

BSE Limited
(Execution Only Platforms Segment)
["EOP Segment"] Regulations

INTRODUCTION

THESE REGULATIONS SHALL BE KNOWN AS BSE LIMITED (EXECUTION ONLY PLATFORMS SEGMENT) ("EOP SEGMENT") REGULATIONS

These Regulations shall be in addition to the provisions of the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 and the Rules and Byelaws of BSE Limited (BSE) as may be applicable to the EOP Segment of BSE and its members.

APPLICABILITY

These Regulations shall be applicable to EOP Segment of BSE and its members.

CHAPTER 1 - DEFINITIONS**1. DEFINITIONS****1.1. MEMBER'S OFFICE**

Member's office" means a registered office of a member, including such premises or offices from which the member is allowed by the Exchange to place orders in mutual fund units on the Platform and carry out back office activity.

1.2. MEMBER'S WORKSTATION

"Member's Workstation" refers to such workstation of a member comprising of computer terminal(s) or any other device and all associated equipment installed and connected to the Platform used by the member for placement of orders on the Platform, and all other actions associated with thereof.

1.3. APPROVED USER

"Approved User" means an individual appointed by a member in accordance with framework prescribed by the Exchange.

1.4. BOOKS OF ACCOUNTS, RECORDS AND DOCUMENTS

"Books of accounts, records and documents" include books of accounts, records and documents which are required to be maintained manually, electronically or in any magnetic form under the framework prescribed by the Relevant Authority from time to time.

1.5. BRANCH OFFICE

"Branch office" in relation to a member means:-

- (a) any establishment or place described as a branch by the member;
- (b) any establishment carrying on either the same or substantially the same activity as that carried on by the head office; including back office activity;
- (c) any other place which the Exchange may notify.

1.6. CLEARING CORPORATION

"Clearing Corporation" for the purpose of these regulations means Indian Clearing Corporation Limited or any other entity which may be identified by the Exchange for the purpose of performing the clearing and settlement of the orders placed and executed on the Exchange's Platform.

1.7. CONSTITUENT

A “Constituent” means a person on whose instructions and on whose account, a member executes orders for subscription or redemption of mutual fund units, switch of units from one scheme to the other of direct plans of mutual fund scheme or does any act in relation thereto.

1.8. EXECUTION ONLY PLATFORMS

“Execution Only Platforms” shall mean the platform provided by BSE to its members in EOP Segment which facilitates transactions such as subscription or redemption of mutual fund units and / or switch in direct plans of mutual fund scheme. Execution Only Platforms (EOP) shall be referred to EOP Platform / Platform.

1.9. BSE OR EXCHANGE

“BSE or the Exchange” means BSE Limited. The terms ‘BSE’ and ‘the Exchange’ are used interchangeably.

1.10. NOTIFICATION, NOTICE OR COMMUNICATION

(1) Refers to any communication that can be served at an ordinary business address and/or at an ordinary place of residence and/or at the last known address of a member/Constituent in any one or more of the following ways: -

- (a) by post
- (b) by registered post
- (c) under certificate of posting
- (d) by speed post / courier services
- (e) by affixing it on the door at the last known business or residential address
- (f) by oral communication to the party in the presence of a third person
- (g) by advertising it in at least one prominent daily newspaper having circulation in the area where the last known business or residential address of an addressee is situated
- (h) by sending a message through the Platform
- (i) by electronic mail or fax
- (j) by hand delivery

(2) Any communication sent by the Exchange to any party shall be deemed to have been properly delivered or served, even if such communication is returned to the Exchange as unclaimed/ refused/ undelivered, if the same is sent to the ordinary business address and/ or ordinary place of residence and/ or last known address of the party, in any one or more of the ways mentioned in clause (1) above.

1.11. SECURITIES/SECURITY

“Securities/Security” for the purpose of this Regulation shall mean mutual fund units.

1.12. INTERPRETATION

Unless in the context it is explicitly stated otherwise, all words and expressions used herein but not defined, and defined in the following, shall have the meanings respectively assigned to them therein:

- (1) The Securities Contracts (Regulation) Act, 1956 and the Rules or Regulations made thereunder;
- (2) The Securities and Exchange Board of India Act, 1992 and the Regulations made thereunder;
- (3) The Depositories Act, 1996 and the Regulations made thereunder;
- (4) The Companies Act, 2013;
- (5) Rules and Bye-laws of BSE (hereinafter referred to as the Rules and Bye-laws)

In case a term is defined in more than one of the above then such term will derive its meaning from the statute (read with the relevant Rules, Bye-laws and/or Regulations) provided prior in the order above, unless it is explicitly stated otherwise.

In case, the Regulations of other segments of BSE is also applicable to a member, then the member shall ensure compliance with those Regulations also.

CHAPTER 2 - DEALINGS ON THE EXCHANGE**2.1 THE PLATFORM**

- 2.1.1 The Exchange may provide the Platform to its member in EOP segment for placing order for subscription or redemption of permitted mutual fund units and switch transactions in permitted direct plans of mutual fund schemes or for placing and executing such orders in mutual fund schemes as may be directed or prescribed by SEBI from time to time.
- 2.1.2 The Exchange shall specify the mutual fund schemes which would be available on the Platform for placing an order or to switch in direct plans of mutual fund scheme from time to time.
- 2.1.3 Placement of order(s) on the Exchange Platform shall be allowed only through EOP members.
- 2.1.4 The member shall use such equipment and software as specified by the Exchange from time to time for the purpose of accessing the Platform.
- 2.1.5 The Exchange shall have the right from time to time to inspect the equipment and software used for the purpose of accessing the Platform.
- 2.1.6 The member shall adopt such security procedures pertaining to the connection to the Platform, as may be specified by the Exchange from time to time.
- 2.1.7 A member shall have non-exclusive permission to use the Platform as provided by the Exchange in the ordinary course of business of the member.
- 2.1.8 A member shall not have any title, rights or interest with respect to the Platform (provided by the Exchange), its facilities, software and the information/data provided/generated by or on the Platform.
- 2.1.9 The permission to use the Platform shall be subject to payment of such charges and compliance with such requirements as may be prescribed by SEBI/the Exchange from time to time.
- 2.1.10 The member shall ensure to maintain adequate safeguards and systems to disseminate information to the Constituents regarding execution of orders/ transactions as prescribed by the Exchange/SEBI.
- 2.1.11 A member shall not permit itself or any other person(s) to:
- (a) use the software provided by the Exchange for any purpose other than the purpose as approved and specified by the Exchange;
 - (b) copy, alter, modify or make available to any other person the software provided by the Exchange;
 - (c) use the software in any manner other than the manner as specified by the Exchange;
 - (d) attempt directly or indirectly to decompile, disassemble or reverse engineer the same.

