take up their grievances for redressal with the entity concerned (viz. Member, listed company or (MIIs))², through their designated persons/officials who handle issues relating to compliance and redressal of investor grievances.
- 2.2. Investors who wish to lodge a Complaint on SCORES (complainant) are required to register themselves on <https://scores.sebi.gov.in/> by clicking on “Sign in/Sign up” under the “Investor Corner”. While filing the registration form, details like Name of the investor, Permanent Account Number (PAN), contact details, email id, are required to be provided for effective communication and speedy redressal of the grievances. Upon successful registration, a unique user id and a password shall be generated and communicated through an acknowledgement email to the complainant.
- 2.3. In order to enhance ease, speed and accuracy in the redressal of grievance, the investor may lodge the Complaint against any Entity on SCORES within a period of one year from the date of occurrence of the cause of action, where:

¹ These provisions have been effective from April 1, 2024

² presently excluding Clearing Corporations and its constituents

- 2.3.1. The complainant has approached the Entity for redressal of the complaint and the Entity has rejected the complaint or the complainant has not received any communication from the concerned Entity; or
- 2.3.2. The complainant is not satisfied with the reply received or the redressal by the concerned Entity.
- 2.4. If any complaint filed on SCORES 2.0 beyond the limitation period specified above, SEBI may reject such complaint.
- 2.5. The following types of complaints shall not be dealt through SCORES:
 - 2.5.1. Complaints against companies which are unlisted/delisted and companies on Dissemination Board of Stock Exchanges (except complaints on valuation of securities).
 - 2.5.2. Complaints relating to cases pending in a court or subject matter of quasi- judicial proceedings, disputes pending with Online Dispute Resolution mechanism under the aegis of Market Infrastructure Institutions the as per ODR Master Circular.
 - 2.5.3. Complaints falling under the purview of other regulatory bodies such as Reserve Bank of India, (RBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority of India (PFRDAI), Competition Commission of India (CCI), or complaints falling under the purview of other ministries.
 - 2.5.4. Complaints against a company under resolution under the relevant provisions of the Insolvency and Bankruptcy Code, 2016 (IBC).
 - 2.5.5. Complaints against the companies where the name of company is struck off from Register of Companies (RoC) or a vanishing company as published by MCA.
 - 2.5.6. Liquidated Companies or companies under liquidation.
 - 2.5.7. Complaints which are in the nature of market intelligence i.e., information given to SEBI regarding violation of any of the provisions of the securities laws. Such complaints can be lodged on <https://mi.sebi.gov.in/>
- 2.6. The complainant in the event of being dissatisfied shall give reasons for not being satisfied with the Action Taken Report (“ATR”) and provide clear reasons for review at any stage.
- 2.7. In cases where investors raise issues, which require adjudication on any third-party rights, on questions of law or fact or which is in the nature of a *lis* between parties, or if investors are not satisfied with disposal on SCORES post SEBI review, they shall seek appropriate remedies

through the Online Dispute Resolution mechanism in securities market. In addition, investors have the option to approach legal forums including civil courts, consumer courts etc.

- 2.8. Investors can approach the Online Dispute Resolution mechanism or other appropriate civil remedies at any point of time. In case the complainant opts for Online Dispute Resolution mechanism or other appropriate civil remedies while the complaint is pending on SCORES, the complaint shall be treated as disposed on SCORES.

3. Framework for handling of investor grievances received through SCORES 2.0 by Entities.

3.1. Submission of the Complaint and handling of the Complaint by the Entity:

3.1.1. All Entities who are in receipt of the complaints of the investors (“**Complainant**”) through SCORES, shall resolve the complaint within 21 calendar days of receipt of such Complaint.

3.1.2. The Complaints lodged on SCORES against any Entity shall be automatically forwarded to the concerned Entity through SCORES for resolution and submission of ATR. Member shall resolve the Complaint and upload the ATR on SCORES within 21 calendar days of receipt of the Complaint. The ATR of the entity will be automatically routed to the complainant.

3.1.3. The Complaint against the Entity shall be simultaneously forwarded through SCORES to the relevant Designated Body (in this case, the Exchange). The Designated Body shall ensure that the concerned Entity submits the ATRs within the stipulated time of 21 calendar days.

3.1.4. The Exchange shall monitor the ATRs submitted by the entities under their domain and inform the concerned Entity to improve the quality of redressal of grievances, wherever required.

3.2. First review of the Complaint:

3.2.1. In case the complainant is satisfied with the resolution provided by the entity *vide* the ATR or the complainant does not choose to review the Complaint, the Complaint shall be disposed on SCORES 2.0. However, if the complainant is not satisfied, the complainant may request for a review of the resolution provided by the entity within 15 calendar days from the date of the ATR.

3.2.2. In case the complainant has requested for a review of the resolution provided by the entity or the entity has not submitted the ATR within the stipulated time of 21 calendar days, the concerned Designated Body shall take cognizance of the Complaint for first review of the resolution through SCORES. The Designated Body shall take up the first

review with the concerned Entity, wherever required. The concerned Entity shall submit the ATR to the Designated Body within the time stipulated by the Designated Body.

- 3.2.3. The Designated Body may seek clarification on the ATR submitted by the Entity for the first review. The concerned Entity shall provide clarification to the respective Designated Body, wherever sought and within such timeline, as the Designated Body may stipulate. The Designated Body shall stipulate the timeline in such a manner to ensure that the Designated Body submits the revised ATR to the complainant on SCORES within 10 calendar days of the review sought.

3.3. Second Review of the Complaint

- 3.3.1. The Complainant may seek a second review of the Complaint within 15 calendar days from the date of the submission of the ATR by the Designated Body. In case the complainant is satisfied with the ATR provided by the concerned Designated Body or complainant does not choose to review the Complaint within the period of 15 calendar days, the Complaint shall be disposed on SCORES 2.0.

- 3.3.2. In case the complainant is not satisfied with the ATR provided by the Designated Body or the concerned Designated Body has not submitted the ATR within 10 calendar days, SEBI may take cognizance of the Complaint for second review through SCORES 2.0.

- 3.3.3. SEBI may take up the review with stakeholders involved, including the concerned entity or/and Designated Body. The concerned entity or/and Designated Body shall take immediate action on receipt of second review complaint from SEBI and submit revised ATR to SEBI through SCORES 2.0, within the timeline specified by SEBI.

- 3.3.4. SEBI or the Designated Body (as the case may be) may seek clarification on the ATR submitted by the concerned entity for SEBI review complaint. The concerned entity shall provide clarification to the respective Designated Body and/or SEBI, wherever sought and within such timeline as specified. The second review Complaint shall be treated as 'resolved' or 'disposed' or 'closed' only when SEBI 'disposes' or 'closes' the Complaint in SCORES. Hence, mere filing of ATR with respect to SEBI review complaint will not mean that the SEBI review complaint is disposed.

3.4. SCORES authentication for registered intermediaries and market infrastructure institutions:

- 3.4.1. Members and DPs shall also obtain SCORES authentication. The procedure for obtaining SCORES authentication shall be as may be specified.

4. Process of Dispute Resolution Mechanism through SMARTODR PORTAL

The dispute resolution process under the ODR Mechanism shall have three levels of resolution i.e., Pre-Conciliation, Conciliation and Arbitration.

The said mechanism shall be applicable to all the investors/clients/Market Participants who register and lodge their complaint/dispute through SMARTODR Portal.

4.1. Pre-Conciliation

- 4.1.1 After following the process provided in paragraph [2] of Part A above, if the Investor is not satisfied with Member/Market Participant's response, then they may lodge a complaint through SCORES/SMART ODR.
- 4.1.2 Upon registration of a complaint/dispute by the investor/client on SMARTODR Portal, the complaint/dispute will be assigned to an MII through the SMARTODR Portal. The Exchange (if it is assigned MII) will aim for amicable resolution of complaint/dispute between the investor/client and the Member/Market Participant within 21 calendar days from the date of filing of complaint/ dispute ("Pre-Conciliation Period").
- 4.1.3 During the Pre-Conciliation Period, the Exchange may request for written submissions by the disputing parties and also hold meetings/tele-conferences to resolve the issue.
- 4.1.4 In case the investor/client is not satisfied with the resolution/complaint not resolved during Pre-Conciliation Period, then the matter will be referred to conciliation.
- 4.1.5 Market Participant may also initiate online dispute resolution through the SMARTODR Portal after having given due notice of at least 15 calendar days to the investor/client for resolution of the dispute which has not been satisfactorily resolved between them.

4.2. Conciliation

- 4.2.1 The Exchange empanelled ODR Institution shall appoint a neutral conciliator from its panel of conciliators with necessary qualifications and expertise within 5 days of receipt of reference of the complaint/dispute by the ODR Institution.
- 4.2.2 Such conciliator shall conduct one or more meeting/s for the disputing parties to reach an amicable and consensual resolution within 21 calendar days from the date of appointment (unless extended for a maximum period of 10 calendar days by consent of the disputing parties).
- 4.2.3 In case of successful conciliation, a settlement deed will be entered into between the disputing parties, and the matter shall stand resolved. Both the investor/complainant

and the Market Participant shall comply with the terms and conditions of the settlement deed.

- 4.2.4 In case of unsuccessful conciliation, the conciliator will ascertain the admissible claim value of the complaint/dispute that the conciliator determines is payable to the investor/client and notify the disputing parties as well as the ODR Institution and the Exchange of the same.

5. Registration of Market Participants on SMART ODR PLATFORM

The Market Infrastructure Institutions (including the Exchange), under guidance of SEBI, have established and developed a common Online Dispute Resolution Portal ('SMART ODR Portal') for resolving disputes between the parties. The link for the Online Dispute Resolution Portal is <https://smartodr.in/>.

All Market Participants (including Members) are advised to follow the below mentioned steps for registration and account verification.

- a) *Market Participants shall receive an email from SMART ODR PORTAL (noreply@mailers.smartodr.in) for account creation. The email contains necessary procedure for account creation and will be sent to the registered compliance officer's email id as available in the Exchange records.*
- b) *Market Participants are required to click on "Verify Email" link mentioned in the email. They will be then redirected to the SMART ODR Portal for acceptance of the terms and conditions. Subsequently, it will prompt to set a password. The password should be of minimum 8 characters which should include at least 1 uppercase, 1 lowercase, 1 number and 1 special character.*
- c) *After accepting the Terms and Condition and 2 Factor Authentication, Market Participants are required to complete the login procedure on the SMART ODR Portal. The Terms and Conditions shall also be sent on the aforesaid email ID's.*
- d) *There is a facility to add additional users using the "User Management" section under the Profile icon on the left-hand side of the portal.*

In case of any issues during registration process, please email at help@smartodr.in or contact on the helpline number +91- 8105148710. Please note that the user manual is available at <https://help.smartodr.in>

6. Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites

SEBI has issued Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021, regarding publishing Investor Charter and disclosure of Investor Complaints by Stockbrokers on their websites. Investor Charter is attached as **Annexure 1**.

Trading Members are advised to bring the Investor Charter to the notice of their clients (existing as well as new clients) by uploading the Investor Charter on their respective websites, making them available at prominent places in the office, providing a copy of the Investor Charter as a part of account opening kit to the clients, through e-mails / letters etc.

Trading Members are advised to have a separate page on the website for the Investor Charter wherein the relevant details provided in the Investor Charter viz Vision, Mission, Services Provided by the member, Grievance Redressal Mechanism of the member and Exchange, etc are displayed along with the logo of the Trading Member. The link to access the Investor charter should be available on the home page of the website.

Additionally, Trading Members shall disclose the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month on their website, in the format as given in the SEBI circular (SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021). Format is available in **Annexure 1** as above.

7. Escalation Matrix for Investor Grievance Redressal Mechanism

An effective grievance procedure ensures an amiable work environment, as it redresses the grievance to mutual satisfaction and helps the management to frame policies and procedures, in line with the regulations.

To further strengthen the process of handling Investors Grievances, Trading Members are advised to take the below measures:

- a. Multiple modes of communication should be made available to the investors, with a view to ensure seamless process in raising the complaints.
- b. Strengthen the complaint redressal mechanism by hiring qualified / dedicated trained resource, impart adequate trainings for better handling and suitable closures.
- c. Investor Grievances escalation matrix to be explicitly displayed on the website and mobile application under the 'Contact Us' page. The 'Contact Us' link should be placed on the index/homepage of the website. Upon clicking the same, it should display the detail as shared in the Annexure of the said circular.

- d. Escalation matrix should also be a part of the complaint redressal communications between the Trading Members and Investors
- e. Acknowledgment should be sent to the investor, once the grievance is received / escalated / resolved and should state the Service ticket / Complaint reference number in it.
- f. Members, who are also a Depository Participant, shall provide separate escalation matrix for Demat related queries. In case they have a common grievance handling unit, they may display the common Escalation matrix as stated under point 'C'.
- g. Enhance Investor education vide educational videos, webinars etc.
- h. Provide regular updates to investors on changes in rules/regulations through support portals.
- i. Details of services provided to clients may be displayed on homepage of the website.
- j. Automate procedural requirements by online submission and acceptance of forms & KYC related matters.
- k. Regular system audits to reduce the occurrence of technical issues and downtimes.

General guidelines to ensure uniform display of escalation matrix:

- The escalation matrix should be prominently displayed on the “Contact us” page
- “Contact us” link should be placed on the index/homepage of the website.
- The email addresses and contact numbers of ‘Compliance officer’ and ‘CEO’ must be distinct, with a view to differentiate regular emails and escalations.
- Under the ‘Contact number’ column, the working hours should be mentioned for each escalation level e.g., Mon-Sat; 9:00 AM to 6:00 PM
- In case the contact number is a toll free / centralised number handled through IVR, there should be different IVR options made available to reach ‘Customer care / Head of customer care’ and for escalations to ‘Compliance officer’ and ‘CEO’ (e.g. Press 1 for ‘Customer care’, Press 2 for ‘Compliance / CEO Desk’ etc.).
- In case the contact number is a general / centralised number manned by any

- Individual/Receptionist, there should be different extension numbers assigned to reach to the ‘Customer care / Head of customer care’ and ‘Compliance officer / CEO’ desks. Member must ensure that the desk is manned by during the working hours published on the website.

