

NOTICES

Notice No.	20180413-47	Notice Date	13 Apr 2018
Category	Trading	Segment	Equity
Subject	Additional Surveillance Margin on Trading Members who have traded for substantial activity in stocks having unsolicited SMS		
Content			

In continuation to various Surveillance measures already implemented, SEBI and Exchanges in a joint meeting have decided that, in stocks wherein unsolicited SMSs have been found to be circulated and have resulted in an increased trading activity, an additional surveillance margin of 25% shall be levied on the Trading Members who have a substantial trading activity in these stocks. The additional margin shall be applicable in Equity and Equity Derivatives Segment.

The trading members identified by the Exchanges shall be informed individually about the additional margins and the same shall be effective from April 23, 2018.

The above surveillance measures are without prejudice to the right of SEBI and Exchanges to take any other surveillance measures, in any manner, on a case to case basis or holistically depending upon the situation and circumstances as may be warranted.

This circular is being issued by the Exchange as a surveillance measure with a view to ensure market safety & safeguard interest of investors.

In case of any clarifications, members may contact on following numbers 022 2272 8518 /8792.

Usha Sharma
Addl. Gen. Manager
Surveillance

Rishikesh Tamaskar
Dy. Gen. Manager
Surveillance

April 13, 2018

NOTICES

Notice No.	20171117-18	Notice Date	17 Nov 2017
Category	Trading	Segment	Equity
Subject	Caution towards unsolicited messages		
Content			

Sub: Caution towards unsolicited messages

It has come to the notice of the Exchange & Securities and Exchange Board of India (SEBI) that unsolicited messages are being sent to induce investment or sale of the stock of certain listed companies, indicating target prices by unregistered or unauthorised entities.

Trading members are requested to advise their clients to remain cautious on such unsolicited messages being circulated by unregistered/ unauthorized entities.

It is further advised that in case the trading member suspects that there is an unusual trading pattern by any client then the trading member shall release the payout to the client only after carrying further scrutiny like:-

- i) Scrutiny of KYC documents to compare income range declared and value of such transaction,
- ii) Whether the client is individual or Private Corporate Body,
- iii) Whether the client is directly/indirectly connected to the company/ promoters/ directors of the company, etc.
- iv) Method of acquisition of shares by client - whether on-market/off-market/IPO/Preferential allotment,
- v) Whether source of funds and period of holding is not in line with the client's usual behavior.

The trading member shall intimate his decision to withhold the pay-out to the client along with his rationale to the stock exchange within three days of withholding of pay-out. The intimation shall be sent to investigation@bseindia.com

Further, market participants are aware that Exchange has provided facility to share their information or evidence of systemic wrongdoing, potential frauds or unethical behaviour to the Exchange through the anonymous portal as per web page link given below:

(<http://www.bseindia.com/investors/tip-off-registration.aspx?expandable=0>)

Market participants are advised to use facility to report any such information anonymously and confidentially.

Market participants are advised to take note of the above and exercise necessary caution with respect to tips / rumours circulated via messages while dealing in the securities listed on the Exchange.

In case of any clarification, members may contact on 022 – 2272 8852 / 8315.

For & On behalf of BSE Ltd.

Usha Sharma
Addl. General Manager
Surveillance

Rajesh Gandhi
Asst. General Manager
Surveillance

November 17, 2017

NOTICES

Notice No.	20180515-39	Notice Date	15 May 2018
Category	Trading	Segment	Equity
Subject	Withholding of sale proceeds of securities in which unsolicited messages being circulated		
Content			

Sub: Withholding of sale proceeds of securities in which unsolicited messages being circulated

This is in continuation with the Exchange notice no. 20171117-18 dated November 17, 2017 cautioning the trading members on unsolicited messages being circulated by unregistered / unauthorized entities and advising trading members to carry out necessary due diligence before releasing the pay-out to their clients.

Further, trading members are aware that list of securities in which unsolicited messages being circulated (“SMS Stocks”) are published from time to time on trading terminals as well as on the home page of the Exchange website under head - Attention Investors, inter alia, cautioning the market participants against SMS tips and to do thorough analysis about the company before investing.

In this regard, during the recent meeting of SEBI with Stock Exchanges and select trading members, it was decided as under:

1. Trading Members having significant selling concentration of clients in the SMS Stocks shall withhold the sale proceeds of the clients and transfer the same to the designated Bank Account earmarked for this purpose.
2. Trading members shall ensure that the clients as identified in point no 1, do not transact further in the SMS Stocks.
3. Proceeds of SMS stocks shall be transferred to designated bank account, irrespective of whether the client continues to trade with the said Trading Member or not.
4. In the event where the client has closed his trading account, the Trading member shall make all efforts to bring the funds back from clients else Trading member shall transfer his own funds to the extent of deficit to the designated bank account.
5. Designated Account:
 - a) Trading member shall open designated bank account with any scheduled commercial bank for the aforementioned purpose.
 - b) Trading member shall submit a confirmation to the Exchanges after transferring the requisite funds to the designated account.
 - c) Trading member shall submit duly certified letter from designated bank confirming the Exchange wise balance on a monthly basis.
 - d) Trading member shall not be allowed to withdraw funds out of the designated account until further directions.
 - e) Trading members shall intimate all communications with respect to the above on investigation@bseindia.com
6. Transfer of proceeds of SMS stocks to designated bank account shall be completed by May 28, 2018.
7. The aforementioned action shall also be made applicable to all SMS Stocks which may be published by the Stock Exchanges on its website from time to time.

Trading members are advised to take note of the above and ensure compliance with aforementioned requirements.

Any non-compliance in the matter shall be viewed seriously and may attract further action which may inter alia include additional action such as referring trading members for special inspection, levy of additional margins, other disciplinary actions as deemed fit.

In case of any clarification, members may contact on 022 2272 8234 / 8852.

For & On behalf of BSE Ltd.

Usha Sharma
Addl. General Manager
Surveillance

Rajesh Gandhi
Asst. General Manager
Surveillance

May 15, 2018

NOTICES

Notice No.	20180706-45	Notice Date	06 Jul 2018
Category	Trading	Segment	Equity
Subject	Withholding of sale proceeds of securities in which unsolicited messages being circulated – Update		

Content

Sub: Withholding of sale proceeds of securities in which unsolicited messages being circulated – Update

This is in continuation with the Exchange notice no. 20180515-39 dated May 15, 2018 inter alia cautioning the trading members / market participants against unsolicited messages (“SMS Stocks”) being circulated by unregistered / unauthorized entities and advising trading members / market participants having significant selling concentration of clients in the SMS Stocks to withhold the sale proceeds of the clients and transfer the same to the designated Bank Account earmarked for this purpose.

In this regard, during the meeting of SEBI with Stock Exchanges, it has been decided as under:

1. Trading members / market participants may provide the amount required to be withheld in form of cash or cash equivalents or in form of securities forming part of BSE 500 or NSE 500 with applicable VaR based haircut or a higher haircut as decided by the Stock Exchanges.
2. Operational modalities for maintaining / monitoring of securities by the trading members / market participants shall be intimated separately.

Trading members / market participants are advised to take note of the above and ensure compliance with aforementioned requirements, as may be applicable.

In case of any clarification, please contact on 022 2272 8234 / 8852.

For & On behalf of BSE Ltd.

Usha Sharma
Addl. General Manager
Surveillance

Rajesh Gandhi
Deputy General Manager
Surveillance

Date: - July 06, 2018