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- 2.1.12 A member shall not, by himself or through any other persons on his behalf, publish, supply, show or make available to any other person or reprocess, retransmits, store or use the facilities of the Platform or the information provided or generated by or on the Platform except with the explicit approval of the Exchange.
- 2.1.13 The Exchange may provide the Platform on a best effort basis. The Exchange shall not be liable for failure of the Platform or software or for any loss, damage, or other costs suffered by any party or person for any reason whatsoever, including the following:
- (a) The failure of telecom network or any other system of connectivity between the members' workstation systems, including failure of ancillary or associated systems, or fluctuation of power, or other environmental conditions; or
 - (b) Accident, transportation, neglect, misuse, errors, frauds of the member or the agents or any third party; or
 - (c) Any fault in any attachments or associated equipment (whether or not supplied by the Exchange or approved by the Exchange) and whether or not they form part of the workstation installation; or
 - (d) Act of God, fire, flood, war, act of violence, epidemic or any other similar occurrence; or
 - (e) Any incidental, special or consequential damages, including without limitation, of loss of profit.
- 2.1.14 Any failure in the Platform, software or connectivity shall not reduce, alter or affect the liability of the member in respect of any order placed by it on the Platform.
- 2.1.15 A member shall not deal with another member of the Exchange for placing orders on the Platform except with the prior permission of the Exchange.
- 2.1.16 A member may deal with another member of the other stock exchanges providing identical platform for placing orders on the Platform of the other stock exchange in the manner prescribed by SEBI or the Exchange from time to time.

2.2 MEMBERS AND APPROVED USERS

- 2.2.1 The member(s) may appoint Approved User(s) to operate their Workstation(s).
- 2.2.2 Whenever an Approved User of a member ceases to act either as an Approved User or in any other capacity with such member, then such member shall inform the Exchange, within 24 hours, the name and other particulars of such Approved Users.
- 2.2.3 A member/ Approved User shall not access the Platform using a different User Id other than the one allotted to him.
- 2.2.4 An Approved User shall not access or attempt to or aid in accessing the Platform using the member's code unless he has the express prior approval of the member for whom he is acting as an Approved User.

2.3 BUSINESS DAYS

- 2.3.1 The Platform may be available on all such days as specified by the Exchange from time to time.

2.3.2 The Exchange may close the Platform on days other than or in addition to scheduled holidays and the decision of the Exchange in this matter shall be final and binding.

2.3.3 The Exchange may suspend the Platform for such period and reasons as it may deem fit. The Exchange is under no obligation to maintain the Platform at all times.

2.4 BUSINESS HOURS

2.4.1 The Exchange shall announce the regular hours for execution of different types of orders as are permissible or allowed to be placed in the EOP Segment, for every calendar year in advance.

2.4.2 The Exchange may extend, advance or reduce hours by notifying the members as and when it deems fit and necessary in this regard or as may be directed by the Relevant Authority from time to time in this regard.

2.5 ORDER PARAMETERS

2.5.1 The Exchange may from time to time specify various parameters for placement and execution of orders on the Platform.

2.6 TRANSACTION TYPES

2.6.1 The Exchange shall prescribe from time to time different types of transactions that will be permitted to the members for execution of orders.

2.6.2 The Clearing Corporation shall prescribe from time to time different settlement cycles / periods that will be permitted to the members or securities and the same will be in consultation with the Exchange, if required.

2.7 FAILURE OF MEMBERS' WORKSTATION

In the event of failure of the members' workstations and/or the loss of access to the Platform, the Exchange may, upon receipt of a valid written request (in the manner prescribed by the Exchange) from the member, entirely at its sole discretion, undertake such action on behalf of the member, subject to the availability of the necessary infrastructure. Such action shall be undertaken by the Exchange on such terms and conditions which the Exchange may deem necessary to be imposed. The member shall be solely responsible for the action undertaken by the Exchange on his/its behalf as if such action had been undertaken by the member himself, and shall indemnify the Exchange against any loss, charges, expenses, damages or costs arising out of any such action undertaken by the Exchange.

CHAPTER 3 - DEALINGS IN SECURITIES

3.1 DEALINGS IN SECURITIES

- 3.1.1 Dealings in securities shall be permitted on the Exchange in accordance with the provisions of the Rules, Bye-laws and Regulations of the Exchange for such categories of members, transaction types and for such business hours as the Exchange may specify from time to time.
- 3.1.2 The Exchange may offer its Platform(s) as Execution Only Platforms for subscribing to, redeeming or switching direct plan in mutual fund schemes or for executing order types of orders in mutual fund schemes, in accordance with the direction and framework prescribed by the Exchange/SEBI from time to time.
- 3.1.3 Subject to the framework prescribed by the regulators and in accordance with their directions, the Exchange may, from time to time specify the provisions of the extant Rules, Bye-laws and the Regulations of the Exchange which shall apply to dealing in the Securities offered by the Exchange through the Platform.
- 3.1.4 At the time of entering an order on the Platform, a member shall enter the unique code in respect of its Constituent in the manner and as may be specified by SEBI and/or BSE from time to time.
- 3.1.5 The Exchange may, at any time restrict conditionally or unconditionally a member from dealing in the securities.
- 3.1.6 A member shall continue to be liable for all orders executed on the Platform. A member shall be responsible for all the actions of its Approved Users.
- 3.1.7 Every member shall be responsible to furnish particulars of unique client codes of each of his Constituents to the Exchange in such form, manner, at such intervals and within such time as may be specified by the Exchange from time to time.

3.2 OPERATIONS TO BE FOLLOWED FOR EXECUTION OF ORDERS

- 3.2.1 The members shall ensure that appropriate confirmed order instructions are obtained from the Constituents before placement of an order on the Platform and shall keep relevant records or documents of the same and of the completion or otherwise of these orders.
- 3.2.2 The member shall make available to his Constituent the electronic order receipt which shall include all details as prescribed by SEBI/BSE from time to time and shall dispatch copies of the order confirmation slips/ modification slips/ electronic order receipt/ transaction receipt.
- 3.2.3 The procedure and conditions for amendment or cancellation of pending orders would be as specified by the Exchange from time to time. However, the orders executed through Platform are irrevocable and 'locked in'.
- 3.2.4 The members shall be solely responsible for the accuracy of details of all orders entered on the Platform including orders entered on behalf of his Constituents.