Format for Escalation Matrix:

Details of	Contact Person	Address	Contact No.	Email Id
Customer care				
Head of Customer care				
Compliance Officer				
CEO				

In absence of a response/complaint not addressed to your satisfaction, you may lodge a complaint with:

- SEBI at <https://scores.gov.in/scores/Welcome.html>
- SMARTODR Dispute Website : <https://smartodr.in/>

Please quote your Service Ticket/Complaint Ref No. while raising your complaint at SEBI SCORES/Exchange portal

8. Penalty structure for Non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website (As per NSE circular no. NSE/ISC/54332 dated November 9, 2022)

Exchange has also formulated a penalty structure for non-compliance of the aforementioned requirement, and it shall be applicable for trading members who have their own website and they deal with retail clients.

Details of contravention	Disciplinary Action/Charges
Non-compliance of circular No. NSE/ISC/52517 w.r.t publishing of Investor Grievance Escalation Matrix on website by the Trading Members	Letter of observation shall be issued to the trading member, providing a period of 15 days from the date of issue of letter of observation to comply with the said requirement. In case the trading member fails to confirm the compliance of the same within the aforementioned period of 15 days, a penalty of Rs.1,000/- per day shall be levied till the member complies with the

Details of contravention	Disciplinary Action/Charges
	circular to the satisfaction of the Exchange. If the trading member fails to abide by the above direction for two months, the matter shall be placed before the relevant committee for further directions.

9. Information regarding Grievance Redressal Mechanism to be displayed at offices of Stockbrokers

Stockbrokers (its registered Authorized Person(s)) shall prominently display basic information at their offices about the grievance redressal mechanism available to investors as per below format.

Dear Investor,			
In case of any grievance / complaint against the Stockbroker / Depository Participant:			
Please contact Compliance Officer of the Stockbroker/ Depository Participant (Name) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXXXX.			
You may also approach CEO/ Partner/Proprietor (Name) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXXXX.			
If not satisfied with the response of the Stockbroker/ Depository Participant, you may contact the concerned Stock Exchange / Depository at the following:			
MII	Web Address	Contact No.	Email-id
BSE	www.bseindia.com	XXXXXXXXXXXX	xxx@bseindia.com
NSE	www.nseindia.com	XXXXXXXXXXXX	xxx@nse.co.in
MSEI	www.msei.in	XXXXXXXXXXXX	xxx@msei.in
MII	Web Address	Contact No.	Email-id
CDSL	www.cdslindia.com	XXXXXXXXXXXX	xxx@cdslindia.com
NSDL	www.nsdl.co.in	XXXXXXXXXXXX	xxx@nsdl.co.in
You can also lodge your grievances with SEBI at http://scores.gov.in . For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 / 1800 266 7575.			

(As per SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014 and NSE circular NSE/ISC/27486 dated September 01, 2014)

10. Requirements for Members to address complaints regarding ‘unauthorised trades’

- To further strengthen regulatory provisions against un-authorized trades and also to harmonise the requirements across markets, it has now been decided that all brokers shall execute trades of clients only after keeping evidence of the client placing such order, which could be, inter alia, in the form of:
 - a. Physical record written & signed by client,
 - b. Telephone recording,
 - c. Email from authorized email id,
 - d. Log for internet transactions,
 - e. Record of messages through mobile phones,
 - f. Any other legally verifiable record.
- When dispute arises, the burden of proof will be on the broker to produce the above records for the disputed trades.
- When a dispute arises, the broker shall produce the above-mentioned records for the disputed trades. However, for exceptional cases such as technical failure etc. where broker fails to produce order placing evidence, the broker shall justify with reasons for the same and depending upon merit of the same, other appropriate evidence like post trade confirmation by client, receipt/payment of funds/ securities by client in respect of disputed trade, etc. shall also be considered. TM to maintain “internal/system auditor certificate along with affidavit regarding facts, circumstances, extent and genuineness of technical failure claimed”.
- Further, wherever the order instructions are received from clients through the telephone, the stock broker shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records.
- The Brokers are required to maintain the records specified above for a minimum period as applicable from time to time. However, in cases where dispute has been raised, such records shall be kept till final resolution of the dispute.
- If SEBI desires that specific records be preserved, then such records shall be kept till further intimation by SEBI.

(Trading members are requested to refer SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018)

- In case the Member has made margin calls to the client and the client has failed to comply with these margin calls, then the contract note issued by Member for transactions owing to non-compliance of such margin calls would bear a remark specifying the same.
- The Member shall maintain a verifiable record of having made such margin calls and that the clients have not complied with the same.

11. Penalty to be levied on the cases of unauthorized trading (As per NSE Circular no. NSE/ISC/57761 dated July 31, 2023 and NSE/ISC/60035 dated December 29, 2023)

The below revised penalty structure shall be applicable for the cases in respect of trades executed from August 1, 2023 and determined as unauthorised trades by the GRC order / Conciliation order / Arbitration Award / Appellate Award.

Details of contravention	Penalty
<p>a) Unauthorized trading** observed by Arbitrators while finalizing Arbitration / Appellate awards under old mechanism, even if trading member settled the claim.</p> <p>b) Unauthorized trading** as observed by Conciliator/ Arbitration under Online Dispute Resolution (ODR) mechanism introduced w.e.f. August 16, 2023, even if trading member settled the claim.</p> <p>** (induced trades or trades executed by the trading member / AP using any unfair means (ex. obtaining user ID and password of the client to execute trades etc., without the consent of the client).</p>	<p>Determined by Investor Grievance Redressal Committee (IGRC) / Conciliator / Arbitration.</p> <p>I. Monetary Penalty per case shall be Rs.50,000/- or 3% of the admissible amount determined in the IGRC, Conciliation, Arbitration order / award, Appellate order / award whichever is higher.</p> <p>II. In addition to the above penalty,</p> <p>a) Member will be debarred from taking new clients for a period of one month, in case 25% of all the complaints (not less than 05) placed before IGRC / Conciliation / Arbitration in the immediately preceding calendar quarter are determined by it to be unauthorized trading cases.</p> <p>b) Where the number of unauthorized trading cases as per the numbers indicated at (II a) persist for three consecutive quarters, the Member concerned will be debarred from taking new clients and Authorized Persons (APs) if any, for a period of three months.</p> <p>c) The number of unauthorized trading cases as per numbers indicated at (II b) persists beyond three consecutive quarters, the matter be placed before the relevant Committee, for action.</p> <p>d) Member will be referred to inspection in case any of the above instance (i.e., II a, b, c) is triggered.</p>

12. Dedicated Email id for Investor Grievance - Members are requested to provide a dedicated email id for correspondence to the Investor Services Cell of the Exchange.

(Refer SEBI circular no. NSE circular no. NSE/ISC/24570)

13. Enhanced Supervision of Stock-Brokers – “Trading Member details”

This has reference to the Exchange Circular No. NSE/ISC/2017/35268 dated July 03, 2017 on Enhanced Supervision of Stock brokers.

As mentioned under the Annexure I of the above referred circular, Trading Members are required to provide their contact details through ‘ISC TM Supervision’ made available on Member Portal.

Based on the feedback received from the Trading Members, the aforesaid module has now been made available under ‘NICEPlus’ application. Path for accessing the module is given below:

- Member Portal → Services → NSE Investor Centre → NICEPlus TM Supervision → TM Contact Details

All Members are advised to update their respective contact details, to ensure better reach for Investors.

14. Introduction of dedicated web-based Help desk portal for Investors:

In our continuous endeavour to deliver superior customer experience, Investor Services Cell is pleased to announce the introduction of dedicated web-based Helpdesk portal for Investors.

Path for accessing the help desk portal - <https://nseindia.service-now.com/helpdesk>

The web-based Helpdesk portal is a robust self-service system aimed to deliver support for addressing queries pertaining to the functions handled by Investor Service Cell.

Important features of the Helpdesk portal are as follows:

- Knowledge Portal – A wide range of articles and FAQs shall assist users in enhancing their product/process knowledge and thereby help in addressing their queries.
- Raise a Request – Through the ‘Raise a Request’ quick link, a logged-in user has the option to directly create a ticket for query resolution rather than sending an email or calling the Regulatory helpdesk toll free numbers. Users can also provide updates/additional information to the service executive handling the said ticket. Further, the progress of the ticket can also be monitored until closure. User can also refer to historical tickets.

Furthermore, the new Chatbot available on the portal shall also serve as an additional avenue to support in query resolution

(Refer NSE circular no. NSE/ISC/49850 dated October 5, 2021)

15. Flashing a link to SCORES on the dashboard of Demat Accounts and displaying of information regarding SEBI Complaint Redress System (SCORES) on the website

SEBI vide letter dated March 7, 2018 informed that a study was conducted under the aegis of Quality Council of India (QCI) to understand some of the root causes of grievances/complaints on securities market related issues lodged on Centralised Public Grievance Redressal and Monitoring System (CPGRAMS) portal and the measures suggested to address the issues included providing a link to SCORES portal within the Demat/trading Account Dashboard of the clients/investors to make it easier for investors to lodge grievances. Accordingly, as per the directions of SEBI, members are required to provide a link to SCORES portal on the Demat/Trading Account Dashboard of clients/investors.

(Refer NSE circular dated NSE/ISC/2018/37397/35268 dated April 02, 2018) This has reference to SEBI letter dated July 3, 2019 related to SEBI Complaint Redress System (SCORES). To make the complaint redressal mechanism through SCORES more efficient, SEBI has directed all the members to display the following information on their websites:

Filing of complaints on SCORES – Easy & quick

- o Register on SCORES portal
- o Mandatory details for filing complaints on SCORES:
 1. Name
 2. PAN
 3. Address,
 4. Mobile Number,
 5. Email ID

Benefits:

- i. Effective communication
- ii. Speedy redressal of the grievances

Further, all the members are directed to include procedure for filing of complaints on SCORES and benefits for the same in the welcome kit to be given to the investors at the time of registration with them.

All the members may refer the SCORES and FAQs website link: <https://scores.sebi.gov.in/> available for the same.

16. Types of complaints against listed companies taken up by Exchange

- Non updation of address /Signature or Corrections etc
- Non-receipt of Bonus
- Non receipt of Dividend
- Non receipt duplicate debt securities certificate
- Non-receipt of duplicate share certificate

- Non receipt of fractional entitlement
- Non receipt of interest for delay in dividend
- Non receipt of interest for delay in payment of interest on debt security
- Non receipt of interest for delay in redemption proceeds of debt security
- Non receipt of interest for delay in refunds
- Non receipt of interest on securities
- Non receipt of redemption amount of debt securities
- Non receipt of refund in Public/ Rights issue
- Non receipt of Rights Issue form
- Non receipt of securities after conversion/ endorsement/ consolidation/ splitting
- Non receipt of securities after transfer
- Non receipt of securities in public/ rights issue
- Non receipt of shares after conversion/ endorsement/ consolidation/ splitting
- Non receipt of shares after transfer
- Non receipt of shares after transmission
- Non receipt of shares in public/ rights issue (including allotment letter)
- Non-receipt of interest for delay in dispatch/credit of securities
- Receipt of refund/ dividend in physical mode instead of electronic mode
- Receipt of shares in physical mode instead of electronic mode
- Demat / Remat
- Complaints of any other nature as may be informed from time to time

17. Types of complaints against listed companies not taken up at the exchange

The stock exchanges shall not handle the following type of complaints and forward the complaints as directed below:

Sr. No.	Grievances Pertaining to	Process for handling complaints
1	a. Deposits u/s 73 & 74 of Companies Act, 2013 b. Complaint against Nidhi Companies. c. All matters as delegated under overriding powers under Companies Act 2013 d. Complaints pertaining to dividend and securities transferred to IEPF	Forward the complaint to MCA under intimation to Complainant.
2	Pension funds	Forward the complaint to Pension Fund Regulatory and Development Authority (PFRDA) under intimation to Complainant.
3	Monopoly and anti-competitive practices	Forward the complaint to Competition Commission of India (CCI) under intimation to Complainant.
4	Chit Funds	Request complainant to approach Registrars of Chit Funds of the concerned state
5	Insurance Companies/Brokers/ Agents/products and Service	Forward the complaint to Insurance Regulatory and Development Authority of India (IRDAI) under intimation to Complainant
6	Housing Finance Companies	Request complainant to approach National Housing Bank (NHB) and RBI
7	Companies where moratorium order is passed against the company in winding up/ insolvency proceedings. Companies under liquidation and official liquidator has been appointed	Request complainant to approach NCLT or the official liquidator

- In addition to above, following types of complaints shall not be dealt through SCORES:
- Complaints against companies which are unlisted/delisted and companies on Dissemination Board of Stock Exchanges (except complaints on valuation of securities).
- Complaints relating to cases pending in a court or subject matter of quasi-judicial proceedings, etc.

- Complaints against the companies where the name of company is struck off from Register of Companies (RoC) or a vanishing company as published by MCA.
- Liquidated Companies or companies under liquidation.

18. Resolution of Complaints against Listed Companies through NEAPS

To provide easy access of complaints registered against the 'Listed Companies' vide the common platform, the Exchange has introduced a new functionality on the NSE Electronic Application Processing System (NEAPS) platform, wherein the listed companies can now view all complaints registered against them. Circular issued on February 17, 2013 Ref. no. NSE/CML/2013/17 and NSE/CML/2013/12.

