

VISHWAS FINCAP SERVICES PRIVATE LIMITED
MEMBER-NSE/BSE/MCX/CDSL

Policy and Procedures for Providing Facility of Voluntary Freezing/Blocking the Online Access of the Trading Account to the Client on Account of Suspicious Activity

(Part of Risk Management Policy)

1. INTRODUCTION

In order to enhance the ease of doing business and investments for investors and to protect investors from suspicious activities, SEBI, vide its circular ref. No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, has mandated that a framework shall be laid down by stock exchanges for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients. Accordingly, stock exchanges have issued circulars providing a framework for trading members for the facility of voluntary freezing/blocking the online access of the trading account for clients. Trading Members are required to frame a policy in line with the exchange-prescribed framework, which shall be part of the trading member's Risk Management Policy and shall be displayed on its website along with the process and mode(s) through which the client can place the request to freeze/block & unfreeze/unblock the trading account along with the timelines that will be followed by the trading members for the same.

2. SCOPE AND APPLICABILITY

A. Vishwas Fincap Services Private Limited, being a Trading Member providing Internet Based Trading/Mobile Trading/other online access for trading, is required to make available to the clients at least two modes as prescribed by the exchanges through which the client may request for voluntary freezing/blocking the online access of the trading account if any suspicious activity is observed in the trading account.

B. The policy shall be applicable with effect from July 01, 2024.

C. The policy shall be provided to new onboarded clients as part of the account opening kit with effect from the applicable date, July 01, 2024.

D. It shall be communicated to all existing clients via email or any other suitable mechanism which can be preserved by July 01, 2024. In case communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanisms may include physical delivery/SMS/electronic instant messaging services after adhering to the safeguards prescribed on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

3. Mode of Receipt of Request for Freezing/Blocking the Trading A/c:

A. An email ID **stoptrade@vishwasfincap.com** is provided to the clients for making requests for voluntary freezing/blocking of the online access of the clients' trading account.

B. A dedicated IVR/telecalling Line **011-47115515** is provided to clients to place requests for voluntary freezing/blocking of the online access of the clients' trading account.

4. Procedure to be Followed on Receipt of Request for Freezing/Blocking the Trading A/c:

On receipt of a request from clients through any of the prescribed modes of communication for freezing/blocking of the online access of the trading account:

- a. The company shall validate that the request is received from a registered client and issue an acknowledgment for the same.
- b. The company shall freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client. To validate that the request for freezing/blocking of the online access of the trading account is received from the respective client, the company shall verify whether the request is received from the registered email ID/mobile number of the client.
- c. The timelines for freezing/blocking of the online access of the clients' trading account are as under:

Scenario	Timelines for issuing acknowledgment as well as freezing/blocking of the online access of the trading account
Request received during the trading hours and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of the next trading session

d. Post freezing/blocking the client's trading account, the company shall send a communication on the registered mobile number and registered email ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been canceled along with the process of re-enablement for getting the online access to the trading account.

e. The company shall also communicate/provide the details of open positions of the client (if any) along with contract expiry information within one hour from the freezing/blocking of the trading account.

f. The company shall maintain the appropriate records/logs including, but not limited to, the request received to freeze/block the online access of the trading account, confirmation given for freezing/blocking of the online access of the trading account, and cancellation of pending orders, if any, sent to the clients.

g. In case of failure in freezing/blocking the online access within the prescribed timelines, there is a risk that the company may be held responsible for any trades executed from the time of receipt of such a request till such time the online access is blocked/frozen.

5. Re-enabling the Client for Online Access of the Trading Account:

The company shall re-enable the online access of the trading account after carrying out necessary due diligence, including validating the client request and unfreezing/unblocking the online access of the trading account.

6. Clarification for Clients:

1. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the company.
2. The request for freezing/blocking does not constitute a request for marking client Unique Client Code (UCC) as inactive in the records of respective Exchanges.

7. Record Management:

1. The company shall maintain a verifiable record of communication of this policy to all existing clients and obtain confirmation of providing a copy of this policy from all newly onboarded clients with effect from July 1, 2024.
2. The company shall maintain a verifiable record of all such requests received for freezing/blocking of online access to the trading account received from clients as per record management guidelines prescribed by the exchanges/regulator.

8. Reporting of Freezing/Blocking of the Online Access of the Client's Trading Account:

The data relating to freezing/blocking of the online access of the client's trading account shall be reported as per the compliance requirement prescribed by SEBI/Exchanges, if any.