CLIENT CODE MODIFICATION AND ERROR CODE POLICY

This Policy is established pursuant to SEBI and Exchange circulars to bring consistency in the process of client code modification across the market.
A Fresh client code as per exchange guideline shall be created in back office and UCC/UCI of the same shall be made to the respective exchanges and Such Client Code shall be termed herein after as Error Code.

Client Code Modification is a massive problem of the organization. The main objective of the company to framed a policy for modification of client code for post trade execution and takes the report on such modification of client codes. Further educate the dealers and create awareness among them about this policy.

Brief criteria about Client code Modification

Client code modification means modification of client code after the execution of trade. The stock exchange provides a facility to modify the client code to rectify an error. Further only the genuine errors will be modify and after being transferred to 'Error Account'. The modification should be done within the Stock Exchange guidelines. The modification of client code is to be done only in exceptional cases and not in routine case.

Please note that the following errors qualify for consideration as a Questioned Error Trade under this Policy and will be accepted by Authorised person for modification.

1. 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 but such modifications are not repetitive.
2. Trade entered for wrong client due to any miscommunication from the client /authorized representative of the client.

JAMSON SECURITIES PVT. LTD.

MEMBER : BOMBAY STOCK EXCHANGE LTD.

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3. Error due to punching of trades in relatives clients ((Relative for this purpose would mean 'Relative' as defined under sec. 6 the Companies Act, 1956) eg. Family Code (spouse, dependent parents, dependent children and HUF) but such modifications are not repetitive.

4. An error in entering a buy/sell when the intent was to enter a sell/buy.

5. An error caused by entering the wrong month, the wrong quantity or the wrong product.

6. Unconfirmed Institutional Trades or Institutional trades modified to broker error/pro account.

7. Fraction quantity trades

Error Trade Policy

As a matter of principle, JAMSON SECURITIES PVT. LTD. currently doesn't allow client code modification of executed trades in order to maintain an orderly trade data.

However, with the expansion of business and large retail clientele trading, the JAMSON SECURITIES PVT. LTD. is aware that there is possibility of a trade being executed erroneously under wrong UCC due to genuine punching mistake by the terminal user.

For this reason, JAMSON SECURITIES PVT. LTD. is adopting a policy for client code modification / error account trade as follows:

a. Client code modification requests will be strictly accepted only to rectify genuine error in entry of client code at the time of placing /modifying the related order; consequently dealers are expected to take utmost care/precaution while execution of client trades.

b. JAMSON SECURITIES PVT. LTD. shall have the absolute discretion to accept, refuse or partially accept the client code Modification requests based on Risk Perception and other factors considered relevant by JAMSON SECURITIES PVT. LTD. and / or any of its directors, employees will not be held responsible for Damages/losses due to such refusal or due to delay caused by such review.

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c. As per SEBI circular dated July 5, 2011 on client code modifications, penalty will be levied on all client code modifications w.e.f. August 1, 2011 (including genuine errors).

d. JAMSON SECURITIES PVT. LTD. will allow Modifications in the client Codes of Non-Institutional clients only for the following objective Criteria provided there is no consistent pattern in such modifications:

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

e. For easy identification of "ERROR ACCOUNT", JAMSON SECURITIES PVT. LTD. have registered a fresh client code as "ERROR ACOUNT" in Backoffice & same has been uploaded in the UCC database of the Exchange.

f. Any transfer of trade (institutional or non-institutional) to "ERROR ACCOUNT" of JAMSON SECURITIES PVT. LTD. would not be treated as modification of client code and would not attract any amount of penalty, provided the trades in "ERROR ACCOUNT" are subsequently liquidated in the market and not shifted to some other client code. However operational costs as applicable & Loss from the transaction may be transferred to the concerned Dealer / Associate or client (in case of his mistake).

g. Client Code Modification requests through "ERROR ACCOUNT" will be accepted only for the trading day.

h. All cases of modification of client codes of non-institutional trades executed on the Exchange and not transferred to JAMSON SECURITIES PVT. LTD. "ERROR ACCOUNT", shall be liable for a penalty of 1% of value of non-institutional trades

modified if value of non-institutional trades modified as a percentage of total value of non-institutional
trades executed is less than or equal to 5% and penalty of 2% if modification exceeds 5%, in a segment during a month. In addition to above it is well within rights of JAMSON SECURITIES PVT. LTD. to levy additional penalties in case concerned Dealer fails to submit any sufficiently valid reason for client code Modification.

JAMSON SECURITIES PVT. LTD. shall conduct a special inspection of the concerned Dealer, if modification exceeds 1% of the value of trades executed during a month and take appropriate disciplinary action, if any deficiency is observed.

The Board and Management Directives

The Board and Management have approved under mention policy in this regard and instruct all the office bearers to follow it strictly.

I (a) To control the punching error, it has been decided that client code mapping will be restricted in trading terminals.
   (b) To create a separate error account in the name of "Jamson Securities Pvt. Ltd." as per the exchange circular.
   (c) To maintain Client Modification registers with immediate effect for Recording the errors.
   (d) To review periodically list of inactive clients for marking in NOW online Surveillance System.

II. Dealers are advised to hear patiently the client code /scrip name and reconfirm the same to their best possible efforts before placing order into the system.

III Compliance officer are advice to analyses the mistake and to take /implement corrective measures to their best possible efforts to minimize.

IV Compliance officer are advice to update the report to the Board / management on the implementation of the said policy periodically.

Reporting System

Client code modification issues should be reported to the Compliance officer (or CMD in case compliance officer is absent) and can be done only after getting through email approval after knowing it's genuinely as per exchange directives.
☐ Any client code modification shall be subjected to this policy be carried at Head Office of the company.
☐ The company review every day the Error Account file send by the Exchange.

Penalty:

Any transfer of trade (institutional or non-institutional) to error account of the broker would not be treated as modification of client code and would not attract any amount of penalty, provided the trades in error account are subsequently liquidated in the market and not shifted to some other client code.
This policy has been put before board and board has approved the same.
This policy shall be reviewed periodically or as and when regulatory requirements are to be updated/ modified.

Reference to the Circular

☐ SEBI – Circulars No. – CIR/DNPD/6/2011 dated January 01, 2011 Circulars No. – CIR/DNPD/01/2011 dated July 05, 2011
☐ NSE – Circular No. - NSE/INVG/2011/596 dated February 17, 2011 Circular No.- NSE/INVG/2011/18484 dated July 29, 2011
Circular No. - NSE /INVG/2011/870 dated August 26, 2011.