SCORES authentication for companies intending to list their securities on recognized stock exchanges

- 18.1. All companies intending to get their securities listed on the recognized stock exchanges shall obtain SCORES authentication through the online mechanism available at the SCORES website www.scores.gov.in.
- 18.2. The companies shall be required to apply for the authentication through the online form available on the abovementioned SCORES website in accordance with the instruction document provided on the website.
- 18.3. Companies shall attach a declaration, with the online form, on the letter head of the company signed by the Compliance Officer, as under:
 - 18.3.1. Companies intending to list on Main Board: A declaration that the Draft Red Herring Prospectus has been submitted to SEBI.
 - 18.3.2. Companies intending to list on SME/Debt Platform of stock exchange: A declaration that an application to list its securities has been submitted with the stock exchange/in-principal approval to list its securities has been obtained from the stock exchange.
 - 18.3.3. The SCORES credentials shall be sent to the e-mail ID of the Compliance Officer or the Dealing Officer as provided in the online form.
 - 18.3.4. Complaints against listed companies can be processed by companies in-house or through its Registrar to Issue and Share Transfer Agent (RTI/STA). In case the complaints are processed by the RTI/STA on behalf of the listed company, any failure on the part of the RTI/STA to redress the complaint or failure to update the ATR in SCORES, will be treated as failure of the listed company to furnish information to SEBI and non-redressal of investor complaints by the listed company.

18.3.5. The Entities can update their primary e-mail address in SCORES where all notifications related to SCORES complaints are sent.

19. Action for failure to redress investor complaints by listed companies:

- 19.1. The procedure and actions mentioned below shall only be applicable for categories of complaints placed at paragraph 15 above.
- 19.2. The Designated Stock Exchange (DSE) shall levy a fine of ₹ 1000 per day per complaint on the listed company for violation of Regulation 13 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR Regulations) read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
- 19.3. Fines shall also be levied on companies, which are suspended from trading on the stock exchanges.
- 19.4. DSE shall issue a notice intimating the listed company about the levy of fines while also directing it to submit ATRs on the pending complaints and payment of the fines within 15 days from the date of such notice.
- 19.5. In case the listed company fails to redress the grievances and/or pay fine levied within 15 days from the date of such notice, the concerned DSE shall issue notices to the promoter(s) of such listed company, to ensure submission of ATRs on the pending complaints and payment of fines by the listed company within 10 days from the date of such notice.
- 19.6. In case the listed entity fails to comply with the aforesaid requirement and/ or pay fine levied within the stipulated period as per the notices, the DSE shall forthwith intimate the depositories to freeze the entire shareholding of the promoter(s) in such listed company as well as all other securities held in the demat account of the promoter(s).
- 19.7. The depository(ies) shall immediately freeze such demat accounts and also intimate the promoter(s) about the details of non-compliances resulting in freezing of their demat accounts.
- 19.8. In case the listed entity fails to pay the fine or resolve the complaint despite receipt of the notice as stated above, the DSE may initiate other action as deemed appropriate.
- 19.9. While issuing the aforementioned notices, the DSE shall also send intimation to other recognized stock exchange(s) where the shares of such company are listed.
- 19.10. The fine shall be computed and levied on a monthly basis during the non- compliance period.
- 19.11. Amount of fine shall continue to accrue till the date of filing of ATR to the effect of redressal of grievance by the company or till the company is compulsorily delisted, whichever is earlier.

- 19.12. Upon exhaustion of all options as mentioned hereinabove, and if the number of pending complaints exceed 20 or the value involved in such complaints is more than ₹ 10 lakhs, the Exchange shall forward all the complaints against such listed companies to SEBI for further action, if any.

20. Integration of Investor Complaints

With a view to monitor the complaints received by the Trading Members from their Investors, it has been decided that the details of all such direct complaints shall now be disclosed by the trading member to the Stock Exchanges.

In view of the above, the trading members are required to submit the details of the direct complaints received by them (through any channel) on monthly basis, through 'NICEPlus' application available on Member Portal.

Path for submission of the complaints is provided below:

Member Portal -> Services -> NSE Investor Centre -> NICEPlus -> Complaints by TM -> Upload complaint details

Details of complaints shall be submitted on monthly basis within seven days of the subsequent month. Further, in circumstances wherein there is no opening balance of complaints at the beginning of the month and no complaints are received during the month, the trading members are requested to select 'Nil submission'.

21. Investor Protection Fund, Investor Services Fund and Investor Services Cell

SEBI has issued Circular no. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/81 dated May 30, 2023 on Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories.

SEBI has also issued Circular no. SEBI/HO/MRD/MRD-POD- 3/CIR/P/2023/104 dated June 26, 2023 on Investor Service Centres of Stock Exchanges.

All Market Participants are requested to take note of the contents of the circular.

22. Introduction of Investor Risk Reduction Access (IRRA)

This has reference to SEBI Circular ref. no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/177 dated December 30, 2022, which cites circumstances where a Trading Member faces challenges conducting regular business due to reasons like technical glitches or outages.

These issues might render the Trading Member's Primary (PR) site inaccessible to its investors. To ensure seamless business continuity, Trading Members (TMs) are advised to maintain an

updated Disaster Recovery (DR) site. However, if both the Primary and DR sites are affected and regular business cannot be conducted, affected Trading Members' investors can exit or square off their outstanding positions using a common platform under the guidelines of Investor Risk Reduction Access (IRRA), jointly provided by all Exchanges.

TMs who are not required to maintain DR site as per the eligibility criteria prescribed by SEBI, can request to avail the IRRA platform whenever their PR site is not available to conduct regular business due to the aforementioned conditions.

IRRA platform is available to the TMs supporting Internet Based Trading (IBT) and Security Trading through Wireless Technology (STWT) for their investors. IRRA will not be available for Algo trading and Institutional clients.

Under this arrangement:

- Once the affected TM requests or qualifies for invocation of IRRA, post completion of invocation process, IRRA platform will send SMS and email notifications to all the UCCs of the affected Trading Member, informing the investors about the availability of the IRRA platform for exiting or squaring off their open positions.
- Exchanges will display a link to download IRRA mobile application and to access the web-based trading platform on their respective websites. Similarly, TMs are also requested to mandatorily display the IRRA platform links on their respective websites.
- The SMS communication will also include a link to download the IRRA mobile application and URL to access web-based trading platform, allowing investors to log in to the IRRA platform.
- Investors can login using their UCC or PAN along with the OTP sent to their registered mobile number and email id.
- Once logged in, investors can monitor, cancel pending orders and square off open positions using the 'Order book' and 'Net position screen', respectively. The IRRA platform will fetch the respective trading day's orders, trades, from respective Exchanges, and previous end-of-day net open positions across Exchanges from Clearing Corporations.
- The IRRA platform facilitates squaring off open positions and cancelling pending orders. Fresh positions or new orders cannot be placed through IRRA platform. However, the positions built in securities / contracts which are permitted to settle only on gross basis shall not be available for square off.

- Trading Members remain responsible for all their clients' activities on the IRRA platform, including clearing & settlement and margin obligations.
- Similarly, the Clearing Member (CM) of the affected TM shall continue to be responsible for all the activities of their clients on the IRRA platform with respect to all obligations including clearing & settlement and margin requirements.

The IRRA platform also provides Trading Members access to an Admin Terminal, allowing them to monitor their investors' actions. The Admin Terminal enables Trading Members to place square-off orders or cancel pending orders on behalf of its investors or for proprietary account.

23. Centralised Mechanism for reporting the demise of an investor through KRAs

With a view to have standard procedures for operationalizing the above referred circular across all securities market stakeholders, a Standard Operating Procedure (SOP) has been prepared in consultation with Stock Exchanges, Depositories, KRA and Industry Associations.

Circular Ref No: NSE/ISC/60115 dated January 04, 2024 refers to SOP as attached at **Annexure 2**. Based on the above SOP, the KRAs shall on a daily basis provide the list of such PANs to the Exchange daily. The Exchange shall de-activate the UCCs of such PANs.

Members are advised to comply with the process outlined in the SOP for reporting the demise of an investor and publish the same on their websites.

**PART B – CONSOLIDATED CIRCULAR - ARBITRATION MECHANISM UNDER THE
ONLINE DISPUTE RESOLUTION MECHANISM**

SEBI vide circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 28, 2023), has issued a Master Circular on Online Dispute Resolution in the Indian Securities Market (hereinafter referred to as “**ODR Master Circular**”).

24. Process of Dispute Resolution Mechanism through SMARTODR PORTAL

Arbitration

- 24.1 The Complaint/Dispute lodged through SMARTODR Portal shall mandatorily follow the process of Online Conciliation first and in case of unsuccessful conciliation, the same may be taken up for online Arbitration.
- 24.2 An investor/client or Market Participant may pursue online arbitration, subject to payment of fees as applicable for online arbitration. A neutral arbitrator or a panel of arbitrators (as the case may be) with necessary expertise and experience will be appointed by the ODR Institution within 5 calendar days of reference.
- 24.3 The Arbitrator or the Arbitral Tribunal shall conduct one or more hearing/s and pass the arbitral award within 30 calendar days (extension of 30 calendar days is permitted with consent of the disputing parties) of the appointment in the matter.
- 24.4 The Sole Arbitrator or Arbitral Tribunal may, having regard to the nature of the claim and/or counterclaim, provide interim relief, as may be required, for reasons to be recorded after affording hearing to the parties to the dispute.
- 24.5 Upon the conclusion of the arbitration proceedings and issuance of the arbitral award, subject to the terms of the arbitral award, when such arbitral award requires payment of any amount by the Member/Market Participant or performance by it of a certain nature, then such payment shall be made by the Member/Market Participant within a period of 15 calendar days from the date of the arbitral award (unless such award requires payment sooner), and/or performance within such period as specified by the arbitral award.
- 24.6 In the event, the parties do not comply with the arbitral award, the Exchange shall inform SEBI regarding such non-compliance on a periodic basis.

Appeal against Arbitral Award

- 24.7 In case the investor/client/Market Participant is aggrieved with the Arbitral Award, they may file an appeal before a competent Court of law under section 34 of the Arbitration and Conciliation Act, 1996 (“Arbitration Act”).

- 24.8 Upon the issuance/pronouncement of the Arbitral Award, the party against whom the order has been passed, will be required to submit its intention to challenge the award under Section 34 of the Arbitration Act within 7 calendar days in the SMARTODR Portal for onward notification to the party/ies in whose favour the arbitral award has been passed and the Exchange.
- 24.9 If the Member/Market Participant wishes to challenge such an Arbitral Award, or if the investor/client/market participant files arbitration against the conciliation order including for non-adherence of conciliation order then the Member/Market Participant must deposit 100% of the amounts payable in terms of the Arbitral Award with the Exchange prior to initiation of the challenge.
- 24.10 Further, in the course of such a challenge, if a stay is not granted within 3 months from the date of the receipt of award, complete adherence to the terms of the Arbitral Award must be done.

25. Interim Relief by the Exchange

- 5.1 On an application made by the investor / client in this behalf to the Exchange, the Exchange may, from the deposit received from the Member / Market Participant in case the investor/client or the Market Participant challenges the unsuccessful conciliation order / arbitral award, release such amount to the investor/client not exceeding Rs.5,00,000/- (Rupees five lakhs) or such sum as may be specified from time to time. On or before release of the said amount to the investor/client, the Exchange shall obtain appropriate undertaking/ indemnity / security from the investor/client to ensure return of the amount so released, in case the challenge is decided against the investor/client.
- 5.2 If the challenge is decided against the investor/client, subject to the judgement of the appellate forum, such investor/client should return the released amounts. If the investor/client fails to return the amount released, then the investor/client (based on PAN of the investor/client) shall not be allowed to trade on any of the Stock Exchanges or participate in the Indian Securities Market till such time the investor/client returns the amount to the Market Participant.
- 5.3 Further, the securities lying in the demat account(s) or the mutual fund holdings of the investor/client shall be frozen till such time as the investor/client returns the amount to the Market Participant. If security had been obtained, the same could be enforced/realised and adjusted towards the amount required to be returned.

26. Panel of Conciliators and Arbitrators

- 26.1. **Maintenance of a Panel of Conciliators and Arbitrators**

Pursuant to the ODR Master Circular and consultation with SEBI, the Exchange has empanelled five ODR institutions for conducting online conciliation and arbitration in a speedy and effective manner.

26.2. **Public Dissemination of Profile of Arbitrators**

In order to enhance transparency, the profile of arbitrators has been made available on the following path of the Exchange website : [Arbitration Panel - NSE India, National Stock Exchange of India](#)

- Brief Profile of the Arbitrator
- Qualification
- Past Experience
- Number of matters handled.

Referring Clause 30(c) of the Master Circular, the requirement for public dissemination of the profiles of the Conciliators and Arbitrators is to be complied with by the ODR Institutions only. Further, currently neither the ODR Institutions are providing any option to the parties for providing their preference of Arbitrators nor the Master Circular provides for any such requirements.

26.3. **Submission of documents in soft copies**

All the investor services centres are equipped with necessary hardware viz. computer, scanner, printer and required software to facilitate the clients to type/convert their documents into electronic format/soft copy. Such electronic format / soft copies shall be provided to the arbitrators in order to assist the arbitrators in pronouncing comprehensive and speedy awards.

27. Place of Conciliation & Arbitration

The ODR Institutions shall conduct conciliation and arbitration in online mode, enabling online/audio-video participation by the investor/client, the Member/Market Participant and the conciliator or the arbitrator as the case may be. The investor/client may also participate in such online conciliation and arbitration by accessing/utilizing the facilities of Investor Service Centres operated by any of the MIIs.