3.2.5 Orders entered on the Platform shall be subject to various validation requirements as specified by the Exchange from time to time including but not limited to parameters for placement and execution of order, and/or other restrictions placed on such execution. Orders that do not meet the validation checks shall not be accepted on the Platform. If, however such orders are accepted on the Platform due to any reason whatsoever, such orders will be deemed to be placed in terms of EOP segment, the member shall be liable and responsible to honour the same or comply with such other directions as may be given by the Exchange.

3.2.6 **ORDER TYPE**

The Exchange shall stipulate from time to time, the kinds of orders that a member can place on the Platform, as also the order attributes that he could place thereon.

3.2.7 **ORDER ATTRIBUTES**

- (a) The Exchange shall from time to time allow various order attributes subject to parameters for execution of order prescribed by the Exchange.
- (b) The Exchange shall specify the order types and order attributes permitted for different transaction types, etc.

3.2.8 **MODIFICATION AND CANCELLATION OF ORDERS**

- (a) A member shall ensure to execute the transaction on behalf of his Constituent on an immediate basis.
- (b) A member shall be permitted to modify or cancel his orders, provided such order has not been executed.
- (c) The order can be modified by effecting changes in the order input parameters in the manner and on such conditions as specified by the Exchange.

3.2.9 **TRANSACTION RECEIPT**

- (a) A member shall, on placement of an order by the Constituent, issue or display without delay to the Constituent, an electronic order receipt which shall, inter alia, include date and time of order, quantity of units and/or amount proposed to be invested/redeemed, etc.
- (b) A member shall ensure that the Constituents are also regularly updated on the status of transactions electronically through SMS, email etc.

3.3 BROKERAGE

3.3.1 All the orders entered on the Platform shall be at prices exclusive of brokerage.

3.3.2 The members shall charge brokerage in the manner specified by SEBI and / or the Exchange from time to time.

3.4 COLLECTION OF SECURITIES TRANSACTION TAX AND SEBI TURNOVER FEES

Every member shall remit to the Exchange the Securities Transaction Tax (STT) and SEBI Turnover Fees, in respect of the transactions entered into by him on the Exchange in accordance with the applicable laws and procedures prescribed by the Exchange from time to time. Any member who fails to make the payment in accordance with the procedures prescribed by the Relevant Authority from time to time would be liable for such consequences of non-payment, including but not limited to withdrawal of access to the Platform, appropriation from the monies of the member lying with the Exchange, etc., as may be prescribed from time to time.

3.5 COLLECTION OF PERMANENT ACCOUNT NUMBER (PAN)

The members shall -

- (a) collect copies of Permanent Account Number (PAN) cards issued to their existing as well as new clients by the Income Tax department and maintain the same in their record after verifying with the original;
- (b) cross check the aforesaid details collected from their clients with the details on the website of the Income Tax department; and
- (c) upload the details of PAN so collected to the Exchanges as part of the unique client code.

Provided that nothing contained in this regulation shall apply in case the client's details are taken by the member from the database of a KYC Registration Agency, registered with SEBI, under the SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 or any amendment thereof.

CHAPTER 4 - CONDUCT OF BUSINESS BY MEMBERS**4.1 OFFICE RELATED PROCEDURE**

- 4.1.1 No member shall carry on in any office or premises any activity connected with or pertaining to its operations as a member of the Exchange unless it has intimated to the Exchange the full address of such office or premises with details of the activity proposed to be so carried on therein and the person in whose supervision and control it is to be so carried on.
- 4.1.2 Each department for execution of transaction shall be under the supervision and control of the member establishing it and of the personnel delegated with such authority and responsibility in this regard.
- 4.1.3 Every member shall ensure that all employees and persons acting on his behalf on the Platform shall subscribe at all times to high standards of professional expertise and integrity.
- 4.1.4 Each member shall at all times maintain such infrastructure, staff, communication facilities and records so as to be able to service his Constituents satisfactorily and as per the requirements enumerated in the Bye-laws, Rules and Regulations of the Exchange or Securities Laws.
- 4.1.5 Where the Exchange feels it necessary, in the public interest to do so, it may at its own instance or on a complaint, seek explanation from the member regarding the level of service or professional conduct of the member or any of his staff where such service or conduct has been found unsatisfactory or contrary to principles enumerated in the Bye-laws, Rules and Regulations of the Exchange, or notifications, directions or circulars issued there under.

4.2 SUPERVISION**4.2.1 PROCEDURES TO BE FOLLOWED**

- (a) Each member shall establish, maintain, and enforce procedures to supervise its business and to supervise the activities of its employees that are reasonably designed to achieve compliance with the Byelaws, Rules and Regulations of the Exchange and any notifications, directions, etc. issued there under as well as the relevant statutory Acts, Rules and Regulations.
- (b) The member, for the purpose of better control may, if so required, maintain an internal record of the names of all persons who are designated as supervisory personnel and the dates for which such designation is or was effective.
- (c) Every member shall specifically authorise in writing, a person or persons who may be authorised to execute transaction on behalf of the member and to do such acts which the member may wish to delegate to such person and make available a copy of such power of attorney to the Exchange before such person

executes transaction / any business on the Exchange.

- (d) A member shall maintain such records and make available for inspection by any person authorised in this behalf by the Exchange, such information related to such member, including the member's financial condition, as prescribed by the Exchange.
- (e) The member shall pay such fees, charges, liabilities, annual subscription and other sum as the Exchange may notify from time to time, within such time and manner as required by the Exchange.
- (f) The member must inform the Exchange of any change in the status, constitution, operation and activities of the member, which change shall be effected only subject to receipt of such approvals and/or following such procedure as may be specified by the Exchange.

4.2.2 **INTERNAL INSPECTIONS**

Each member shall endeavor to conduct a review, of its operations, systems and processes, annually which shall be reasonably designed to assist in detecting and preventing violations of and achieving compliance with the Securities and Exchange Board of India Act, 1992 and Regulations framed thereunder, the Securities Contracts (Regulation) Act, 1956, and Rules framed thereunder and Bye-laws, Rules and Regulations of the Exchange and circulars issued by SEBI / the Exchange.

