



POLICY ON CLIENT CODE MODIFICATION

TAURUS CORPORATE ADVISORY SERVICES LIMITED.

Member: NSE, BSE, MCX, MSEI, CDSL

Company	Registered as	Member of	SEBI Reg. No.
Taurus Corporate Advisory Services Limited	Stock Broker	NSE, BSE, MSEI, MCX	INZ000258036
	Depository Participant	CDSL	IN-DP-646-2021
	Merchant Banker	SEBI	MB/INM000011740

❖ OBJECTIVE AND SCOPE:

To frame the guidelines for modification to client codes post trade execution and reporting of such Client Code Modifications.

This policy covers all the Client Code Modifications carried out / to be carried out in any of the client accounts controlled by the Head Office, subject to the guidelines issued by the SEBI / Stock Exchanges from time to time, in any segment of any exchange for which is a member broker.

SEBI vide its circular SMDRP/Policy/Cir-39/2001 dated July 18, 2001, had directed that it shall be mandatory to use unique client codes for all the clients. In order to comply with the above circular, it had been made mandatory for the trading members to upload the unique client codes for all their clients in the Exchange UCC database.

❖ BRIEF:

Client Code Modification means modification / change of the client codes after execution of trades.

SEBI vide its Circular no. CIR/DNPD/01/2011 dated January 03, 2011 allows Client code modification post trade Execution.

Accordingly, Stock Exchanges provide a facility to modify any client code after the trade has been executed to rectify any error or wrong data entry done by the dealers at the time of punching orders. However, such Client Code modification is subject to certain guidelines as to the time limit within which the client code modification is to be carried out, terminal / system on which such modifications can be done etc. The facility is mainly to provide a system for modification of client codes in case of genuine errors in punching / placing the orders. It is to be used as an exception and not a routine. To prevent misuse of the facility Stock Exchanges levy penalty / fine for all non-institutional client code modifications.





Modification in Single UCC: Trading members can modify/update the client details in existing UCC through Query client. Path: Member Portal>Client detail>Query Client>Modify

Bulk Modification file upload in UCC system In order to modify/update the client details in multiple existing UCCs, a bulk modification file format is also made available to the trading members in the UCI portal. Format is attached as Annexure B Path: Member Portal>Client detail> Bulk Modification> File Upload

(Refer Circulars:

- NSE/ISC/49289 dated August 13, 2021
- NSE/ISC/50476 dated December 01, 2021)

❖ **ERROR TRADES:**

“Error Trades” means the trades which will be modified / to be modified / allowed, to be modified subject to guidelines of the SEBI / Stock Exchanges and this policy.

1. The modification to the client code is to be done only in exceptional cases and not as a routine one.

2. The reason for modification has to be ascertained and analyzed and genuineness is to be established and also it's impact on the clients should be studied before the modification.

3. Change in client codes of non-institutional clients to be permitted only for the following objective criteria;

a. Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.

b. Modification within relatives (Relative for this purpose would mean 'Relative' as defined under sec. 6 the Companies Act, 1956).

5. Inform the Exchange by end of day, the reasons for modification of client codes of non-institutional trades based on the aforesaid objective criteria.

6. The issue should be reported to the senior level Manager/Director and only with his approval, the modification should be carried after being satisfied that it is genuine, the same is required to be done to protect the interests of the client.

7. Facility to modify the client codes available only at the Corporate Manager level.

8. Training program to all the Dealers and Back office by the Desk head explaining, how code modifications can be misused and what steps should be taken to avoid the same to be provided on regular basis. It also should be explained that code modifications should not be encouraged to the clients except for cases like 'punching errors'/'typing errors'.

For the purpose of this Policy, only the following types of trades shall be modified / allowed to be modified:

- client code/name and modified client code/name are similar to each other but such modifications are not repetitive.
- Family Code (spouse, dependent parents, dependent children and HUF)





- Punching error / typing error of client codes due to any genuine error or mistake in order entry, while punching the order, by any of dealer.
- Trade entered for wrong client due to any miscommunication from the client / authorized representative of the client. Modification within family
- Institutional trades modified to broker error/pro account

❖ **GENERAL CONDITIONS:**

○ **ONLINE MODIFICATION:**

- i. Genuine punching errors in client codes while placing orders shall be allowed to be modified.
- ii. Client code modification facilities shall be disabled from all the dealer terminals.
- iii. Client code modification shall be carried out only from the admin terminals located at H.O. surveillance desk by Mr. Mihir Mehta under the intimation to the directors.
- iv. While carrying out code modification, genuineness of the punching errors shall be verified against corroborative circumstantial evidences like similarities of codes, trades in immediately preceding codes, square off trades without holdings or position or any such other evidences shall have to be taken into account.
- v. Complete records of daily online trade modifications shall be maintained in soft form.
- vi. The facility for Client Code Modification can be used only in case of Error Trade.
- vii. The Client Code Modification shall be carried out only on the designated system and / or as per the process as may be prescribed by SEBI / Stock Exchange.
- viii. Any Client Code Modification shall, subject to compliance of this policy, be carried out by Risk Managment system at HO for all the Error Trades in Capital Market Segment of the Exchanges.

○ **OFFLINE BACK OFFICE MODIFICATION:**

- i. Genuine punching errors in client code, if detected after the end of post-closing sessions may be allowed to be modified subject to the verification of genuineness as narrated above. If it fits in the above mentioned criteria than code modification after trading session will be allowed only if it is consented by client in writing. It is allowed only if it is done in non-existent code.
- ii. For F&O segment, as far as possible, the errors would be rectified by reversal trade in next trading session and the rate differences shall be set off by passing a JV entry in the ledgers of affected clients.
- iii. For Cash segment any such errors would be rectified after verifying genuineness of the error.
- iv. Any such back office client code modification shall be carried out by Mr. Mihir Mehta, who is in charges of back office processing, or person so authorized by him under permission from any of the director of the company.
- v. A register containing required details shall be maintained for all such modifications.





- vi. Concerned dealer/sub-broker shall enter the required details and sign in the register which shall be approved by counter signature of any of the directors

❖ **PENALTIES:**

The penalty or fine, if any, levied on **Taurus Corporate Advisory Services Limited** for any wrong trade occurring due to any mis-communication from the client / authorized representative of the client shall be borne by the client.

The issued by the Exchanges from time to time be taken into consideration to know the penalty compliances

Details of key personnel:

Sr. No.	Particulars	KMP-1	KMP-2
01.	Designation	Principal Officer	Compliance Officer
02.	Name	Mr. Mihir Mehta	Ms. Deepali Vartak
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