[The application under section 34 of the Arbitration Act, if any, against the decision of the arbitral award shall be filed in the competent Court nearest to the address provided by Investor in the KYC form.]

28. Process of Arbitration

Application

28.1. If the cumulative value of the claim, difference or dispute is more than Rupees Thirty Lakhs, then such matter shall be referred to a panel of three arbitrators and if the value of the claim, difference or dispute is less than or equal to Rupees Thirty Lakhs, then the same shall be referred to a sole arbitrator. In case of any claim difference or dispute which is less than Rupees Thirty Lakhs, if there is a counter claim which cumulatively with the claim, is in excess of Rupees Thirty Lakhs, then the arbitration panel shall be expanded to three arbitrators from a sole arbitrator.

Requirement for Hearings

28.2. No hearing shall be required to be given to the parties to the dispute if the cumulative value of the claim and counter-claim below Rs. 1,00,000/- or less. In such a case the arbitrator/s shall proceed to decide the matter on the basis of documents submitted by both the parties provided however the arbitrator for reasons to be recorded in writing may hear both the parties to the dispute.

29. Cost of Arbitration and Conciliation

29.1. The costs of the dispute resolution mechanism on the SMARTODR Portal will be borne in the following manner:

- a) There shall be no fees for registration of a complaint/dispute on the ODR Portal.
- b) Fees for conciliation process (*irrespective of claim or counter-claim value*) will be as under:

	Amount in Rupees
Conciliator's fee (to be collected by ODR Institution and paid to Conciliator)	
- for successful conciliation	₹ 4,800/-
- for unsuccessful conciliation	₹ 3,240/-
ODR Institution's fees, in addition to the conciliator's fees (to be collected by ODR Institution)	₹ 600/-
Applicable GST, Stamp Duty, etc. on actual outgoings shall be borne by the concerned Market Participant	

- c) Such fees may be borne by the Exchange and will be recoverable by them from the concerned Member/Market Participant against whom the complaint/dispute is raised.

- d) Such fees shall be borne directly by the concerned Market Participant if it is initiating the dispute process. The Market Participant shall not shift the incidence of such fees to the investor/client at any time.
- e) *Unsuccessful Conciliation:* In the event the disputing parties are not able to arrive at a settlement within the stipulated time (or such extended period as agreed to by them) it shall be said to be unsuccessful conciliation.
- f) *Late Fees:* Initiation of conciliation process after six months from the date of transaction/dispute arising will require payment of INR1,000/- by the initiator of the complaint/dispute (whether such initiator be the investor/client or the Market Participant) and shall be collected by the Exchange and applied as specified by the from SEBI time to time.
- g) The fees for the arbitration process will be as under:

	Rs. 0 –1 lakh *	Above Rs. 1lakh - 10 lakh	Above Rs. 10 lakh - 20 lakh	Above Rs.20 lakh - 30 lakh	Above Rs. 30 lakh - 50 lakh	Above Rs. 50 lakh – 1 crore
Arbitrator's fee (to be collected by ODR Institution and paid to Arbitrator)	₹4,800/-	₹8,000/-	₹12,000/-	₹16,000/-	₹60,000/- **	₹1,20,000/- **
ODR Institution's fees, in addition to the arbitrator's fees (to be collected by ODR Institution)	₹600/-	₹1,000/-	₹1,500/-	₹2,000/-	₹7,500/-	₹15,000/-
Applicable GST, Stamp Duty, etc. on actual						

	Rs. 0 –1 lakh *	Above Rs. 1lakh - 10 lakh	Above Rs. 10 lakh - 20 lakh	Above Rs.20 lakh - 30 lakh	Above Rs. 30 lakh - 50 lakh	Above Rs. 50 lakh – 1 crore
outgoings						

*applicable for service request related disputes also

** Fee for panel of arbitrators shall be split into a ratio of 40:30:30 with the higher proportion being payable to the arbitrator writing the arbitral award

- h)** Further, for claims of Rs. 1 crore and above, an ad valorem fees @ 1% of the claim value or Rs.1,20,000/-, whichever is more, towards Arbitrator's Fees** (to be collected by the ODR institution and paid to the arbitrator) and fees @ Rs 35,000/- towards ODR Institution's Fees, in addition to the arbitrator's fees (to be collected by the ODR institution), together with Applicable GST, Stamp Duty, etc. on actual outgoings, shall be applicable.
- i)** Such fees will be payable at the time of initiation of the arbitration by the initiator (whether the investor/client *or* the concerned Market Participant), and by the person against whom the arbitration has been initiated. When the person initiating the arbitration has not specified a claim amount or has specified a lower claim amount, the admissible claim value as determined by the conciliator shall be reckoned for arriving at the claim value in such arbitration being initiated. The investor may choose to initiate arbitration for a higher claim value subject to payment of applicable fees and charges.
- j)** Such fees have to be deposited at the time of choosing to initiate arbitration through the ODR Portal within 7 days or such period as specified from time to time. In case the person against whom the arbitration has been initiated fails to deposit the fee payable within such period as specified then the person choosing to initiate the arbitration can deposit the fees payable on such person's behalf and shall be recoverable from such person through the arbitration process.
- k)** Subject to the terms of the arbitral award, the person who is successful in the arbitration proceedings shall receive a refund of amounts deposited by such person.
- l)** *Late Fees:* Arbitration initiated after one month of failure of conciliation and upto six months, the fees payable would be double of the non - refundable fees specified in the table above. Arbitration initiated after six months by a Market Participant will require

payment of additional fee of 50% of the fees, specified in the table above applicable per additional month of delay and which shall be on non-refundable basis. Such late fees shall be collected by the MIIs and applied in relation to operationalization and effective functioning of the ODR Platform and for the purposes as specified by the Board from time to time. The concerned ODR Institution may collect this fee on behalf of the MII as per mutually agreed terms between them.

30. Trading Members leading to default.

- 30.1. SEBI vide its circular dated July 01, 2020, has specified SOP for the steps taken by the Exchange pertaining to trading members who are likely to default in repayment of funds or securities to its clients.
- 30.2. As per the said circular, once the trading member is disabled or Show Cause Notice is issued for declaration of defaulter to trading member (whichever is earlier), no further Grievance Redressal Panel (GRP)/ Arbitration meetings shall be conducted.

31. Disclosures:

- 31.1. Members are required to report particulars as per format given in Annexure E of all Arbitration Awards which have been challenged before court of law. Exchange displays the status of Implementation of Arbitration Award/s on the website. The Exchange discloses on their website all the arbitration awards.

32. Defaulting clients

An investor/client may be identified as defaulter if the client does not pay the award amount to the Member/Market Participant as directed in the Arbitral Award or file an application to court to set aside such order in accordance with Section 34 of the Arbitration Act (in case of aggrieved by arbitration).

Further, as per direction from SEBI, the Exchanges has created a common database of defaulting clients accessible to Members across Exchanges/Depositories based on the information provided by the trading members of Exchanges regarding the defaulting clients as defined above, and the same has been made available on the Exchange website under the path: https://www.nseindia.com/invest/content/Defaulting_Clients.htm

33. Arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s) is as follows:

Applicability

- 33.1. Disputes between Investors/Clients (including institutional/corporate clients) and listed companies (including their registrar and share transfer agents) arising out of latter's activities in the securities market, will be resolved in accordance with online dispute resolution and by harnessing online conciliation and/or online arbitration as specified in this Master Circular.
- 33.2. Listed companies / specified intermediaries / regulated entities OR their clients/investors (or holders on account of nominations or transmission being given effect to) may also refer any unresolved issue of any service requests / service-related complaints for due resolution by harnessing online conciliation and/or online arbitration as specified in this circular.
- 33.3. Disputes between the RTAs and their institutional clients may with the latter's consent, resolve their disputes through independent institutional mediation, independent institutional conciliation and / or independent arbitration institution in India.

34. NSE's Online Investor Complaint Filing interface: NICE Plus:

- 34.1. Online Investor complaint filing interface viz NSE Investor Centre 'NICE PLUS' was introduced w.e.f. December 15, 2018.
- 34.2. Investors are required to register as New User and login to NICE Plus for filing arbitration/appellate matters if the complaint was filed with the Exchange before 16 Aug 2023
- 34.3. Trading Members can access NICE Plus through Member Portal.
- NICE Plus electronic web-based interface has the following built-in features:
 - Electronic mode of correspondence between Investor, Trading member and the Exchange
 - Navigation made easy and simple.
 - Easy to understand terminologies.
 - Interlinks all the available dispute resolution mechanisms i.e. Reconciliation process – IGRP process – Arbitration – Appellate Arbitration
 - Dashboard to indicate the present status of complaint filed i.e. Pre-processing stage (complaint lodgement stage), Complaint Acceptance stage (registration of the complaint by Exchange), Interaction stage (communication exchanged between parties), Processing stage (General Meeting / IGRP / Arbitration hearings), Payment.

Kindly refer User Manual for detailed guidance on the operations of NICE Plus application.

Path to access NICE Plus application and user manuals are given below:

Applicable to	Link for user manuals	Path to access NICE PLUS application
Investor	http://www.nse-investorhelpline.com/NICEPLUS click on Help option	http://www.nse-investorhelpline.com/NICEPLUS
Trading Member	Help option available on all pages	https://www.connect2nse.com/MemberPortal/ click on NSE Investor centre option

For further assistance/clarification, you may contact on 1800 266 0058 (Press-5) or email to ignse@nse.co.in.

PART C: Circular References for ISC

Sr No.	Subject	Circular References (Both SEBI & NSE)
1.	Investor Grievance Redressal Mechanism	<ul style="list-style-type: none"> • NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024 • NSE circular No. 50/2023 (Download Reference No.:- NSE/ISC/59887) dated December 22, 2023 • NSE Circular No. 37/2023 {Download Ref. No. NSE/ISC/58504} dated September 21, 2023 • NSE Circular No. 24/2023 {Download Ref. No. NSE/ISC/57791} dated August 01, 2023 • NSE Circular No. 15/2022 {Download Ref. No. -: NSE/ISC/52728} dated June 24, 2022 • NSE Circular No. 08/2020 {Download Ref. No. -: NSE/ISC/46858} dated December 31, 2020 • NSE Circular No. 6/2013 {Download Ref. No. -: NSE/ISC/24762} dated October 17, 2013 • NSE Circular No. NSEIL/ARBN/2010/003 {Download Ref. No. -: NSEIL/ARBN/2010/003} dated August 31, 2010
3.	Publishing Investor Charter and disclosure of Investor Complaints by Stockbrokers on their websites	<ul style="list-style-type: none"> • SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021 • NSE Circular No. 30/2021{Download Ref. No. -: NSE/ISC/50597} dated Dec 14, 2021
4.	Escalation Matrix for Investor Grievance Redressal Mechanism and Penalty structure for non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website	<ul style="list-style-type: none"> • NSE Circular No. 26/2022 {Download Ref. No. -: NSE/ISC/54332} dated Nov 9, 2022 • NSE Circular No. 11/2022{Download Ref. No. -: NSE/ISC/52517} dated Jun 3, 2022
5.	Information regarding Grievance Redressal Mechanism to be displayed at offices of Stockbrokers	<ul style="list-style-type: none"> • SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014 • NSE Circular No. 4/2014 {Download Ref. No. -: NSE/ISC/27486} dated September 01, 2014

Sr No.	Subject	Circular References (Both SEBI & NSE)
6.	Requirements for Members to address complaints regarding 'unauthorised trades	<ul style="list-style-type: none"> • NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013 • SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018
7.	Penalty to be levied on the cases of unauthorized trading	<ul style="list-style-type: none"> • NSE Circular No. 316/2018 {Download Reference no -: NSE/INSP/36784} dated January 19, 2018 • NSE Circular No. 04/2021 {Download Reference no -: NSE/ISC/47659} dated March 17, 2021 • NSE circular No. 22/2023 (Download Reference No.:- NSE/ISC/57761) dated July 31, 2023 • NSE circular No. 55/2023 (Download Reference No.:- NSE/ISC/60020) dated December 29, 2023
8.	Dedicated Email id for Investor Grievance	<ul style="list-style-type: none"> • NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013
9.	Enhanced Supervision of Stockbrokers – “Trading Member details”	<ul style="list-style-type: none"> • NSE Circular No. 28/2022 {Download Reference no -: NSE/ISC/54490} dated November 18, 2022 • NSE circular No.02/2021 (Download Reference No.:- NSE/ISC/47479) dated February 26, 2021 • NSE Circular No. 07/2020 (Download Reference No.:- NSE/ISC/46823) dated December 29, 2020 • NSE Circular No. 03/2017 {Download Reference no-: NSE/ISC/2017/35268} dated July 03, 2017
10.	Introduction of dedicated web-based Help desk portal for Investors	<ul style="list-style-type: none"> • NSE Circular No. 26/2021 {Download Reference no -: NSE/ISC/49850} dated October 5, 2021
11.	Flashing a link to SCORES on the dashboard of Demat Accounts and displaying of information regarding SEBI Complaint Redress System (SCORES) on the website	<ul style="list-style-type: none"> • NSE Circular No. 3/2018 Download Reference no - : NSE/ISC/2018/37397} dated April 02, 2018 • NSE Circular No. NSE/ISC/2019/4 Download Reference no -: NSE/ISC/41519} dated July 4, 2019

Sr No.	Subject	Circular References (Both SEBI & NSE)
12.	Redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform. (Company Complaints) which includes types of complaints against listed companies taken up by Exchange and shall not be taken up by the Exchange and action to be initiated in case of non-compliance.	<ul style="list-style-type: none"> • SEBI Circular No. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022 • NSE Circular No. 27/2022 (Download Reference No.: 27/2022) dated November 11, 2022
13.	Communication with companies with a new functionality on the NSE Electronic Application Processing System (NEAPS) platform.	<ul style="list-style-type: none"> • (NSE Circular No. NSE/CML/2013/17 and NSE/CML/2013/12 dated February 17, 2013)
14.	Disclosure of complaints received by trading member directly	<ul style="list-style-type: none"> • NSE circular No. 08/2023 (Download No. NSE/ISC/56274) dated April 05, 2023