4.2.3 **INTERNAL AUDIT**

Each member shall conduct a complete internal audit at such periodicity, by such professionals and having such scope as may be prescribed by the Exchange/SEBI from time to time.

Each member shall comply with the requirements of the system or such other audit as may be prescribed by the SEBI/Exchange from time to time.

4.2.4 **WRITTEN APPROVAL**

Each member shall establish procedures for review and endorsement by an appropriate senior officer in writing, of the record of all transactions and correspondence of its employees, pertaining to solicitation or execution of any securities transaction.

4.2.5 **QUALIFICATIONS INVESTIGATED**

Each member shall have the responsibility and duty to ascertain the good character, business repute, qualifications, and experience of any person prior to designating such persons as an Approved User.

4.3 RELATION WITH CONSTITUENTS

- 4.3.1 At the time of establishing a relationship with a new Constituent, the member must take reasonable steps to assess the background, genuineness, beneficial identity, financial soundness of such person, and his investment objectives by obtaining all necessary documents, including account opening documents executed by such Constituent, as may be prescribed by SEBI/Exchange from time to time. The member shall also obtain from all Constituents, other than individual Constituents, an authenticated copy of the board resolution/authority letter permitting execution of transaction on the Exchange.
- 4.3.2 The member shall perform such other specific verification of the Constituent as may be deemed necessary by him or as may be required by SEBI and/or the Exchange or in terms of any law for the time being in force.
- 4.3.3 The member shall, before registering a Constituent, furnish him with an account opening form, which shall be in such format, shall be accompanied by such documents, including segregation into mandatory and non-mandatory documents, and shall have such further and other requirements, as may be specified by SEBI and/or the Exchange.
- 4.3.4 Notwithstanding anything contained in Regulations 4.3.2 and 4.3.3, a member may use the Constituent's Know Your Client (KYC) information which is available with a KYC Registration Agency registered with SEBI under the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011 or any amendment thereof, subject to such conditions and restrictions as may be specified by SEBI or the Exchange from time to time.
- 4.3.5 The member shall carry out necessary due diligence and ensure that the Constituent executes a "Rights and Obligations" document in the format or comply with any other requirement as specified by SEBI or the Exchange from time to time.
- 4.3.6 The member shall display the set of standard documents required in connection with Constituent's registration and may allow secure online access to their Constituents to such requisite information pertaining to them in such manner as may be specified by SEBI and/or the Exchange.
- 4.3.7 A member shall evolve policies and procedures for such matters pertaining to dealings with the Constituent and the treatment of the Constituent, as may be specified by SEBI and/or the Exchange and shall disclose the same to the Constituent or display the same in such manner as may be specified.
- 4.3.8 A member shall make his Constituent aware of the Platform, particulars of SEBI registration number, the precise nature of the member's liability for the business to be conducted, the risk associated with the Platform, including any limitations on that liability and the capacity in which the member acts.
- 4.3.9 A member shall provide to his/its Constituents (at no extra costs) extracts of relevant

provisions governing the rights and obligations of Constituents as may be specified either in the Bye-laws, Rules and Regulations, or the relevant manuals, notifications, circulars of the Exchange/SEBI and any additions or amendments thereto or of any regulatory authority, to the extent it governs the relationship between the member and its/his Constituents.

4.3.10 A member may also bring to the notice of his Constituents any indictments, penalties, etc. imposed on him/it by the Exchange or any other regulatory authority.

4.3.11 A member may obtain a power of attorney from his Constituents for execution of transaction only in strict compliance with the directions, guidelines or circulars of SEBI and/or the Exchange, issued from time to time.

4.3.12 Further responsibilities of members:

(a) A member shall make adequate disclosure of the relevant material information of his dealings with his Constituents.

(b) A member shall also display the factual information pertaining to Mutual Funds, including past performance of Mutual Fund Schemes in a user-friendly manner and must ensure compliance with the minimum disclosure requirements as specified by SEBI and/or the Exchange from time to time.

(c) A member shall ensure to provide an interactive tool to screen or filter various mutual funds schemes based on criteria selected by Constituent including past performance, Asset Under Management (AUMs) etc. and no recommendation or ranking of mutual funds schemes should be displayed. The underlying documents basis which criteria is chosen should be disclosed too.

(d) A member is duty bound to comply with the circular/notices/directions issued by the Exchange from time to time and shall take steps for redressal of grievances of the Constituent.

4.4 ADVERTISEMENT

(a) The member shall not display any advertisement regarding any Mutual Fund scheme or any proxy/ surrogate/ common brand related advertisements on their platform.

(b) The advertisement of the member on other websites/ applications/ portals/ media/ channels or any other platforms shall adhere to the advertisement code prescribed by the Exchange from time to time.

4.5 DISCLOSURE OF INVESTOR COMPLAINTS, ARBITRATION DETAILS AND DISCIPLINARY ACTION

Unless otherwise directed by SEBI or other competent authority, court or tribunal,

the Exchange may disclose the details of the complaints lodged by Constituents/ investors against the members on its website or on any other website designated for this purpose, including the details pertaining to arbitration and penalaction taken by the Exchange or SEBI against the members, in such format and update the same at such periodicity as may be specified by SEBI.

4.6 GUIDELINES GOVERNING RELATIONSHIP BETWEEN MEMBER AND CONSTITUENT

- 4.6.1 A member shall not furnish any false or misleading information or advice to induce the Constituent to execute order in particular mutual fund schemes and which will enable the member to make unfair gains.
- 4.6.2 A member shall explain the Platform and the order placement mechanism to the Constituent before accepting any orders from him.
- 4.6.3 Where a Constituent requires an order to be placed or any of his orders to be modified after the order has entered the Platform but has not been executed, the member may obtain order placement / modification details in writing from the Constituent. The member shall accordingly provide to the Constituent the relevant order confirmation / modification slip or copy thereof, forthwith, if so required by the Constituent.
- 4.6.4 Where the Constituent requires any of his orders to be cancelled after the order has been entered on the Platform but has not been executed, the member may, obtain order cancellation details from the Constituent. The member shall provide to the Constituent the relevant order cancellation details, forthwith, if so, required by the Constituent.
- 4.6.5 Where a member receives a request for order modification or order cancellation from the Constituent, it shall duly bring it to its notice that if the order results into execution in the meantime, the request for modification or cancellation cannot be executed.
- 4.6.6 i) A member shall not handle pay-in/pay-out of funds/mutual fund units of the Constituent in any manner or form.
ii) A member shall neither make nor receive payment in cash from his Constituent.
iii) A member shall not accept mandates/one-time mandates for Systematic Investment Plans (SIPs) or lumpsum transactions from the Constituent.
- 4.6.7 The mutual fund units shall be credited and debited directly to/from the Constituent's demat account/folio account without routing it through the pool/proprietary account of the member and shall be handled as per the procedure prescribed by SEBI/Exchange. The redemption proceeds will be credited to the bank account of the Constituent in terms of the procedure stipulated by SEBI/Exchange. In case, redemption proceeds do not or cannot be credited to the designated bank account of the Constituent for any reason whatsoever, the Exchange or clearing corporation shall not be held liable or responsible for the same, and the Constituent will be required to comply with Exchange's instructions for receiving the redemption

proceeds. Similarly, if the mutual funds units is not credited to demat account of the Constituent, then the Exchange and its clearing corporation shall not be liable for any claim/loss and the Constituent shall be required to follow the prescribed procedure for receiving the mutual fund units.

