Classified as Internal

ANGEL ONE LIMITED

(SEBI Registration no. INZ000161534)

Policy regarding treatment of Inactive/Dormant Client Accounts

Classified as Internal

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✞ **Purpose:**

As per guidelines prescribed by SEBI vide circular no. Dated December 3, 2009, and stock exchanges vide circular no. NSE/INSP/46506 dated December 1, 2020, NSE/INSP/43488 dated February 10, 2020, and NSE circular NSE/INSP/64718 dated October 25, 2024 this policy is being framed to deal with the inactive/dormant accounts.

✞ **Objective**:

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for more than 24 continuous months across the Exchanges as per the provisions mentioned in NSE circular NSE/INSP/64718 dated October 25, 2024

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by SEBI, Exchanges and Internal Risk Management Policies.

✞ **Definition:**

As per Exchange guidelines In case of trading account, the term inactive account refers to such account wherein any of below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months:

- Trading or participation in OFS/buy-back/Open Offer across any of the exchanges/segments* of the exchanges through the same Member or
  *Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time.

- Transaction in nature of applying/subscribing IPOs (where the IPO bid is successful & not cancelled)/SGBs/Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member or

- Modification/updation of e-mail Id/Mobile Number/Address in KYC record of client through the same Member and the same has been uploaded to KRA to ensure Validated/Registered status.

✞ **Policy:**

A) Treatment for handling Inactive/dormant accounts:

1-The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by Angel One Limited (hereinafter referred as AOL) **in UCC database of all the respective Exchanges and Back Office simultaneously.**

2- All the accounts marked as "INACTIVE/DORMANT" will be monitored periodically by KYC/ops to avoid unauthorized transactions in the account.

3- Regulators may initiate appropriate disciplinary action in case if any trades are executed in any account flagged as 'Inactive'.

4- Once the code is deactivated with Dormant flag, trading code is removed from Trading terminal i.e. client cannot trade, unless client start reactivation process

5- Process for Dormant Client Re-KYC and Reactivation

1. **Dormant Client Re-KYC Initiation**
   - When a dormant client initiates re-KYC, the system display the **mandatory six attributes**.
   - Once the client confirms these six attributes, the system automatically pushes the data to the respective Exchanges to activate the **Unique Client Code (UCC)**.
2. **KRA Compliance Check**
   - If the client is **not KRA compliant**, AOL/Exchange does not permit trading.
   - In such cases, the client is notified of their **KRA non-compliant status** and provided with a **KRA validation link** to initiate compliance validation.
3. **Inactive Clients (Non-Dormancy Reasons)**
   - If a client is inactive due to reasons other than dormancy, reactivation will be carried out **only after fulfilment of all compliance requirements**.

The clients account would be reactivated only after undertaking proper due diligence process and fulfillment of such conditions as may be deemed fit, in the cases where the account has been freeze/deactivated. Fresh documentation, due diligence and IPV is to be carried out where the client is coming for reactivation after a period of 24 months of being flagged as inactive.

7. However, in case a client has undertaken transaction through the AOL 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.

8. Process for Dormant Client Reactivation (Within 24 Months)
    1. **Reactivation Request**
        - If a dormant client seeks reactivation within **24 months** of being flagged as inactive, AOL will initiate the reactivation process.
    2. **Reconfirmation of Client Details**
        - During reactivation, AOL will reconfirm the client's **basic details** including:
            - Address
            - Mobile Number
            - Email ID
            - Bank Account / DP Account
    3. **Cross-Verification with Records**
        - These details will be checked against AOL's internal records as well as the **UCC records of the Exchange**.
    4. **Document Submission (If Changes Found)**
        - In case of any discrepancies or updates, the client will be required to submit the **necessary supporting documents** to validate the changes.

9. AOL will exercise appropriate due diligence of the client on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with respective KYC policies.

✍ **Activation process**

i- Call the customer care center/main office/branch office/authorized person from a registered telephone number (recorded line) identifying himself, understand the compliance requirement of re-activation and request for activation of account for placing orders/ transacting in the account.

ii- Request through Angel One Mobile App (Android)/Letter/Registered email Id/ recorded telephone lines may be impressed upon to reactivate the account or carry out fresh transactions in a dormant/inactive account.

iii- Account inactive for not more than two year's can also activate through online by verifying existing KYC or client can update latest documents if required (Account will be activated on T+1 day as per exchange working day after verifying the documents)

iv- Accounts inactive for more than 24 months can be activated through IPV and data confirmation i.e Rekyc will be done.

v- While reactivating the client, AOL will check and ensure that the basic details of such client like Six mandatory attributes (Name, Pan, Address, E mail, Mobile, Income) and other details like Bank, DP account status, DOB, KRA, UCC linkage status & Family Declaration, PAN/Name mismatch cross verification with UCC/BO/DP are updated/rectified in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected.

vi- KYC department may undertake additional due diligence if so required.

vii- Once the reactivation is approved the client UCC will be marked as active on UCC portal across the Exchanges, it will be reactivated on back office and trading interfaces.

✞ **Review Policy:**

This policy may be reviewed as and when there are any changes introduced by any Regulatory authority or as and when it is evident to make necessary change on account of business needs and Risk Management policy.

The policy may be reviewed by the KYC department and the changes in policy shall be placed before the Board at the meeting first held after such changes are introduced.

✞ **References:**

- SEBI vide circular no MIRSD/ SE /Cir-19/2009 Dated December 3, 2009
- NSE circular NSE/INSP/43488 dated February 10, 2020 and NSE/INSP/46506 dated December 1, 2020 ○ BSE circular 20200210-47 dated February 10, 2020 and 20201201-27dated December 1, 2020
- NSE Circular NSE/INSP/64718 Dated October 25, 2024 regarding treatment of inactive accounts

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