Circular Reference for Arbitration

No.	Subject	Circular References (Both SEBI & NSE)
1.	Arbitrators - Maintenance of a Panel of Arbitrators, Public Dissemination of Profile of Arbitrators, Submission of documents in soft copies, Professional fee of arbitrators	<ul style="list-style-type: none"> • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)
2.	Introduction of Automatic Process and Common Pool of Arbitrators	<ul style="list-style-type: none"> • (NSE Circular No. 1/2013 {Download Reference no -: NSE/ISC/22988} dated March 19, 2013)
3.	Introduction of new version of NSE Investor Service Centre (NICE Plus) online complaint filing interface	<ul style="list-style-type: none"> • (NSE Circular No. 10/2018 {Download Reference no -: NSE/ISC/39651} dated December 14, 2018)
4.	Limitation	<ul style="list-style-type: none"> • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 12/2022 {Download Reference no - NSE/ISC/52535} dated June 06, 2012) • (NSE Circular No. 12/2022 (Download Reference No. NSE/ISC/52535) dated June 06, 2022) • (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)
5.	Place of Arbitration/Appellate/ Appeal u/s 34 in the Court of Law	<ul style="list-style-type: none"> • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 27/2021 {Download Reference no - NSE/ISC/50277} dated November 11, 2021) • NSE Circular No. 24/2021 (Download Reference No.:- NSE/ISC/49522) dated September 06, 2021 • (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)

No.	Subject	Circular References (Both SEBI & NSE)
6.	Process of Arbitration	<ul style="list-style-type: none"> • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017) • NSE Circular No. 50/2023 (Download Reference No.:- NSE/ISC/59887) dated December 22, 2023 •
7.	Process of Appellate Arbitration	<ul style="list-style-type: none"> • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)
8.	Interim Relief payment	<ul style="list-style-type: none"> • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017) • (NSE Circular No. 4/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013) • (NSE Circular No. 24/2021 {Download Reference no -: NSE/ISC/49522} dated September 06, 2021) • (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)
9.	Cost of Arbitration/Appellate	<ul style="list-style-type: none"> • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017) • (NSE Circular No. 5/2013 {Download Reference no -: NSE/ISC/24567} dated September 27, 2013) • (NSE Circular No. 24/2021 {Download Reference no -: NSE/ISC/49522} dated September 06, 2021) • NSE Circular No. 18/2022 (Download Reference No. NSE/ISC/52885) dated July 05, 2022

No.	Subject	Circular References (Both SEBI & NSE)
		<ul style="list-style-type: none"> • (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)
10.	Implementation of Arbitral/Appellate Arbitral Award in favour of Investors	<ul style="list-style-type: none"> • SEBI Circular SEBI/HO/CDMRD/DoC/P/CIR/2021/651 dated October 22, 2021 (defaulter member claims) • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 28/2021 {Download Reference no -: NSE/ISC/50278} dated November 11, 2021) (defaulter member claims)
11.	Dispute resolution under the Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/ Investor(s)	<ul style="list-style-type: none"> • (NSE Circular No. 08/2017 {Download Reference no -: NSE/ISC/2017/36203} dated October 31, 2017 – Defaulting Client) • (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)

As mentioned in the SEBI circular SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (as updated – Aug 04, 2023 & Dec 20, 2023) the below listed circulars/directions (and /or sections of the same dealing with mediation, conciliation and arbitration) issued by SEBI have been superseded:

- a. Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2022/94 dated July 4, 2022
- b. Circular No. SEBI/HO/MRDSD/DOS3/P/CIR/2022/78 dated June 3, 2022
- c. Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022
- d. Circular No.: SEBI/HO/CFD/SSEP/CIR/P/2022/48 dated April 8, 2022
- e. Circular No SEBI/HO/CDMRD/DoC/P/CIR/2021/649 dated October 22, 2021
- f. Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2021/625 dated September 2, 2021
- g. Circular No. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020
- h. Circular No. SEBI/HO/MRD/DDAP/CIR/P/2020/16 dated January 28, 2020
- i. Circular No. CIR/CDMRD/DCE/CIR/P/2018/48 dated March 14, 2018
- j. Circular No. CIR/CDMRD/DEICE/CIR/P/2017/77 dated July 11, 2017
- k. Circular No: CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017
- l. Circular No: SEBI/HO/MRD/DRMNP/CIR/P/2017/24 dated March 16, 2017
- m. Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 Page 16 of 24
- n. Circular No. CIR/CDMRD/DIECE/02/2015 dated November 16, 2015
- o. Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013
- p. Circular No. CIR/MRD/ICC/20/2013 dated July 05, 2013
- q. Circular No. CIR/MRD/ICC/8/2013 dated March 18, 2013
- r. Circular No. CIR/MRD/ICC/ 29 /2012 dated November 7, 2012
- s. Circular No. CIR/MIRSD/2/2012 dated February 15, 2012

- t. Circular No. CIR/MRD/DSA/03/2012 dated January 20, 2012
- u. Circular No. CIR/MRD/DP/4/2011 dated April 7, 2011
- v. Circular No. CIR/MRD/DSA/2/2011 dated February 09, 2011
- w. Circular No. Cir. /IMD/DF/13/2010 dated Oct 05, 2010
- x. Circular No. CIR/MRD/DSA/29/2010 dated August 31, 2010
- y. Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010
- z. Circular No. CIR/MRD/DP/19/2010 dated June 10, 2010
- aa. Circular No. SEBI/MRD/ OIAE/ Dep/ Cir- 4/2010 dated January 29, 2010



CIRCULAR

SEBI/HO/MIRSD/DOP/P/CIR/2021/676

December 02, 2021

To,

**All Recognized Stock Exchanges
Stock Brokers through Recognized Stock Exchanges**

Dear Sir/Madam,

**Subject: Publishing Investor Charter and disclosure of Investor Complaints by
Stock Brokers on their websites**

- 1) In order to facilitate investor awareness about various activities which an investor deals with such as opening of account, KYC and in person verification, complaint resolution, issuance of contract notes and various statements, process for dematerialization/rematerialization etc., SEBI, in consultation with the market participants, has prepared an **Investor Charter for Stock Brokers** inter-alia detailing the services provided to Investors, Rights of Investors, various activities of Stock Brokers with timelines, DOs and DON'Ts for Investors and Grievance Redressal Mechanism which is placed at **Annexure 'A'**.
- 2) In this regard, Stock Exchanges are directed to advise Stock Brokers to bring the **Investor Charter for Stock Brokers** to the notice of their clients (existing as well as new clients) through disclosing the Investor Charter on their respective websites, making them available at prominent places in the office, provide a copy of Investor Charter as a part of account opening kit to the clients, through e-mails/ letters etc.
- 3) Additionally, in order to bring about transparency in the Investor Grievance Redressal Mechanism, it has been decided that all the Stock Brokers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the format enclosed at **Annexure 'B'** to this circular.



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

- 4) These disclosure requirements are in addition to those already mandated by SEBI. The provisions of this circular shall come into effect from **January 01, 2022**.
- 5) Stock Exchanges are hereby directed to bring the provisions of this circular to the notice of the Stock Brokers.
- 6) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

Narendra Rawat
General Manager
Market Intermediaries Regulation and Supervision Department



Investor Charter – Stock Brokers

VISION

To follow highest standards of ethics and compliances while facilitating the trading by clients in securities in a fair and transparent manner, so as to contribute in creation of wealth for investors.

MISSION

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency.
- iv) To always keep 'protection of investors' interest' as goal while providing service.

Services provided to Investors

- Execution of trades on behalf of investors.
- Issuance of Contract Notes.
- Issuance of intimations regarding margin due payments.
- Facilitate execution of early pay-in obligation instructions.
- Settlement of client's funds.
- Intimation of securities held in Client Unpaid Securities Account (CUSA) Account.
- Issuance of retention statement of funds.
- Risk management systems to mitigate operational and market risk.
- Facilitate client profile changes in the system as instructed by the client.
- Information sharing with the client w.r.t. exchange circulars.
- Redressal of Investor's grievances.

Rights of Investors

- **Ask** for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements.
- **Receive** account statements that are accurate and understandable.
- **Understand** the terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access.



- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

Various activities of Stock Brokers with timelines

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	10 days of account opening
2.	Client Onboarding	Immediate, but not later than one week
3.	Order execution	Immediate on receipt of order, but not later than the same day
4.	Allocation of Unique Client Code	Before trading
5.	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6.	Issuance of contract notes	24 hours of execution of trades
7.	Collection of upfront margin from client	Before initiation of trade
8.	Issuance of intimations regarding other margin due payments	At the end of the T day
9.	Settlement of client funds	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS – within 24 hours of pay-out
10.	'Statement of Accounts' for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
11.	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12.	Issuance of Annual Global Statement	30 days from the end of the financial year
13.	Investor grievances redressal	30 days from the receipt of the complaint

DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none"> 1. Read all documents and conditions being agreed before signing the account opening form. 2. Receive a copy of KYC, copy of account opening documents and Unique Client Code. 3. Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes. 	<ol style="list-style-type: none"> 1. Do not deal with unregistered stock broker. 2. Do not forget to strike off blanks in your account opening and KYC. 3. Do not submit an incomplete account opening and KYC form.



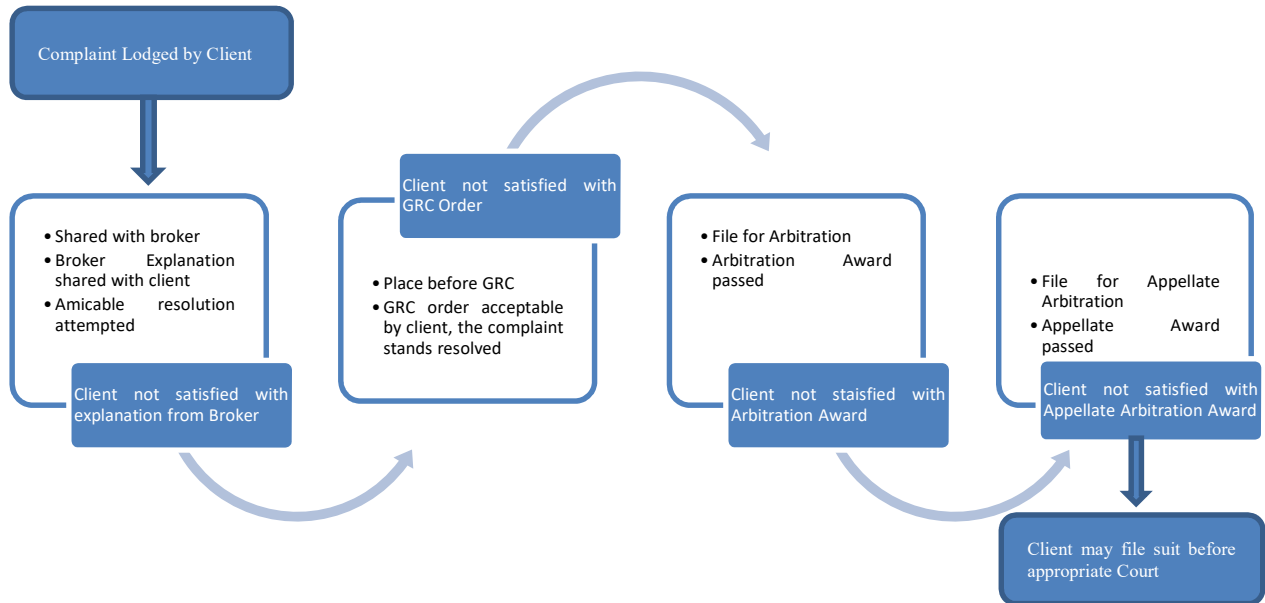
<ol style="list-style-type: none">4. Receive all information about brokerage, fees and other charges levied.5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.8. Receive funds and securities / commodities on time within 24 hours from pay-out.9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.	<ol style="list-style-type: none">4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.7. Do not opt for digital contracts, if not familiar with computers.8. Do not share trading password.9. Do not fall prey to fixed / guaranteed returns schemes.10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.
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Grievance Redressal Mechanism

Level 1 – Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.

Level 2 – Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange.

Complaints Resolution Process at Stock Exchange explained graphically:



Timelines for complaint resolution process at Stock Exchanges against stock brokers

S. No.	Type of Activity	Timelines for activity
1.	Receipt of Complaint	Day of complaint (C Day).
2.	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
3.	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
4.	Amicable Resolution.	T+15 Working Days.
5.	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
6.	Complete resolution process post GRC.	T + 30 Working Days.
7.	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
8.	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is issued immediately or as per the directions given in GRC order.
9.	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order



S. No.	Type of Activity	Timelines for activity
10.	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF).The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11.	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12.	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

Handling of Investor's claims / complaints in case of default of a Trading Member / Clearing Member (TM/CM)

Default of TM/CM

Following steps are carried out by Stock Exchange for benefit of investor, in case stock broker defaults:

- Circular is issued to inform about declaration of Stock Broker as Defaulter.
- Information of defaulter stock broker is disseminated on Stock Exchange website.
- Public Notice is issued informing declaration of a stock broker as defaulter and inviting claims within specified period.
- Intimation to clients of defaulter stock brokers via emails and SMS for facilitating lodging of claims within the specified period.

Following information is available on Stock Exchange website for information of investors:

- Norms for eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.