- 4.6.8 A Constituent understands that the Exchange would entertain only such grievances as permitted in terms of the framework prescribed by SEBI/Exchange from time to time.

4.7 CODE OF CONDUCT FOR MEMBERS

4.7.1 Adherence to SEBI Code of Conduct

A member shall at all times adhere to the Code of Conduct as specified by the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 or as amended thereof.

4.7.2 General Principles

- (a) **Professionalism:** A member, in the conduct of his business, shall observe high standards of just and equitable principles of execution of transaction.
- (b) **Adherence to execution of transaction practices:** A member shall adhere to the Rules, Regulations and Bye-laws of the Exchange and shall comply with such operational parameters, circulars, rulings, notices, guidelines and instructions of the Relevant Authority as may be applicable from time to time.
- (c) **Honesty and Fairness:** In conducting his business activities, a member shall act honestly and fairly, in the best interest of his/its Constituents.
- (d) **Capabilities:** A member shall have and employ the resources and procedures which are needed for the proper performance of his business activities.

4.7.3 Principles to be observed for execution of transaction

- (a) The members shall ensure that the fiduciary and other obligations imposed on them and their staff by the various statutory acts, rules and regulations is complied with.
- (b) The member shall ensure -
 - (i) that the employee of the member, who commits the member to execution of transaction has the necessary authority to do so.
 - (ii) that his/its employees are adequately trained in operating the Platform, are aware of their own, and their organization's responsibilities as well as the relevant statutory acts governing the member, the Rules, Regulations and Bye-laws of the Exchange, including any additions or amendments thereof.

- (iii) that there is an arm's length relationship, if the member undertakes multiple activities within the same entity, to avoid conflict of interest in the manner prescribed by SEBI/ the Exchange.
 - (iv) that there is client level segregation between the EOP services for transacting in direct plans of mutual fund schemes and/or distribution services for mutual funds.
 - (v) that there is client level segregation between EOP segment and other segments of the Exchange.
- (c) A member shall be responsible for all the actions, including for the placing of orders originating through or with the use of all the following variables member Id and User Id, at that point of time. However, if the member satisfies the Exchange that the action(s) and/or placing of order(s) took place due to fraud or misrepresentation by any other person and/or that the action(s) and/or placing of orders did not originate from any of his Workstations, the Exchange, to the extent permissible, may issue such directions as it considers just and reasonable. The directions may include referring the matter to arbitration/ Relevant Authority.
- (d) When entering or placing an order, the members must at all times ensure that great care is taken not to misrepresent in any way, the nature of the transactions.
- (e) A member shall not disclose the name, address, beneficial identity or any other information/ particulars furnished by its Constituent, to any other party or person, save and except, providing the same to the Exchange or as and when required by it or pursuant to any order or direction, issued by any competent authority, tribunal, forum or court or as may be required to be disclosed pursuant to any law, regulations, circulars, directives etc.
- (f) A member shall not allow unauthorized sharing of data and further shall ensure data privacy and data integrity of the Constituent in accordance with the applicable requirements.
- (g) A member shall ensure that confidentiality is maintained in respect of the data related to execution of transaction/order of the Constituent.
- (h) A member shall prohibit unauthorized access to the Platform to protect the interest of the Constituent.

4.7.4 GENERAL GUIDELINES

A member shall desist from the following practices while conducting execution of order on the Exchange.

- (a) **Shielding or Assisting:**

No member shall shield or assist or omit to report any member whom he has known to have committed a breach or evasion of any Rules, Bye-laws or Regulations of the Exchange or of any resolution, order, notice or direction thereunder of the Exchange or its Board of Director/committee/managing director/officer.

(b) **Suspended / Unlisted Mutual Fund Schemes**

Except with the permission of the Exchange, no member shall transact in mutual fund schemes which have been suspended or unlisted in EOP segment.

4.8 FRAUDULENT AND UNFAIR PRACTICES

4.8.1 No member shall buy, sell, redeem, or deal in mutual fund units in a fraudulent manner or indulge in any unfair practice including market manipulation.

4.8.2 No member shall make a statement, or disseminate information which is misleading in material particulars or which is likely to induce the subscription or redemption of mutual fund units and switch direct plans of schemes of Mutual Funds -

- (a) he does not care to ascertain whether the statement or information is true or false;
- (b) knows or ought to reasonably know that the statement or information is false or misleading in material particulars.

4.8.3 No member shall-

- (a) engage in any act or practice in the course of his/its business, which would operate as a fraud or deceit upon any person in connection with the subscription or redemption of mutual fund units and switch direct plans of schemes of Mutual Funds; or
- (b) delay the placement of orders of mutual fund units; or
- (c) indulge in falsification of his books, accounts and records to avoid its obligation or for the purpose of manipulation.

CHAPTER 5 – ARBITRATION

5.1 DEFINITIONS

For the purpose of this Chapter, unless the context otherwise requires,

- (a) 'Act' shall mean the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof.
- (b) 'Arbitrator' means a sole arbitrator or a panel of arbitrators.
- (c) 'Applicant' means the person who makes the application for initiating arbitral proceedings.
- (d) 'Respondent' means the person against whom the Applicant lodges arbitration application, whether or not there is a claim against such person.

5.2 'VENUE AND SEAT OF ARBITRATION

The Venue and Seat of Arbitration shall be prescribed by SEBI/the Exchange from time to time.

