

POLICY FOR VOLUNTARY
FREEZING OF ONLINE ACCESS
OF CLIENT'S TRADING
ACCOUNT

Version 1 dated June 28, 2024

Policy for voluntary freezing of client's online access

1. Background :

SEBI vide its circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 and Exchanges vide their circulars dated April 08, 2024 mandated trading members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities.

The said circular also requires the trading members to frame a policy in line with the framework specified by the Exchanges, which shall be the part of the trading member's Risk Management Policy. The trading members shall disclose the said policy on their website. The said policy shall also form a part of the account opening kit for all new clients onboarded with effect from July 01, 2024.

2. Scope:

This policy shall be applicable as and when clients require to freeze / block online access to their trading account and subsequently desire to unfreeze the same.

3. Framework for voluntary freezing of online access of client's trading account -

a. Request for freezing

- i. Client may request for voluntary freezing / blocking the online access to their trading account through any one of the following modes that shall be made –
 - Mobile Applications
 - Web Trading Platform (WTP)
 - IVR*

**Accepting request for freeze through IVR is under process. Once developed, the said dedicated IVR number shall be displayed on FEDERAL CAPITAL MARKETS LIMITED website.*

ii. Client Validation :

- Client shall log in to the mobile application and WTP post 2-factor authentication (password and OTP). Hence the identity of the client shall be validated.
- In case of IVR, the client will be requested to key in his / her trading ID. This trading ID shall be validated against the registered mobile number of the client. The client will be asked to submit freezing request through mobile application / WTP in case the client is calling from other than registered mobile number.

iii. The client shall submit request for freeze.

iv. On receipt of such request, the online access of the client's trading account shall be frozen/blocked and simultaneously all the pending orders including 'Good till date' and Equity SIP orders shall be cancelled.

v. Post freezing/blocking the client's trading account, a communication shall be sent 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. The communication shall also provide the details of all pending orders in the client's trading account, that have been cancelled along with the process of re-enablement for getting the online access to the trading account

vi. Details of open positions (if any) shall also be communicated to the client along with

contract expiry information within such time as prescribed by regulators. This will eliminate the risk of unwanted delivery settlement.

- vii. Once the online access of the trading account is frozen / blocked such client may place orders through alternate channels such as call and trade.

b. Request for Un-freezing

- i. Client may request for unfreezing / unblocking the online access to their trading account through any one of the following modes that shall be made –
 - Mobile Applications
 - Web Trading Platform (WTP)
- ii. Once the client tries to login, client will be provided a link to request for unfreeze of the trading account (since the online access of the client is frozen / blocked).
- iii. Client then needs to authenticate himself by entering the following details –
 - Demat account details
 - Trading ID / Login ID
 - PAN
 - Date of Birth
- iv. Once the abovementioned data is entered, an OTP shall be triggered to the registered email id and mobile number of the client.
- v. On successful OTP authentication, the online access shall be unfrozen immediately.
- vi. An email acknowledgement shall also be sent to the client informing him / her of the unfreeze request and the date by which online access shall be activated.
- vii. On successful reactivation client shall be able to login using (Traditional login / MPIN / Finger Print / Face ID).

c. Important points

- i. All logs of freeze and unfreeze request and communications sent shall be maintained for audit trail. 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 FEDERAL CAPITAL MARKETS LIMITED .
- ii. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.
- iii. This policy shall be informed to all clients and shall also be a part of the account opening kit for all accounts opened with effect from July 01, 2024.
- iv. The freeze, unfreeze, issue of communication shall be within the timelines specified by SEBI / Exchanges in this regard.

4. Policy Review :

The said policy shall be a part of FEDERAL CAPITAL MARKETS LIMITED 's Risk Management Policy and shall be reviewed along with the said policy on a half yearly basis.

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