Level 3 – The complaint not redressed at Stock Broker / Stock Exchange level, may be lodged with SEBI on SCORES (a web based centralized grievance redressal system of SEBI) @ <https://scores.gov.in/scores/Welcome.html>



Annexure – B

Format for Investor Complaints Data to be displayed by Stock Brokers on their respective websites

Data for every month ending

S N	Receive d from	Carried forwar d from previou s month	Receive d during the month	Total Pendin g	Resolve d*	Pending at the end of the month**		Average Resoluti on time^ (in days)
						Pendin g for less than 3 month s	Pendin g for more than 3 month s	
1	2	3	4	5	6	7		8
1	Directly from Investors							
2	SEBI (SCORE S)							
3	Stock Exchang es							
4	Other Sources (if any)							
5	Grand Total							

Trend of monthly disposal of complaints

SN	Month	Carried forward from previous month	Received	Resolved*	Pending**
1	2	3	4	5	6



1	April -YYYY				
2	May-YYYY				
3	June-YYYY				
4	July-YYYY				
				
				
	March-YYYY				
	Grand Total				

*Should include complaints of previous months resolved in the current month, if any.

**Should include total complaints pending as on the last day of the month, if any.

^Average resolution time is the sum total of time taken to resolve each complaint in the current month divided by total number of complaints resolved in the current month.

Trend of annual disposal of complaints

SN	Year	Carried forward from previous year	Received during the year	Resolved during the year	Pending at the end of the year
1	2017-18				
2	2018-19				
3	2019-20				
4	2020-21				
5	2021-22				
	Grand Total				

January 2024

Common Standard Operating Procedure (SOP)

for implementation of SEBI circular on

Centralized mechanism for reporting the demise of an investor through KRAs

Version 1.2.1 - 01-Jan-2024

**Ref.: SEBI circular ref no. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/
2023/0000000163 dated October 3, 2023**

Intermediaries are requested to write to transmission_help@camsonline.com and submit your feedback and queries on this SOP for consolidation and updates.

Common SOP for reporting the demise of an investor

Contents

A: Background	2
B. Objective	2
C. Abbreviations	2
D. Source of demise intimation	3
E. Overall Process flow	3
F. Obligation of Intermediary	6
G. Updation of records in the KRA system by the recipient SRI	8
H. Obligations of the KRA (also refer the SOP issued by KRAs and appended at the end of this document	9
I. Intimation on Transmission of assets of the deceased investor	10
J. Transaction request in accounts / folios flagged off as "On Hold"	10
K. Other obligation of Intermediaries	10
L. Communication draft format	11
Annexure-1 – Letter / Email Format - Intimation of Demise information by the Joint Holder(s) / Nominee(s).	12
Annexure-2a – Letter/Email Format - Intimation by recipient SRI to the notifier – Joint Holder(s) / Registered Nominee(s) / to all contact details of the deceased investor / Notifier (other than joint holder or nominee)	13
Annexure-2b – SMS Format - Intimation by recipient/other SRI to the notifier – Registered Nominee(s) / Joint Holder(s).	14
Annexure-2c – SMS Format - Intimation by recipient/other SRI to the notifier – other than Registered Nominee(s) / Joint Holder(s).	14
Annexure-3 – Letter & E-mail Format - Intimation by other SRI(s) Joint Holder(s) / Registered Nominee(s) / All Contact details of the deceased investor / Notifier (other than joint holder or nominee)	15
Annexure-4 – Reporting format of SEBI on Demise intimation	16

Common SOP for reporting the demise of an investor

A: Background

SEBI, in consultation with various stakeholders, has issued guidelines for a centralized mechanism for reporting and verification in case of the demise of an investor and thereby, smoothen the process of transmission in securities market. This circular dated October 03, 2023 spells out the operational norms including the obligations of regulated entities, including registered intermediaries that have interface with 'investors' / 'account holders' (used interchangeably) who are natural persons.

B. Objective

The purpose of this document is to have uniform standard procedures for operationalizing the above referred circular across all securities market stakeholders. This SOP is finalized in consultation with Stock Exchanges, Depositories, industry associations like Association of Mutual Funds in India (AMFI), Registrars Association of India (RAIN), MF registrars, KRAs, Association of Registered Investment Advisers [ARIA], Broker's association, etc. The SOP shall be made available on the respective websites of Stock Exchanges, Depositories, Industry Association as well as that of the intermediaries.

C. Abbreviations

S. No.	Abbreviation	Details
1	AMFI	Association of Mutual Funds in India
2	AML	Anti-Money Laundering
3	API	Application Programming Interface
4	DC	Death Certificate
5	IMPS	Immediate Payment Service
6	IOP	Inter-Operability Process
7	IPV	In-Person Verification
8	ISC	Investor Service Center
9	KRA	KYC Registration Agency
10	KYC	Know Your Customer
11	MII	Market Infrastructure Intermediary
12	OSV	Original Seen and Verified
13	PAN	Permanent Account Number
14	RAIN	Registrars Association of India
15	RTA	Registrar and Transfer Agent
16	RUD	Returned Undelivered
17	SEBI	Securities and Exchange Board of India
18	SOP	Standard Operating Procedure
19	SRI	SEBI Registered Intermediary (including entities regulated by SEBI – Listed Companies)
20	RIA	Registered Investment Advisor

Common SOP for reporting the demise of an investor

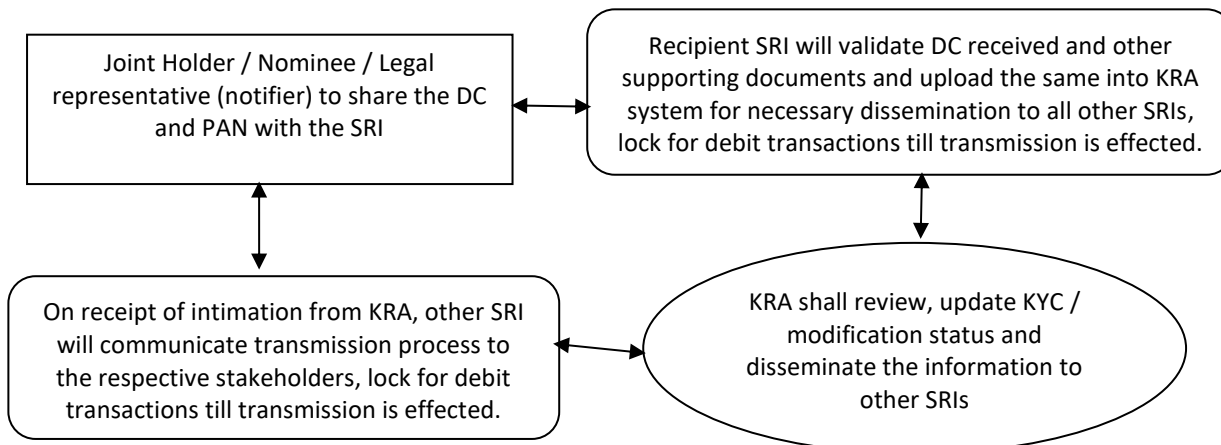
D. Source of demise intimation

1. Intimation from claimant / notifier in the form of transmission request to any of the SRIs or multiple SRIs.
2. Information on demise can be inferred from the following source also
 - a. from banking channels in the form of electronic feeds on payment failure (OR)
 - b. IMPS/penny drop reverse feed (OR)
 - c. Physical documents undelivered with specific reason as 'Consignee Expired (OR)
 - d. Discovery by the intermediary through re-KYC or Customer Due Diligence done as per its AML / Risk Management practice.
3. In cases where the SRI is inferring the demise of client, then it has to take appropriate due diligence as may be necessary, including reaching out to the client / source, while complying with the requirements of the circular.

Documents to be submitted:

Notifier's PAN, Form for registration of death/letter duly signed by the notifier having his name, contact details and address along with the deceased person Death Certificate (in original) or self-attested.

E. Overall Process flow



The responsibility of informing the notifier of the transmission process and documentation shall be as under:

1. Recipient or Concerned SRI (who was first intimated about the same), for those assets that are managed by the specific SRI.
2. All other SRIs on receipt of the unsolicited feeds from the respective KRA for the accounts / folios held by the deceased investor with them.
3. All SRI are independently responsible for this intimation as prescribed above.

Common SOP for reporting the demise of an investor

Steps involved.

- 1) Receipt of demise intimation request at SRI end (T day) from any one of the sources as listed above
- 2) Review and validation of death certificate by recipient SRI (irrespective of account status as Active / Inactive / Account Locked / Marked as Defaulter).
- 3) Validation process of death certificate by the recipient SRI shall include validation of Name of deceased person, Father's name on death certificate (DC) (with father's name received from KRA where it is KYC verified) or Date of birth if available in DC and KYC/SRI records or PAN card copy, where available), and date of death. SRIs may take additional measures, as felt necessary like contacting joint holder / nominee / to the contact details available In SRI records.
- 4) No investor-initiated transaction signed by deceased holder should have got processed post the date of death. If any such transaction had taken place after the demise date, recipient SRI should apply additional due diligence as deemed fit at their end and ensure it is not fraudulent transactions or fraudulent connectivity to the deceased person.
- 5) Post validation of DC, recipient SRI to upload the same with the notifier details to KRA owning the PAN by T+1, T being date of receipt of information by SRI. If the recipient SRI does not have an arrangement with the specific KRA, they can use IOP through the KRA to raise the modification request to the concerned KRA where such PAN exists.
- 6) For recipient SRIs - 'T' day is considered where such request is received upto a cut-off time of 3.00 PM by the recipient SRI on any working day. Any request received thereafter shall considered as received on the next business day.
- 7) For KRAs - 'T' day is considered where such modification request is uploaded by the recipient SRIs upto a cut-off time 3.00 PM by the recipient SRI on any working day. Any request received thereafter shall considered as received on the next business day. Refer the KRA SOP annexure at the end of this document.
- 8) SRI shall maintain notifiers information in their records for necessary validations and reference.
- 9) KRA to facilitate KYC modification request online/offline and in APIs. (T/T+1 day). Till KRAs build systems to ease upload of document /information by SRI, (scanned copy of the document with details of notifier / source of information, where inferred through bank/RUD etc.,) to be sent to KRAs over email. KRAs may provide designated email id to SRIs for this purpose.
- 10) KRA system should put soft block on such PANs, based on the intimation from recipient SRI with the above stated reasons. (T/T+1 day).
- 11) KRAs to create fresh codes for identification of these instances [KRAs can use the existing codes for time being till new codes are developed] and share unsolicited feed to all SRIs who had consumed the PAN.
- 12) Recipient SRI to proceed with transmission process as defined by SEBI / recognized SROs / Trade / Industry Bodies.
- 13) KRA to review the documents uploaded by SRI and validate the same – validation of DC will include validation of Name of deceased person, Father's name on death certificate (DC) (with father's name received from KRA where it is KYC verified) or Date of Birth if available in DC and KYC records (with the assumption that DOB should be same in KYC and SRI records) or PAN card copy, where available), date of death.

Common SOP for reporting the demise of an investor

- 14) If DC is found to be valid, KRA to update the primary KYC status as 'Deactivated due to Death'. (T+1 day) irrespective of KYC status in their records. KRAs to use separate code for this purpose.
- 15) If KRA observes some errors / discrepancies / inadequacy, it shall consult with the recipient intermediary (which has uploaded the demise intimation) and share details of its observations and accordingly update the KYC status to "Modification on hold " or "Deactivated" (as the case may be), on T/T+1 business day to avoid inconvenience to the investors and accordingly recipient SRIs should coordinate with KRA. Hold status of the PAN should continue for instances where KRA is updating status as 'Modification on Hold'. Reason for hold should be mentioned against the KYC status as well, so that SRIs are aware of what is the discrepancy, so that it can be addressed.
- 16) KRA to send unsolicited feeds to all SRIs who have consumed the said PAN. (T+1/2 day) with KYC status as indicated above – this will include "Modification on Hold" instances as well. Reason for hold should be mentioned against the KYC status as well, so that SRIs are aware of what is the discrepancy, so that it can be addressed.
- 17) SRIs can have access to the KYC status information through various modes offered by KRAs as of now – Unsolicited feeds to SFTP folder (OR) Downloading the reporting from KRA system (OR) API mechanism for individual PANs to ascertain the latest KYC status for a PAN.
- 18) Required changes are also to be done by KRA in all APIs/IOP1/IOP2 uniformly across SRIs.
- 19) On receipt of the unsolicited feed from KRA with PANs having KYC status as "Deactivated - due to Death" or "Modification on Hold", all other SRIs should block all folios identified basis PAN and send the communication as follows:
 - a. Joint Accounts
 - i. SRI shall issue communication to the Joint Holder(s)
 - ii. If this is returned undelivered or unsuccessful (**RUD**), then send communication to the Nominee(s) if registered in the SRI account
 - iii. If there is no nomination or if the address of the nominee(s) is not available or if the communication to nominee(s) is RUD, then send communication to all available contact details of the investor available with the SRI (postal address, email, mobile number etc.).
 - iv. If this communication is RUD, then send communication to the notifier, who is other than joint holder or nominee.
 - b. Single Accounts
 - i. SRI shall issue communication to the Nominee(s)
 - ii. If there is no nomination or if the address of the nominee(s) is not available or if the communication to nominee(s) is RUD, then send communication to all available contact details of the investor available with the SRI (postal address, email, mobile number etc.).
 - iii. If this communication is RUD, then send communication to the notifier, who is other than a joint holder or nominee.