5.3 MODE AND MANNER OF ARBITRATION

5.3.1 The arbitration shall take place in such manner as may be prescribed by the Exchange from time to time.

5.3.2 Pecuniary Jurisdiction of Arbitral Tribunals

An arbitration reference shall be referred to a sole arbitrator or a panel of arbitrators based on the pecuniary jurisdiction prescribed by SEBI/the Exchange from time to time.

5.4 JURISDICTION OF COURTS

In matters where the Exchange is a party to the dispute, Civil Courts at Mumbai shall have exclusive jurisdiction to entertain, try and decide such dispute and in disputes where a Constituent is a party, a court exercising jurisdiction over the seat of arbitration shall be the competent court.

5.5 REFERENCE OF THE CLAIM, DIFFERENCE OR DISPUTE

- (a) Depending on the pecuniary jurisdiction, the Relevant Authority shall specify whether a claim, difference or dispute shall be referred to a sole arbitrator or a panel of arbitrators.
- (b) The provisions of the Limitation Act, 1963 shall apply under this Chapter as they apply to proceedings in court.

5.6 GUIDELINES FOR FAIR PRACTICES/ CODE OF CONDUCT FOR ARBITRATORS OR CONCILIATORS

A person appointed as a conciliator or arbitrator shall comply with code of conduct as prescribed by SEBI from time to time.

5.7 CRITERIA AND PROCEDURE FOR SELECTION OF PERSONS ELIGIBLE TO ACT AS ARBITRATOR

- (a) The Exchange shall follow the process as prescribed by SEBI from time to time for criteria and selection of a person as an arbitrator.
- (b) In addition, the Exchange may prescribe additional criteria for selection of a person as an arbitrator.

5.8 PROCEDURE FOR APPOINTMENT OF ARBITRATORS

The selection/ appointment of Arbitrator(s) will be done in the manner prescribed by SEBI / the Exchange from time to time.

5.9 VACANCY IN THE OFFICE OF THE ARBITRATOR

If the office of the sole arbitrator or any one or more of the arbitrators in the panel of arbitrators falls vacant after the appointment thereto, the vacancy will be filled within the reasonable time in the manner prescribed by the Exchange.

5.10 DEPOSITS TOWARDS COST OF ARBITRATION

- (a) Subject to the regulatory framework prescribed by SEBI, the parties to the claim, difference or dispute shall bear the cost of arbitration. For this purpose, both the parties to arbitration shall make a deposit with the Exchange along with their respective claim and response/counter claim, as the case may be for defraying the costs that may be incurred for conducting the arbitration proceeding provided when there is failure, neglect or refusal by Respondent, being a Constituent, to make a deposit accordingly, the Applicant shall be responsible for making such deposit without prejudice however to its right to recover the same from such Respondent in terms of the award.
- (b) The amount of deposit shall be determined in accordance with specification prescribed by SEBI/ the Exchange.

5.11 PROCEDURE FOR ARBITRATION

The parties to the arbitration will strictly follow the procedure prescribed by the Exchange for conducting the arbitration.

5.12 DUTIES OF PARTIES AND WITNESSES

The parties to the reference and any witness on their behalf shall -

- (i) submit to be examined by the arbitrator(s) on oath or affirmation in relation to the matter in dispute;
- (ii) produce before the arbitrator(s) all books, deeds, papers, accounts, transaction receipt, electronic order receipt, writings and documents in their possession or power which may be required or called for; and
- (iii) generally do all other things which during the pendency of the reference the arbitrator(s) may require.

5.13 ISSUE OF PROCEDURAL GUIDELINES

The Relevant Authority may from time to time issue procedural guidelines to the arbitrator(s) in respect of the conduct of arbitration(s) with a view to ensure proper, orderly and expeditious disposal of arbitrations. The guidelines shall relate to the conduct of arbitration(s) generally and shall not relate to any particular arbitration or arbitrations.

5.14 LIABILITY OF THE PARTIES

In case, an arbitral award is made against a party, then such party shall be liable to comply with such arbitral award, failing which, shall be subject to such action as may be prescribed by SEBI/the Exchange.

5.15 ARBITRATION FEES, CHARGES AND COSTS ETC.

- (a) The fees and expenses payable to the arbitrator shall be as determined by the Relevant Authority from time to time.
- (b) All fees and charges relating to the appointment of the arbitrator and conduct of arbitration proceedings shall be borne by the parties to the reference equally or in such proportions as may be decided by the arbitrator or as may be directed by the Relevant Authority.
- (c) The costs, if any, to be awarded to either of the parties shall be decided by the arbitrator.
- (d) Unless the arbitrator directs otherwise each party shall bear their own expenses of traveling and other incidental expenses incurred.

5.16 PRESERVATION OF DOCUMENTS

The following documents shall be preserved by the Exchange for the time periods as mentioned hereunder:-

- a) The original arbitration award along with acknowledgements shall be preserved permanently.

- b) In case an appeal for setting aside the award is not filed, then apart from the original award, all the other records pertaining to arbitration shall be preserved for 5 years from the date of award.
- c) In case an appeal for setting aside the award is filed, then apart from the original award, all the other records pertaining to arbitration shall be preserved for 5 years from the date of final disposal by court.

5.17 PROCEDURE FOR DESTRUCTION OF RECORDS

The destruction of records by the Exchange shall be subject to the previous order, in writing of the Relevant Authority and the details of the destruction shall be entered in a register wherein the brief particulars of the records destroyed along with the certification regarding the date and mode of destruction shall be mentioned.

- 5.18** The parties shall abide by the conciliation /mediation mechanism for amicable settlement of disputes prescribed by the Exchange pursuant to the circular issued by SEBI from time to time.

