

India Advantage Securities Limited
Member of : NSE, BSE, MCX-SX, DP : CDSL



To,

All the Dealers,

India Advantage Securities Ltd.

Sub : Client code Modifications.

Dear All,

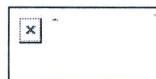
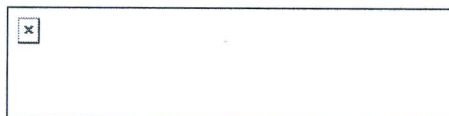
In our day to day working in market some genuine error can happen while punching a client code. This error can result in loss to the client. So to streamline the process following guidelines has to be followed :

- 1) Report the punching error to your superior as soon as it has come to your notice.
- 2) There is a provision in the system whereby we can correct the error and minimize the loss if any.
- 3) Take both the client code (genuine and wrong code) to the error code account opened in the Company's name (IASL Error code a/c) and settle both the codes.
- 4) Management will be the final authority to decide whether the mistake is genuine or erroneous.
- 5) SEBI Circular is attached herewith for any clarification.

Regards,

Ashok Desai

VP –Operations & Compliance



INVESTIGATION DEPARTMENT

Circular Ref. No.: NSE/INVG/2011/670
Download Ref. No.: NSE/INVG/2011/18716

August 26, 2011

Dear Members,

Sub: Modification of Client Codes (All Segments)

This is with reference to SEBI circular ref. no. CIR/DNPD/6/2011 dated July 5, 2011 and the Exchange circular ref no. NSE/INVG/2011/18484 dated July 29, 2011 regarding modification of client codes.

In the joint meeting held between SEBI and Exchanges, it was decided that the following clarifications be issued for client code modifications:

1. The following would constitute genuine errors with regard to client code modifications:
 - Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.
 - Modification within relatives ('Relative' for this purpose would mean "Relative" as defined under the Companies Act, 1956).
2. Shifting of any trade (institutional or non institutional) to the error account of the trading member shall not be treated as modification of client code under SEBI circular dated July 5, 2011, provided the positions arising out of trades in error account are subsequently liquidated/closed out in the market and not shifted to some other client code.
3. Trading members would be required to disclose the client codes which are classified as 'Error Accounts' to the Exchange at the time of UCC upload.
4. Trading member should have a well documented error policy to handle client code modifications, approved by their board/management.
5. With a view to minimize errors committed by the trading members, the Exchange will periodically review the trades flowing to the 'Error Account' of the trading members.

As per SEBI circular dated July 5, 2011 and the Exchange circular dated July 29, 2011 on client code modifications, penalty will be levied on all client code modifications w.e.f. August 1, 2011 (including genuine errors) except as mentioned in point no. 2 above.

Trading members are required to take adequate precautions while placing the orders. Members are advised to take note of the same and ensure necessary compliance. For any clarifications, members are advised to contact Ms. Kalyani PLS, Mr. Ashish Binani or Mr. Bharat Patil on 022-2659 8366/ 8193.

For National Stock Exchange of India Ltd.

Nisha Subhash
Assistant Vice President
Investigation Department