Common SOP for reporting the demise of an investor

- 20) All SRIs should block debit transactions in those accounts including suspension of all transaction in trading account and inactivated/close the UCC in all the stock Exchanges and no investor initiated non-financial transactions should be allowed in such accounts. IDCW payouts should be transferred to Unclaimed schemes if the deceased person is First/Sole Holder in the account as per paragraph 5(b) of SEBI circular dated October 02, 2023.
- 21) As part of claim settlement, SRIs to ensure adherence on specified mode of operation i.e., if the account is operated on Either OR Survivor, or Anyone or Survivor, etc. (i.e. modes other than joint mode), the account operation in such mode shall continue.
- 22) If there is any transaction request received by any SRI in the account / folio, which is flagged off as "On-Hold" with the remarks as "Demise intimation", it shall allow the transaction only after conducting additional due diligence as may be appropriate, which may also include video call with the investor or In-Person Verification (IPV) which serves to establish that the investor is alive.
- 23) Record of such interaction shall be duly preserved by the intermediary for a period of seven years.
- 24) If the recipient SRI has marked such account as defaulter / account is locked in various reasons, then such SRI should take additional action as may be required legally, contact the notifier to recover the due amount as applicable.
- 25) Wherever a SRI is taken over by another SRI, appropriate due diligence process shall be applied by the taking over SRI. In such scenario, new SRI shall ensure that investor services and communication in this regard shall not get impacted in any manner.
- 26) If the erstwhile SRI has missed to send out the intimation for any reason, taking over SRI shall identify and take steps to send the intimation and block the accounts/folios accordingly to avoid any fraud.

F. Obligation of Intermediary

1. Receipt of intimation about the demise of an investor from a joint account holder(s) or nominee(s) or legal representative or family member (hereinafter, collectively referred to as 'notifier(s)' or through any other source.
2. Concerned SEBI Registered intermediary [SRI] [the intermediary which receives the intimation of demise of investor or infers it first through information received from Banks while doing IMPS / penny drop validations etc.], hereafter referred as Recipient SRI, shall obtain the death certificate along with the PAN from the notifier (and preferably with PAN proof of deceased person) and carry out the following steps:
 - a) Verify the death certificate using the following modes by T+1, T being receipt of the request from the notifier:
 - i. Online – through the website of the issuing Government authority, reading QR code on the DC or basis URL found in the certificate, or
 - ii. Offline: OSV ('Original Seen and Verified') by receiving entity/intermediary If verified with originals.

Common SOP for reporting the demise of an investor

Recipient SRI shall prepare the validation report as per the below defined format (Annexure-1: Demise intimation), scan the Death Certificate and PAN of the notifier preferably with the PAN proof of the deceased person) and upload the same into the KRA system / email to designated email id of KRA.

The intermediary shall treat the death certificate images accompanied (OSV is optional) with the PAN of deceased investor, received electronically along with the credentials of the notifier (including his / her PAN). If the recipient SRI verifies with the original DC shown the notifier at the time of submission, then they may affix OSV to avoid further delays in action on such instances (if the SRI or KRA unable to validate through Online mode).

- b) The SRI, which would like to upload such modification request, should have downloaded, or uploaded the KYC record against the said PAN i.e. linked in KRA system against the PAN else, the SRIs need to download/fetch the KYC record against the said PAN and then upload the demise information via KYC modification request as per extant procedure at KRAs for raising KYC modification requests.
 - c) The SRIs need to upload documents in a single pdf file with nomenclature as PAN.pdf for requests directly uploaded to KRA where the KYC record (PAN) is held.
 - d) In case of modification request is uploaded via Interoperability through KRA 2 for a KYC record (PAN) held with KRA 1 then SRIs need to be upload documents in a single zip file with nomenclature as PAN.zip .
 - e) In data field “Any other information” or “XML tag - APP_OTHERINFO (for API based upload)” SRI needs to incorporate / enter a remark as “Demise Reporting - Verified” in the KYC modification request uploaded to KRAs.
 - 1) Scanned copy of Death certificate with Original Seen and Verified (OSV) remark bearing initials of SRI official/s if verified with the original shown by the notifier [OR] Death Certificate along-with Screenshot of online verification of death certificate bearing initials of SRI official/s (applicable in case where online source verification is done by SRI).
 - 2) Scanned copy of PAN of person (notifier) who informed about demise of KYC holder to SRI with Original Seen and Verified (OSV) remark [if verified with the original shown by the notifier] with details of SRI officials as mentioned above.
 - 3) Scanned copy of report of verification carried out by SRI with initials of officials. Such report may contain details such as contact email ID and mobile number, address of notifier, relationship of notifier with the deceased KYC holder and details of due diligence done by SRI.
 - 4) Record and retain self-certified copy of proof of identity, relationship with deceased and contact details of the notifier.
3. If the recipient SRI, after receiving information about the demise of the investor from the notifier or after inferring the same through other sources, does not have access to or is not able to obtain the death certificate, or unable to validate the DC due to mismatch in name of the deceased or date of death etc. then it shall carry out the following steps:

Common SOP for reporting the demise of an investor

- a) Place a block on all account(s) / folio(s) mapped to the PAN including suspension of all transaction in trading account and inactivated/close the UCC in all the stock Exchanges and Intimate to Joint Holder(s)/Nominee(s) wherever available, transfer . Refer the communication format Annexure-2(a), (b), (c) – Intimation to the claimant/notifier.
 - b) Use all the contact details of the investor/notifier available in its records, including postal address, e-mail address, phone number, mobile & land line numbers and also that of the nominee of the investor, to reach out to the notifier(s) / nominee(s) the investor, notifier(s), or the nominee(s) that the KYC status of the investor has been flagged off as “On Hold” and require them to furnish the death certificate of the concerned investor.
 - c) Upon receipt of the fresh death certificate, the intermediary shall follow the steps as per paragraph 1 above.
4. In case the KYC is on hold and where the information about demise of the investor is proven to be incorrect when the intermediary is able to establish contact with the concerned investor, the intermediary shall submit a ‘KYC modification request’ in the KRA system with Remarks as, “intimation of death of investor is false” and also upload a report of its additional due diligence to the KRA. This shall be done on the same day in order to avoid any inconvenience to the investor.
 5. In such cases, in data field Any other information or XML tag - APP_OTHERINFO (for API based upload) SRI needs to incorporate / enter a remark as ‘Intimation of death of investor is false’ in the KYC modification request uploaded to KRAs and upload the additional due diligence report to KRA in a zip file with name PAN.PDF once the modification request is uploaded
 6. If the recipient SRI had fetched KYC records from the KRA but since then the account with the intermediary has been closed, still recipient intermediary can accept the intimation, review, and upload the documents into KRA system for further action. Such SRI shall record the KYC status in the said account and restrict further inflows in their accounts.
 7. If the recipient SRI has marked such account as defaulter / account is locked in for various reasons, then such SRI should take additional action as may be required legally, contact the notifier to recover the due amount as applicable.
 8. Generally, deceased formation is received along with the requisite transmission documents, hence only acknowledgement should be sent and there is no need to specify the documentation requirements.
 9. In case of MFRTAs, where transmission / deceased intimation is received for more than one fund at the same time, modification request can be raised once to the KRA system and acknowledgement will be sent for one Fund. Other Funds will send the response after the receipt of the intimation from KRA. If any discrepancies noted, suitable due diligence process will be allowed and notified to the KRA suitably.
 10. Transaction restrictions are already in place at MFRTA level where deceased intimation received once updated in MFRTA system will automatically restricts transactions in all other funds serviced by that MFRTA.

G. Updation of records in the KRA system by the recipient SRI

1. After verification of the death certificate and other validation process, the recipient SRI shall (on the same day of verification):

Common SOP for reporting the demise of an investor

- a) Submit a 'KYC modification request' to the KRA that "information on death of investor received; death certificate verified" and also upload the relevant documents - *such as the verified death certificate, validation report, credentials of the notifier etc.*
 - b) Block all financial and non-financial transactions in the account / folios of the deceased investor in their records including suspension of all transaction in trading account and inactivated/close the UCC in all the stock Exchanges and no investor initiated non-financial transactions should be allowed in such accounts. IDCW payouts should be transferred to Unclaimed schemes if the deceased person is First/Sole Holder in the account as per paragraph 5(b) of SEBI circular dated October 02, 2023
2. SRI to ensure adherence to specified mode of operation i.e., if the account is operated on Either OR Survivor, or Anyone or Survivor, etc. (i.e. modes other than joint mode), the account operation in such mode (by the surviving holder(s)) shall continue.
 3. In case the death certificate is not received/available with them (in case of inferred instance(s)), the recipient SRI shall (by the next working day of the intimation):
 4. Submit a 'KYC modification request' in the KRA system, "information on death of investor received; confirmation awaited".

H. Obligations of the KRA (also refer the SOP issued by KRAs and appended at the end of this document).

1. The KRA, upon receipt of 'KYC modification' request from the intermediary as per process prescribed above, shall carry out the following steps:
 - a) On upload of KYC modification request from the recipient SRI with remarks as Demise intimation, KRA system will make the KYC status as 'On-Hold' with remarks as "**Demise Reporting - Pending Verification**" irrespective of KYC status in their records as of now.
 - b) Disseminate the information to all SRIs who have consumed the said PAN through unsolicited feeds or through IOPs/APIs.
 - c) Independent validation and verification by the next working day of receipt of modification request:
 - i. perform independent validation and verification using details available in its system and source validation / verification wherever feasible.
 - ii. contact other linked intermediaries also to check if they have any update in this regard and status of account maintained by them.
 - d) Upon successful independent validation of the death certificate, the KRA shall update the KYC status as "Deactivated" in the system.
 - e) If KRA finds some errors / issues with the modification request as aforesaid, KRA will consult with the recipient SRI intermediary and share details of its observations and accordingly update the KYC status to "Modification on Hold" or "Deactivated", as the case may be, by the next working day.
 - f) KRA to trigger unsolicited feeds to all intermediaries who had consumed the PAN post marking of KYC status as "Modification on Hold" or "Deactivated Permanently".

Common SOP for reporting the demise of an investor

- g) KRAs to build system for re-activation of PANs that are “On-Hold” with remarks ‘due to death’ if the information found to be false and should be made at the earliest within ‘T’ day to avoid inconvenience.

I. Intimation on Transmission of assets of the deceased investor

Upon receipt of notification from KRA as “Deactivated”, all SRIs shall:

- a) Immediately block all debit transactions in the account / folios of the deceased investor including suspension of all transaction in trading account and inactivated / close the UCC in all the stock Exchanges and no investor initiated non-financial transactions should be allowed in such accounts. IDCW payouts should be transferred to Unclaimed schemes if the deceased person is First/Sole Holder in the account as per paragraph 5(b) of SEBI circular dated October 02, 2023
- a) Need for blocking credit transactions will be reviewed after reviewing the process for 2-3 months.
- b) SRIs may review such transactions and can decide to refund or restrict such inflows. Respective industry body association can issue directions suitably from their end.
- c) Regarding the intimation requirements, please refer point no. E-18 above. Refer Communication format Annexure -3 – Intimation on Transmission.

J. Transaction request in accounts / folios flagged off as “On Hold”

- 1) If there is any transaction request received by any intermediary in the account / folio held by it, which is flagged off as “On-Hold-Demise intimation received”, it shall allow the transaction only after conducting additional due diligence as may be appropriate, which may include video call with the investor or In-Person Verification (IPV) which serves to establish that the investor is alive. Record of such interaction shall be duly preserved by the intermediary for a period of seven years.
- 2) In case where the information about demise of the investor is proven to be incorrect when the intermediary is able to establish contact with the concerned investor, the intermediary shall submit a ‘KYC modification request’ in the KRA system as, “intimation of death of investor is false” and also upload a report of its additional due diligence to the KRA. This shall be done on the same day in order to avoid any inconvenience to the investor.
- 3) The KRA shall in turn, revert the status of the KYC to ‘Clear or Validated’ and send the unsolicited feed with the updated status to all linked SRIs on the same day.

K. Other obligation of Intermediaries

- 1) All intermediaries who have account or folios of investors whose status has been updated as deceased by the KRA, shall submit the data w.r.t. intimation of transmission as per the process defined above, and its outcome thereof, to SEBI, in the format as may be prescribed (Refer Annexure-4 – Reporting format of SEBI on Demise intimation.
- 2) Listed companies wanting to provide the beneficial access to such a centralized mechanism to their investors (having valid PAN) holding securities in physical form, are eligible to establish connectivity with KRA through their RTAs.

Common SOP for reporting the demise of an investor

L. Communication draft format

Draft Letter/Email/SMS format has been specified below under various scenarios and intermediaries should stick to this communication format with minor changes on the listing of documentation requirements.

1. Annexure-1 – Letter / Email Format - Intimation of Demise information by the Joint Holder(s) / Nominee(s).
2. Annexure-2a – Letter/Email Format - Intimation by recipient SRI to the notifier – Joint Holder(s) / Registered Nominee(s) / to all contact details of the deceased investor / Notifier (other than joint holder or nominee).
3. Annexure-2b – SMS Format - Intimation by recipient/other SRI to the notifier – Registered Nominee(s) / Joint Holder(s).
4. Annexure-2c – SMS Format - Intimation by recipient/other SRI to the notifier – other than Registered Nominee(s) / Joint Holder(s).
5. Annexure-3 – Letter & E-mail Format - Intimation by other SRI(s) Joint Holder(s) / Registered Nominee(s) / All Contact details of the deceased investor / Notifier (other than joint holder or nominee).
6. Annexure-4 – Reporting format of SEBI on Demise intimation.

Common SOP for reporting the demise of an investor

Annexure-1 – Letter / Email Format - Intimation of Demise information by the Joint Holder(s) / Nominee(s).

Date:

<Name of SRI>
<Address>.
<City> - <Pincode>

Dear Sir/Madam,

Sub.: Intimation of demise information.
Ref.: PAN _____ & Folio/Account Number: <Folio>/Account Number

I/We regret to inform you about the demise <Name of the deceased person> having the above PAN / Folio / Account, where I/We is/are the joint holder(s) / registered nominee(s) in the accounts maintained with your organisation / entity. Original downloaded / self-attested copy of the Death Certificate is attached for your kind action. I/We am/are enclosing the self-attested copy of deceased person for PAN or any other valid ID proof for necessary validation.