CHAPTER 6- RECORDS, ANNUAL ACCOUNTS AND AUDIT**6.1 RECORDS**

- 6.1.1 Every member shall comply with all relevant securities laws, including the Securities Contracts (Regulation) Act, 1956 and Rules framed thereunder, the Securities and Exchange Board of India Act, 1992 and Regulations including the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and guidelines framed thereunder, and the requirements of and under any notifications, directives and guidelines issued by the Central Government, any statutory body or local authority or any other authority acting under the authority or direction of the Central Government relating to the maintenance of accounts and records by the members.
- 6.1.2 Every member of the Exchange shall comply with the following requirements and such other requirements as the Exchange may from time to time notify on this behalf relating to books of accounts, records and documents in respect of his membership and execution of transaction on the Exchange.
- 6.1.3 Where a member holds membership of any other recognized stock exchange(s), such a member shall maintain separate books of accounts, records and documents for orders executed on each recognised stock exchange.
- 6.1.4 Every member of the Exchange shall maintain the following books of accounts, records and documents either electronically or physically relating to its business for a period of five years:-
- (a) Details of investor wise transactions, including time of request for subscription and redemption.
 - (b) Details of failed transactions, if any and reasons thereof.
 - (c) Documents pertaining to registration of Constituents including KYC documents, client account opening forms etc.
 - (d) Rights and Obligations documents pertaining to Constituents.
 - (e) Records in respect of Net Asset Value (NAV)/applicable loads/dividend received/levied on mutual fund units of Constituents.
 - (f) Records in respect of brokerage collected separately from Constituents.
 - (g) Register of transaction (or other records of original entry) containing an itemized daily record of all subscription, redemption and switch transactions in direct plans of schemes of Mutual Funds, the name and NAV of mutual fund schemes, rates both gross and net of brokerage and the names of the Constituents.
 - (h) Register or Statement of Account, client wise and mutual fund scheme wise, giving, inter alia, the following details viz., date of allotment of the mutual fund units, time of request for subscription/redemption, number of units

allotted/redeemed/subscribed, the party from/to whom the units were received/allotted/redeemed, the purpose of receipt/delivery/allotment, the purpose of delivery/allotment/redemption/subscription, and a separate register in respect of its own mutual fund units allotted/redeemed/subscribed.

- 6.1.5 Every member of the Exchange may for the purpose of better internal control and management, if it so desires, also maintain the following record relating to its business either electronically or physically:
- (i) Order confirmation slips, Order modification slips as obtained from the Platform of the Exchange.
 - (j) Execution of transaction confirmation slips as obtained from the Platform of the Exchange.
 - (k) Order Book reflecting the following:
 - (i) Identity of the person receiving the order;
 - (ii) The date and time of the order received;
 - (iii) Name of the person placing the order;
 - (iv) Name of the Constituent, description and the NAV of mutual fund schemes to be bought, redeemed, switched and sold on behalf of such Constituent;
 - (v) Terms and conditions of the order stating particularly price/rate limit or price/rate related instructions and time limit on the order (if any);
 - (vi) The order number as per the Platform of the Exchange or member order number, as the case may be;
 - (vii) any modification or cancellation of the order, including cases when it is cancelled by the Platform or cancelled;
 - (viii) If any order is executed, the price/rate at which it was executed and to the extent feasible, the time of execution or cancellation and order number as per the Platform of the Exchange;
 - (ix) The reference number of the transaction receipt/electronic order receipt issued in case of executed orders;
 - (x) Designation of the orders entered pursuant to the exercise of discretionary power;
 - (xi) Entries of orders serially numbered;
 - (xii) Time-stamping of the order.
 - (l) Reports produced from the Platform like Order log and order executed .
 - (m) Order book in respect of member's own orders.
 - (n) Every member shall preserve the following reports produced from the Platform for a period of five years:
 - (i) Orders Cancelled

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- (ii) New Orders
 - (iii) Execution of orders done
- (o) Records in respect of brokerage collected separately from Constituents.
 - (p) Register of orders executed by the member on his /its own behalf containing such particulars as may be specified by the Exchange.
 - (q) Every member shall keep such records, documents and books of accounts, as may be necessary, to distinguish Constituent's orders from its own orders. These should be maintained on Own (also known as Pro wherein execution of transaction is carried out in the own account of the member) and Constituent basis. The records for Constituent's orders shall inter alia, provide for the charges/loads collected from Constituents.
- 6.1.6 The members shall maintain and preserve for a period prescribed by SEBI a mapping of Unique Client Code used at the time of order entry on the Platform with the unique client IDs along with Constituent name, address and other particulars given in the Know Your Client (KYC) form.
- 6.1.7 Every member shall maintain permanently copies of agreements/Know Your Client (KYC) form/Client Account Opening form/Rights and Obligations document executed with each of its Constituent in accordance with the requirements laid down by SEBI/ the Exchange.
- 6.1.8 Every member shall maintain records of all relevant particulars of persons who are approved as "Approved Users" by the Exchange.
- 6.1.9 Every member shall maintain originals of all communications received and copies of all communications sent by such member (including interoffice memo and communications) relating to its business.
- 6.1.10 Every member shall maintain all guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority in respect of any account and copies of resolutions empowering an agent to act on behalf of a member.
- 6.1.11 Every member shall maintain all written agreements and documents (or copies thereof) entered into by that member relating to its business, including agreements with respect to any account.
- 6.1.12 Every member shall preserve for such period as prescribed under any law from time to time but not less than five years after the closing of any Constituent's account any records which relate to the terms and conditions with respect to the opening and maintenance of such account, date of entering into agreement with the Constituent, the date of modification thereof, the date of termination and of the representatives of the Constituent, who acted on behalf of such Constituent, in each case, KYC documents and Rights and Obligations documents.
- 6.1.13 Every member shall intimate to the Exchange the place where these records are kept and are available for audit/inspection.
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- 6.1.14 The above requirements relating to maintenance of records shall apply not only to records of the member's principal office but also to its branch office and to any nominee company owned or controlled by the member, for the purpose of conducting the business of the member.
- 6.1.15 Each member shall keep and preserve a record of all written complaints of its Constituents showing the reference number, date, Constituent's name, particulars of the complaints, action taken by the member and if the matter is referred to arbitration/investor grievance redressal/ on SEBI Complaints Redress System (SCORES) as the case may be and the particulars thereof.
- 6.1.16 Notwithstanding anything contained hereinabove, where copies of any documents with a member are taken by the Central Bureau of Investigation (CBI), any Police Department or any other law enforcement agency during the course of any investigation, the relevant original documents shall be preserved by the member in the physical and electronic form till the final completion/dismissal of concerned investigation/enquiry.
- 6.1.17 Every member shall submit information or report as prescribed by SEBI/ Exchange.
- 6.1.18 Every member shall immediately inform the Exchange about any untoward incident leading to disruption of activity or market abuse.
- 6.1.19 Every member shall maintain system to disseminate information on orders to the Constituent on real-time or near real-time basis in compliance with norms prescribed by SEBI/the Exchange and shall allow access to the Platform to the Constituent.

