

# **SAPPHIRE WEALTH MANAGEMENT SERVICES PVT. LTD.**

## **Policy for Client Code Modification**

### **1. Objective**

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

### **2. Brief about Client Code Modification:**

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

### **3. Scope of the Policy:**

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

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

#### **In case of NSE (NOTE: no consistent pattern in such modifications):**

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

#### **In Case of MCX-SX**

- i. 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.
- ii. Trade entered for wrong client due to any miscommunication from the client / authorized representative of the client.

### **5. General Conditions:**

- (i) The facility for Client Code Modification can be used only in case of Error Trade.
- (ii) 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.

## **6. Place for Client Code Modification:**

Any Client Code Modification shall, subject to compliance of this policy, be carried out by RMS at HO of all the Error Trades happened in Capital Market Segment of NSE & MCX-SX.

## **7. Penalty**

The penalty or fine, if any, levied on **SWMSPL** for any wrong trade occurred due to any miscommunication from the client / authorized representative of the client shall be borne by the client.

### **Error Policy to handle Client Modification (IN BRIEF).**

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 its impact on the clients should be studied before the modification. If voice recording is in practice, the same should be studied.
3. Normally as a principle, other than for punching errors, no modification to the client codes be allowed.
4. Therefore it is imperative that 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.
5. Hence the facility to modify the client codes should be available only at the Corporate Manager level and should not be given to the branches/franchise/sub-brokers.
6. Training program should be conducted to all the Dealers and they should be explained how code modifications can be misused and what steps should be taken to avoid the same. It also should be explained that code modifications should not be encouraged to the clients except for cases like 'punching errors'/'typing errors'.
7. A register is to be maintained for recording all the code modifications with details like error code, correct code, scrip name quantity, client name, the name of the dealer who punched the code, the explanation of the dealer/Branch Manager, the 'analysis /study' of the authorized Manager and his approval/disapproval for modification.
8. Finally the decision of the authorized Manager should be ratified later by the Director.