

## **AIONION CAPITAL MARKET SERVICES PRIVATE LIMITED**

### **TREATMENT OF INACTIVE ACCOUNT/DORMANT ACCOUNT POLICY**

#### **DOCUMENT VERSION CONTROL**

DATE	VERSION	PREPARED BY	REVIEWED BY	APPROVED BY
04/02/25	1.0	Compliance Officer	Nandakumar	Dileep Keerthi Kumar

**Document Definition:** This document is designed to assist departments in managing software assets. Proper software management includes establishing responsibility, maintaining an accurate inventory, ensuring license compliance, and effectively allocating the use of software applications. Adoption and use of this policy is strongly encouraged in order to manage software assets efficiently and avoid consequences associated with illegal software use.

## Contents

APPLICABILITY & AWARENESS .....	3
DEFINITION OF 'INACTIVE' ACCOUNTS .....	3
TREATMENT OF DORMANT ACCOUNTS: .....	3
DOCUMENTS REQUIRED FOR ACCOUNT REACTIVATION .....	4
PROCEDURE FOR REACTIVATION.....	4
DOCUMENT VERSION CONTROL.....	1

## **TREATMENT OF INACTIVE ACCOUNT/DORMANT ACCOUNT POLICY**

### **APPLICABILITY & AWARENESS**

The Board of directors has approved the following guide lines for the company for treatment with the inactive/dormant clients with reference to NSE Circular Ref No: NSE/INSP/46506 Dated: December 01, 2020, along with Exchange circular NSE/INSP/43488 dated February 10, 2020.

### **DEFINITION OF 'INACTIVE' ACCOUNTS**

An account is considered inactive if no trades have been executed for 24 months across all exchanges. The Back office operation team shall carry out a yearly review of the client accounts. The client who has not done even a single trade in the past 24 months, will be treated as an "Inactive/Dormant Client" and such client accounts will be treated as "Inactive/Dormant Client Accounts".

Inactive shall be Client Specific and Day specific.

### **TREATMENT OF DORMANT ACCOUNTS:**

Will exactly follow as per defined exchange circular:

- Members are required to identify and flag inactive accounts in the UCC (Unified Client Clearing) database.
- Members must set aside funds and securities in separate client bank/client collateral demat accounts for clients whose accounts are inactive due to the non-availability of the client's bank account.
- Members must continue efforts to trace clients and settle their funds and securities.
- If a client claims for unsettled funds/securities, the member must satisfy itself about the client's credentials and immediately repay the funds and deliver the securities.
- Members must update the Exchange quarterly on the settlement of such accounts
- The requirement for flagging the client as inactive in the UCC database of the Exchanges and the exemption for reporting (weekly submission of securities holding and monthly upload of client funds and securities balances) shall continue to be applicable if no trades are carried out by the client in the last 24 (Twenty Four) months across all Exchanges.

Exemption :

However, in case a client has undertaken transaction through the Member, with respect to IPO/Mutual Fund subscription and DP operations (if the Member is a DP) during this

period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

## **DOCUMENTS REQUIRED FOR ACCOUNT REACTIVATION**

- Fresh documentation, due diligence and IPV where a client is coming for reactivation after a period of 1 year of being flagged as inactive, As much as opening of new account, without the process of KYC form, Esign etc
- Account Reactivation Letter.
- Financial Proof (list of valid Income proof)

## **PROCEDURE FOR REACTIVATION**

The Back office operations team can reactivate a client account which has been made Inactive only when the following documents are obtained from the client:

- a. Communication in writing requesting the account to be reactivated.
- b. Updated financial details (Financial Statements in case of corporate clients )