Please let us know the procedure and documentation requirements to transmit the units in my/our favour. Also, note my/our contact details for necessary communication / contacts in this regard and not for updation in KYC records or in any of the accounts.

Details	Joint Holder1 / Nominee1	Joint Holder2/ Nominee2	Nominee3
Name			
PAN			
Mobile			
Email			
Address			

I/We acknowledge and confirm that the information provided above is true and correct to the best of my/our knowledge and belief. In case any of the above specified information is found to be false or untrue or misleading or misrepresenting, I/We am/are aware that I/We may be liable for it for any fines or consequences as required under the respective statutory requirements. . I/We hereby authorize you to disclose, share, rely, remit in any form, mode, or manner, all / any of the information provided by me, including all changes, updates to such information as and when provided by me to any of the KYC Registration Agency(ies) for necessary action.

Signature:

Joint Holder1 / Nominee1	Joint Holder2 / Nominee2	Nominee3
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Encl.: Death certificate – Original downloaded or self-attested copy.
PAN or other ID proof of Deceased person – self-attested copy.
My/our self-attested PAN card copy(ies) or any other self-attested valid ID proof.

Common SOP for reporting the demise of an investor

Annexure-2a – Letter/Email Format - Intimation by recipient SRI to the notifier – Joint Holder(s) / Registered Nominee(s) / to all contact details of the deceased investor / Notifier (other than joint holder or nominee)

(Separate letter should be sent by the recipient SRI to each of the Nominee(s) wherever applicable).

Date:

<Name of Nominee(s)/Joint Holder(s)>
<Address>, <City> - <Pincode>

Dear Sir/Madam,

Sub.: Acknowledgement of receipt of demise information.

Ref.: Deceased person PAN _____ <Masked>

Folio/Account Number: <Folio>/<Account Number>

We are sorry to hear the sad demise of <Name of the deceased person> having the above PAN / Folio / Account held with us.

We acknowledge the receipt of the demise intimation and have reviewed the documentation submitted. After due validation, we have uploaded the demise intimation in the KRA system and you will be receiving information from the respective SEBI registered intermediaries where the deceased PAN exists in their system. Please submit the following information / documents to us for further processing at our end.

- a) Transmission Request Form (Form xx) for Transmission of Units in favour of the Nominee(s).
- b) Self-attested Copy of Birth Certificate in case the Nominee is a minor.
- c) Self-attested Copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- d) KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor)
- e) Cancelled cheque with the Nominee's name pre-printed OR Copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).
- f) If the transmission amount is upto ₹2 Lakh, Nominee's signature should be attested by the Bank Manager in the prescribed format.
- g) In case the Nominee is a Minor, signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be self- attested.
- h) <SRI can add any other documentation requirements as defined by the industry association>.

On receipt of the above documents, we will scrutinize the same. If the information / documents are found to be in order as per the stated requirements, we will process the same at our end appropriately and confirm the action taken through separate communication. If needed, we may seek additional information/documents apart from what is stated above and you need to oblige for the same for processing.

In case if you feel that this information is not correct, please feel free to contact to our transmission helpdesk <Email>/<Contact Number> or our toll-free Call Center <toll free number> or write to <customer support email id> or contact our branches or Distributor.

Thanking you,

For <SRI>

Authorized Signatory.

Common SOP for reporting the demise of an investor

Annexure-2b – SMS Format - Intimation by recipient/other SRI to the notifier – Registered Nominee(s) / Joint Holder(s).

Dear notifier, we acknowledge the receipt of the sad demise intimation for PAN XXXXX1234X holder through you/KRA and separate letter communication is sent on further requirements. Please do the needful on receipt. <Name of the SRI>.

Annexure-2c – SMS Format - Intimation by recipient/other SRI to the notifier – other than Registered Nominee(s) / Joint Holder(s).

Dear notifier, we acknowledge the receipt of the sad demise intimation for PAN XXXXX1234X holder through you and separate letter communication is sent on further requirements to the respective persons available in our records. <Name of the SRI>.

Common SOP for reporting the demise of an investor

Annexure-3 – Letter & E-mail Format - Intimation by other SRI(s) Joint Holder(s) / Registered Nominee(s) / All Contact details of the deceased investor / Notifier (other than joint holder or nominee)

(Separate letter should be sent by the recipient SRI to each of the Nominee(s) wherever applicable).

Date:

<Name of Nominee(s)>

<Address>

<City> - <Pincode>

Dear Sir/Madam,

Sub.: Acknowledgement of receipt of demise information.

Ref.: Deceased person PAN _____ (masked PAN)

Folio/Account Number: <PAN>/<Folio>/Account Number>

Based on the information received from the KRA, we are sorry to hear the sad demise of <Name of the deceased person> having the above PAN / Folio / Account held with us.

We have scrutinized the information received from KRA and have noted that you are the registered nominee in the account held by us. Please submit the following information / documents to us for further processing at our end.

- a) Transmission Request Form (Form xx) for Transmission of Units in favour of the Nominee(s).
- b) Self-attested Copy of Birth Certificate in case the Nominee is a minor.
- c) Self-attested Copy of PAN Card of the Nominee(s) / Guardian (in case the Nominee is a minor)
- d) KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor)
- e) Cancelled cheque with the Nominee's name pre-printed OR Copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).
- f) If the transmission amount is upto ₹2 Lakh, Nominee's signature should be attested by the Bank Manager in the prescribed format.
- g) In case the Nominee is a Minor, signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be self-attested.
- h) <SRI can add any other documentation requirements as deemed necessary>.

On receipt of the above documents, we will scrutinize the same. If the information / documents are found to be in order as per the stated requirements, we will process the same at our end appropriately and confirm the action taken through separate communication. If needed, we may seek additional information/documents apart from what is stated above and you need to oblige for the same for processing.

In case if you feel that this information is not correct, please feel free to contact to our transmission helpdesk <Email>/<Contact Number> or our toll-free Call Center <toll-free number> or write to <customer support email id> or contact our branches or Distributor.

Thanking you,
For <SRI>

Authorized Signatory.

Common SOP for reporting the demise of an investor

Annexure-4 – Reporting format of SEBI on Demise intimation

Data to be Maintained / Provided by ‘Concerned’ SRI

Data for the period: dd-mmm-yyyy to dd-mmm-yyyy

Item	Count
Instances where the demise of investor (client) is reported by notifier	
Instances where the demise of investor (client) is inferred by the SRI	

Instance	Date of reporting of / inferring demise	Date of seeking DC from notifier	Date of Verification of DC	Date of intimating KRA*	Date of freezing the Account / Folio**	Date of intimating notifier about Transmission
1						
2						
N						

DC: Death Certificate

* “information on death of investor received; confirmation awaited” or “information on death of investor received; death certificate verified”, as the case may be.

** Debits

Data to be Maintained / Provided by ‘Other’ SRI

Data for the period: dd-mmm-yyyy to dd-mmm-yyyy

Item	Count
Instances where the status of your client is updated as “On-Hold” in the KRA system	
<ul style="list-style-type: none"> • Of the above, instances where the status of your client is updated as “On-Hold” in the KRA system, where you have done VC/ IPV upon receipt of transaction request • Of the above VC / IPV, how many instances found to be false (wrong death reporting) 	
Instances where the status of your client is updated as “Deceased” in the KRA system	

Instance	Date of Updation of status in KRA system*	Date of freezing the Account / Folio**	Date of intimating notifier about Transmission**
1			
2			
3			
N			

DC: Death Certificate

* about “On-Hold” / “Deceased”. ** only if the status is updated as “ Deceased”

Common SOP for reporting the demise of an investor

SOP issued by KRAs to all SRIs for reference and actions thereof (which may be subject to change and separately communicate to all SRIs registered with them.

Standard Operating Procedure (SOP) issued by all KRAs to SEBI Registered Intermediaries (SRIs) for implementation of SEBI circular ref no. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/0000000163 dated October 3, 2023 at KRAs

1. The SEBI Registered Intermediaries (SRIs) are required to upload the KYC modification request/s to KRAs for reporting demise / death of the investor.
2. The SRI which would upload such request should have downloaded or uploaded the KYC record against the said PAN i.e., linked in KRA system against the PAN else, the SRIs need to download/fetch the KYC record against the said PAN and then upload the demise information via KYC modification request as per extant procedure at KRAs for raising KYC modification requests.
3. Documents to be uploaded by SRI after upload of KYC modification request would be as below for reporting death / demise of holder of KYC record in KRA system where Verification is done at SRI end of the death certificate. The SRIs need to upload documents in a single pdf file with nomenclature as **PAN.pdf** for requests directly uploaded to KRA where the KYC record (PAN) is held.

In case of modification request is uploaded via Interoperability through KRA 2 for a KYC record (PAN) held with KRA 1 then SRIs need to be upload documents in a single zip file with nomenclature as **PAN.zip**

In data field "Any other information" or "XML tag - APP_OTHERINFO (for API based upload)" SRI needs to incorporate / enter a remark as "**Demise Reporting - Verified**" in the KYC modification request uploaded to KRAs.

- a) Scanned copy of Death certificate with Original Seen and Verified (OSV) remark bearing initials of SRI official/s.

OR

Death Certificate along-with Screenshot of online verification of death certificate bearing initials of SRI official/s (applicable in case where online source verification is done by SRI).

- b) Scanned copy of PAN of person (notifier) who informed about demise of KYC holder to SRI with Original Seen and Verified (OSV) remark with initials of SRI officials.

OR

Scanned copy of Proof of Identity (POI) of person (notifier) who informed about demise of KYC holder to SRI with Original Seen and Verified (OSV) remark with initials of SRI officials. The POI any one of the Officially Valid Documents (OVDs) as specified under Prevention of Money Laundering Rules.

Common SOP for reporting the demise of an investor

- c) Scanned copy of report of verification carried out by SRI with initials of officials. Such report may contain details such as contact email ID and mobile number, address of notifier, relationship of notifier with the deceased KYC holder and details of due diligence done by SRI.
4. KRAs will process the modification request on T plus next working day, where T is the date of upload of the modification request with necessary documents for demise. The independent verifications that will be done by KRAs are provided below :-
- Online verification of death certificate wherever applicable/ enabled.
 - Informing the other SRIs mapped with the KYC record to inform about Demise request and seek inputs, if any
 - Any other verifications which KRAs may deem necessary such as contacting on mobile number as registered in KYC record or contacting the notifier in order to process the KYC modification request of demise / death of KYC holder.
5. The KYC modification request as in Sr no 3 above with requisite documents will be processed by the KRA maker checker and in case if all documents are found to be in order and after verifications at KRA as below the said record will be marked as KYC Deactivated with reason as **Demise of KYC holder**.

In case any discrepancies are observed, the status of the KYC modification request will be marked as **“On hold”** and Remark would be suitably provided in such request to display the discrepancy observed by KRA in the same. SRIs will be required to clear such discrepancy so that the KYC modification request is taken up at KRA for reprocessing.

6. If the concerned SRIs, after receiving information about the demise of the investor from the notifier or after inferring the same, does not have access to or is not in a position to obtain the death certificate, then it shall upload KYC modification request for reporting death / demise of holder of KYC record in KRA system where Verification is not done at SRI end of the death certificate.

In data field Any other information or XML tag - APP_OTHERINFO (for API based upload) SRI needs to incorporate / enter a remark as **“Demise Reporting - Pending Verification”** in the KYC modification request uploaded to KRAs.

The documents as in 3b to 3c as above will have to be uploaded by SRI after upload of KYC modification request for reporting death / demise of holder of KYC record in KRA system with nomenclature as provided in Sr no 3 above.

7. The KYC modification request will be marked On Hold at KRA system for such requests as in Sr no 6 above with remarks as **“Demise Reporting - Pending Verification”**. Once the SRI is in receipt of death certificate, it needs to verify the same and upload the documents as in Sr no 3a to 3c above post which the said request will be taken up for reprocessing at KRA end and steps as per Sr no 4 and 5 will be taken at KRA end.
8. The updated status of KYC record will be communicated to SRIs as part of unsolicited feed through KRA system and via email to email IDs of SRIs (as recorded with KRAs) to which the KYC record is mapped. SRIs are required to take further actions as per the SEBI Circular and SOP from MIIs (Market Infrastructure Intermediaries) in this regard.

Common SOP for reporting the demise of an investor

9. With reference to point no 10 of abovesaid SEBI circular which states that , *“In case the KYC is on hold and where the information about demise of the investor is proven to be incorrect when the intermediary is able to establish contact with the concerned investor, the intermediary shall submit a ‘KYC modification request’ in the KRA system with Remarks as, “intimation of death of investor is false” and also upload a report of its additional due diligence to the KRA. This shall be done on the same day in order to avoid any inconvenience to the investor.*

In such cases, in data field Any other information or XML tag - APP_OTHERINFO (for API based upload) SRI needs to incorporate / enter a remark **as Intimation of death of investor is false** in the KYC modification request uploaded to KRAs and upload the additional due diligence report to KRA in a zip file with name **PAN.PDF** once the modification request is uploaded

10. The details of PANs which are marked Deactivated by KRAs for demise / death of KYC holder will be intimated to stock exchanges and depositories (jointly termed as MIIs) as per extant process which is functional/operational under consultation with SEBI for initiating steps to limit market access to such investors by MIIs.
11. SRIs are requested to take note of the other directions with regard to obligations casted on SRIs vide SEBI circular ref no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/0000000163 dated October 3, 2023 and take steps to comply with the same.
12. In case of any further assistance and clarifications, please contact _____ (Name of KRA) on _____ (email IDs) and _____ (phone numbers)