6.2 ANNUAL ACCOUNTS AND AUDIT

- (a) Each member shall prepare annual accounts for each financial year ending on 31st March or such other date as may be required by the Exchange or as provided in any law.
- (b) The Assets and Liabilities of the member's business shall be brought into the financial statements of the member and shall be classified and described therein in such manner that the balance sheet gives a true and fair view of the state of affairs of such business as at the date to which it is made up.
- (c) Each member shall furnish to the Exchange its audited financial statements (together with reports and annexures) not later than six months after the end of the member's financial year, (or such period as may be decided by the Relevant Authority), provided that when the Exchange is satisfied that circumstances warrant an extension of time necessary to furnish such statements, it may grant an extension of such time as it may deem fit.
- (d) Each member shall get the complete internal audit done on a half yearly/annual basis by an independent qualified Chartered Accountant, Company Secretary or Costand Management Accountant, who is in practice or by any other person prescribed by SEBI or the Exchange as qualified to do so and who does not have any conflict of interest and shall submit the report of such audit within such

time and in such format as may be prescribed by the Exchange and/or SEBI from time to time.

- (e) A member shall maintain such minimum net-worth as may be specified by SEBI or the Exchange at all points in time.

CHAPTER 7 – INSPECTION

7.1 INSPECTION AUTHORITY

7.1.1 Where it appears to the Exchange that it is expedient so to do, it may appoint one or more persons as inspecting authority to undertake inspection of books of accounts, other records and documents of the members, branch office etc. for any of the purposes specified in regulation 7.1.2.

- (a) The inspecting authority appointed by the Exchange under Regulation 7.1.1 may be either its own officials or outside professionals.
- (b) Whenever the Exchange appoints outside professionals as an inspecting authority, it shall notify the member the names and addresses of the professionals or firms so appointed as an inspecting authority.
- (c) When outside professionals are appointed as inspecting authority in respect of a member and such professionals are already related in any other capacity with the member then such member shall forthwith inform the Exchange of his/its relationship with the inspecting authority.
- (d) The outside professional inspecting authority shall not, without the prior written consent of the Exchange act for the member in any other capacity after being appointed to inspect the state of affairs of such member.

7.1.2 The purposes referred to in regulation 7.1.1 shall be as follows, namely:-

- (a) to ensure that the specified records, books of accounts and other books are being maintained in the manner required;
- (b) to ensure that the provisions of the Securities and Exchange Board of India Act, 1992 and the Rules and Regulations made thereunder are being complied with;
- (c) to ensure that the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules are being complied with;
- (d) to ensure that various provisions of the Bye-laws, Rules and Regulations of the Exchange and any directions, circulars or instructions issued thereunder are being complied with;
- (e) to ensure efficacy of the investor grievance redressal mechanism and verify discharge of various obligations towards clients;
- (f) to investigate into the complaints received from investors, other members of the Exchange or any other person on any matter having a bearing on the activities of the member;
- (g) to investigate suo-moto, for any reason where circumstances so warrant, inspection into the affairs of the member;
- (h) to examine whether any notices, circulars, instructions or orders issued by the Exchange from time to time relating to execution of transaction and other activities of members are being complied with;

- (i) to comply with any of the directives issued in this behalf by any regulating authority including Government of India.
- (j) to verify whether Authorized User of the member comply with the requirements specified by SEBI and/or the Exchange.

7.2 NOTICE

- 7.2.1 Before undertaking any inspection under regulation 7.1.1, the Exchange shall give a reasonable notice to the member.
- 7.2.2 Notwithstanding anything contained in regulation 7.2.1, the Exchange shall be empowered to direct that the inspection of the affairs of the member be taken up without such notice in such facts and circumstances as it may deem fit.

7.3 OBLIGATIONS OF A MEMBER ON INSPECTION

- 7.3.1 It shall be the duty of every director, officer, employee and associate of the member, who is being inspected, to produce to the inspecting authority such books, records and other documents in his custody or control or arrange to produce such books, records and other documents which are in any other person's custody or control and furnish such statements and information within such time as the said inspection authority may require.
- 7.3.2 The member shall allow the inspecting authority to have reasonable access to the premises occupied by him or by any other person on his behalf and also extend reasonable facilities for examining any books, records, documents and computerised data in his possession or any other person and also provide copies of documents or other materials which in the opinion of the inspecting authority are relevant. Such copies or materials may be retained by the inspecting authority. Copies so retained shall be the property of the Exchange.
- 7.3.3 The inspecting authority, in the course of inspection, shall be entitled to examine or record statements of any member, director, officer and employee of the member or of any associate of such member.
- 7.3.4 It shall be the duty of every director, officer and employee of the member or where an associate is examined, such associate, to provide all assistance to the inspecting authority.
- 7.3.5 The inspecting authority shall be entitled to examine the records relating to the member's financial affairs held with its bankers or any other agency which the inspecting authority may find relevant.
- 7.3.6 The inspecting authority shall have access to the accounts and other records relating to the member or such access as authorised by the Exchange to the accounts and other records relating to any associate of the member as are within the power of the

member to provide.

7.4 SUBMISSION OF REPORT

- 7.4.1 (a) On completion of the inspection, the Exchange shall communicate the findings of the inspecting authority to the member to give him an opportunity of being heard before any action is taken by the Exchange.
- (b) Without prejudice to the powers vested with the Exchange to take action(s) under the Rules, Bye-laws and Regulations of the Exchange, the Exchange may call upon the member to take such measures as the Exchange may deem fit on receipt of the explanation, if any, from the member.
- (c) Notwithstanding anything contained in sub regulation 7.4.1 (a), where the Exchange is of the opinion that no such hearing should be provided in certain circumstances, it may take action forthwith without giving the member any opportunity of being heard.

7.5 COLLECTION AND DISSEMINATION OF INFORMATION

- 7.5.1 The Exchange may call upon the members to furnish such information and / or explanation with regard to any Constituent, dealings, statement of account and/or other related matters.
- 7.5.2 The Exchange shall maintain the information, particulars and/or details of the Constituents in confidence and shall not disclose the same to any person /entity. The Exchange shall also not disclose any information that it has received from the Constituent's Registration Form, provided however that the Exchange shall disclose such particulars, details, information, if the Exchange is required to do so under any law, pursuant to any order or direction of any court or tribunal, or by any competent authority.
- 7.5.3 Notwithstanding anything contained in any of the Regulations, the Exchange may, at its discretion, disseminate to other stock exchanges or regulatory authorities or to the general public, any information, including information relating to any execution of transaction, dealings, accounting, disciplinary action initiated/taken against members and/or other matters relevant for enforcement or regulatory purposes.

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