# POLICY ON TREATMENT OF INACTIVE / DORMANT ACCOUNT

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**Reviewed By:**

**Mr. George Mampilly, Executive Director & CFO**
**On 01-11-2019**

**POLICY NO. 3**

# POLICY ON TREATMENT OF INACTIVE / DORMANT ACCOUNT

**Objective**:

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 18 continuous months in any of the opted Exchanges in case of Capital Trading.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

**Background:**

SEBI vide Circular No. MIRSD/ SE /Cir-19/2009 dated December 3, 2009 and National Stock Exchange vide circular no. NSE/INSP/13606 dated December 3, 2009 directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts.

**Policy:**

**Procedure to handle Inactive/Dormant Accounts:**

If there is no transaction (buy / sell) entered into by the account holder for more than 18 continuous months, the Account will be marked as “INACTIVE/DORMANT".

All the accounts marked as “INACTIVE/DORMANT” shall be suspended by the Risk Management team and monitored carefully in order to avoid unauthorized transactions in the account. If the client wants to make the account “ACTIVE” after 18 continuous months or after providing the required documents supporting the financial status, the client needs to submit a request to reactivate his/her account. In case there is any change in the information such as; address, mobile number, email id, bank/demat account, financial disclosure provided in KYC at the time of registration as client, the same has to be submitted along with the request. After proper verification of the updated / revised details and approval from the KYC Department in-charge of registration of clients, the account can be made “ACTIVE” and transaction can take place.

**Process for reactivation of Inactive / dormant account.**

The Client can follow any of the below processes:

1. Client can give the duly signed request in writing at any of the branch/main offices of Vertex Securities Ltd. or office of its Authorized Person along with documents such as Address Proof – such as Aadhar Card, Electricity Bill Passport Copy. Identity Proof such as Aadhar Card, Passport Copy, Pan Card, Bank Proof (Cancelled Cheque Leaf or

Passbook / Bank Statement) and financial Information required for trading in derivative segment. The Client may also courier/ post the same for activation of account or

2. Client can also send an email from registered mail id for reactivation request.

**Process for reactivation of Inactive / Dormant Account which are inactive for long period**

1. For clients registered before 2013, we are collecting full set of KYC afresh
2. For clients registered after 2013, we are collecting fresh KRA.

**Process for reactivation of Inactive / dormant account which are inactive on account of Risk Management Policies / Non Compliance as per Rules, Bye laws, Circulars and Guidelines issued by SEBI, Exchanges:**

Client can give the duly signed request in writing at any of the branch/main offices of Vertex Securities Ltd. or office of its Authorized Person along with the financial Information required for trading. The Client may also courier/ post the same for activation of account.

On verification of the same the KYC Team / Risk Department In-charge can authorize the activation of such Inactive accounts subject to Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

**Consequences of Inactive Account**

On a client being declared inactive, the client's funds and Demat Account shall be settled. If client has provided running account authorization the funds/securities shall be transferred to client's Bank/Demat Account as a part of daily settlement. In case of request received from the client for release of funds/securities, the funds and/or securities will be transferred to his account after due verification of the client as per the procedure mentioned above.

**Approval Authority:**

This revised Policy has been approved by the Board of Vertex Securities Ltd**.**

**Review Policy:**

This policy may be reviewed by the Managing Director/Executive Director as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management policy and place the changes in policy before the Board at the meeting first held after such changes are introduced.

**Policy communication:**

A copy of this Policy shall be made available to all the relevant staff/persons such as: Risk Department/Compliance Officer / Department in-charge of registration of clients and sub-broker /authorized persons.

Further, a copy of this Policy has to be displayed on our Website..