

## Facility of voluntary freezing/blocking the online access of the Trading Account of client

SEBI vide Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 on the subject “Ease of Doing Investments by Investors - Facility of voluntary freezing/ blocking of Trading Accounts by Clients” has mandated the framework for Trading Members for providing the facility of “Voluntary Freezing/ Blocking the Online Access” of the Trading account to their clients on account of suspicious activities as finalised by the Brokers’ Industry Standards Forum in consultation with the Exchanges is as follows:

1. In the view of the above **SMIFS Limited** (in short “the Company/ Trading Member”) being a Trading Member of NSE, BSE, MCX & NCDEX and also a provider of Internet Based Trading and /or Mobile Trading and /or other online access for Trading for their Clients, has adhered the aforementioned regulation mandated by SEBI by providing at least two modes of the following communication, viz. a) Email from registered E-Mail ID of the Client(s) and/or b) SMS from registered mobile number of the Client and/or c) WhatsApp Messages from registered mobile number of the Client through which Client(s) may request for **“Voluntary Freezing/ Blocking the Online Access”**, if any suspicious activity is observed in their Trading Account.

2. That a dedicated E-Mail ID **“stoptrade@smifs.com”** has been created for receiving via E-Mails and a dedicated Mobile Number **“+91 9433062375”** for receiving SMS and WhatsApp Messages by SMIFS Limited for this **“Voluntary Freezing/ Blocking the Online Access”** of the Clients’ Trading Account.

3. SMIFS Limited would undertake the following actions on the receipt of request through the above modes of communication as provided by them **“Voluntary Freezing/Blocking the Online Access”** of the Trading Account from the Client(s):

a. SMIFS Limited will validate the request received from the client as per below point no. 4 and proceed the acknowledgement as well as freeze/block the online access of the client’s Trading account and simultaneously cancel all the pending orders of the said client. The timelines for **Freezing/ Blocking of the Online Access** of the clients’ Trading Account is as under: -

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the Trading account.
<p><b>Request received during the Trading hours</b> (Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m., Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m., Commodity Derivatives Segment: 09.00 a.m. to 11:30 p.m) <b>and within 15 minutes before the start of Trading Request received after the Trading hours and 15 minutes before the start of Trading.</b></p>	<p><b>Within 15 minutes</b> (To begin with, the time limit of 15 minutes is being specified for the purpose of issuing acknowledgement as well as freezing/blocking of the online access of the Trading account. This time limit shall be contracted after a review in next six months after the date of its applicability to enhance protection of investors from suspicious activities) Before the start of next Trading session.</p>

b. Post Freezing/Blocking the client's Trading Account, SMIFS Limited will send a communication on the registered mobile number and registered E-Mail 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 cancelled along with the process of re-enablement for getting the online access to the Trading account.

c. SMIFS Limited will communicate with the client regarding the Details of open positions (if any) along with contract expiry information within one hour from the freezing/blocking of the Trading account. This will eliminate the risk of unwanted delivery settlement.

d. This time limit shall be reviewed as per the policy laid by the Stock exchange and /or Market Regulator to enhance protection of investors from suspicious activities.

4. SMIFS Limited has formulated a mechanism in place which will validate that the request for **"Voluntary Freezing/Blocking the Online Access"** of the Trading Account which is received from the respective Client(s) only by the following manner:

a. Verifying whether request is received from the registered phone number/e-mail Id of the client;

OR

b. Where request is received from other than registered phone number/e-mail Id of the client, SMIFS will be following the client authentication procedure (2 Factor Authentication) in place,

OR

c. Following any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time

5. SMIFS Limited shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of 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.

6. In case of failure of the SMIFS Limited in freezing/ blocking the online access within the prescribed timelines (**15 minutes in case the request is received during the Trading hours and within 15 minutes before the start of Trading / Before the start of the next Trading session in case the request is received after the Trading hours and 15 minutes before the start of the Trading**), **SMIFS shall be responsible** for any trades executed from the time of receipt of such request till such time the online access is blocked / frozen.

**7. Re-Enabling the client for online access of the Trading account:** - SMIFS Limited shall re-enable the online access of Trading account after carrying out necessary due diligence including validating the client request and Unfreezing / Unblocking the Online Access of the Trading Account.

8. It is clarified that:

a. 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 SMIFS Limited.

b. The request for freezing/ blocking **does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.**

In the aforesaid SMIFS Limited is incorporating this **Voluntary Freezing/ Blocking the Online Access Policy** in their Risk Management Policy as mandated by the Stock Exchange(s).

SMIFS Limited shall also disclose and made available on their official website i.e. **www.smifs.com**, the above policy along with the process and mode(s) through which Client(s) can place the request to **Freeze/Block & Unfreeze/Unblock of Online Access** the Trading Account along with the timelines that will be followed by SMIFS for the same.

The **Head of Risk Management** (Ms. Sreerupa Das Contact: +91 3340115440) and the **Compliance & Ethics Officer** (Ms. Tamari Chatterjee Contact: +91 33 40115466) would be responsible for the Execution of this **Voluntary Freezing/ Blocking the Online Access Policy** under the Supervision of the **Compliance Officer** (Shri Sudipto Datta Contact: +91 33 40115414).

The Operational Process of this **Voluntary Freezing/ Blocking the Online Access Policy** shall be audited by the Internal Auditor, who would submit its Report as per the mandated schedule of the Stock Exchange(s).