



CIRCULAR

SEBI/HO/MIRSD/DOP/P/CIR/2021/676

December 02, 2021

To,

All Recognized Stock Exchanges
Stock Brokers through Recognized Stock Exchanges

Dear Sir/Madam,

Subject: Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites

- 1) In order to facilitate investor awareness about various activities which an investor deals with such as opening of account, KYC and in person verification, complaint resolution, issuance of contract notes and various statements, process for dematerialization/rematerialization etc., SEBI, in consultation with the market participants, has prepared an Investor Charter for Stock Brokers inter-alia detailing the services provided to Investors, Rights of Investors, various activities of Stock Brokers with timelines, DOs and DON'Ts for Investors and Grievance Redressal Mechanism which is placed at Annexure 'A'.
- 2) In this regard, Stock Exchanges are directed to advise Stock Brokers to bring the Investor Charter for Stock Brokers to the notice of their clients (existing as well as new clients) through disclosing the Investor Charter on their respective websites, making them available at prominent places in the office, provide a copy of Investor Charter as a part of account opening kit to the clients, through e-mails/ letters etc.
- 3) Additionally, in order to bring about transparency in the Investor Grievance Redressal Mechanism, it has been decided that all the Stock Brokers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the format enclosed at Annexure 'B' to this circular.
- 4) These disclosure requirements are in addition to those already mandated by SEBI.



The provisions of this circular shall come into effect from January 01, 2022.

- 5) Stock Exchanges are hereby directed to bring the provisions of this circular to the notice of the Stock Brokers.
- 6) This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

Narendra Rawat
General Manager
Market Intermediaries Regulation and Supervision Department

Annexure-A

Investor Charter – Stock Brokers

VISION

To follow highest standards of ethics and compliances while facilitating the trading by clients in securities in a fair and transparent manner, so as to contribute in creation of wealth for investors.

MISSION

- i) To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
- ii) To establish and maintain a relationship of trust and ethics with the investors.
- iii) To observe highest standard of compliances and transparency. iv) To always keep 'protection of investors' interest' as goal while providing service.

Services provided to Investors

- Execution of trades on behalf of investors.
- Issuance of Contract Notes.
- Issuance of intimations regarding margin due payments.

- Facilitate execution of early pay-in obligation instructions.
- Settlement of client's funds.
- Intimation of securities held in Client Unpaid Securities Account (CUSA) Account.
- Issuance of retention statement of funds.
- Risk management systems to mitigate operational and market risk.
- Facilitate client profile changes in the system as instructed by the client.
- Information sharing with the client w.r.t. exchange circulars.
- Redressal of Investor's grievances.

Rights of Investors

- Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- Receive complete information about the risks, obligations, and costs of any investment before investing.
- Receive recommendations consistent with your financial needs and investment objectives.
- Receive a copy of all completed account forms and agreements.
- Receive account statements that are accurate and understandable.
- Understand the terms and conditions of transactions you undertake.
- Access your funds in a timely manner and receive information about any restrictions or limitations on access.
- Receive complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- Discuss your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

Various activities of Stock Brokers with timelines

S.No.	Activities	Expected Timelines
1.	KYC entered into KRA System and CKYCR	10 days of account opening
2.	Client Onboarding	Immediate, but not later than one week
3.	Order execution	Immediate on receipt of order, but not later than the same day
4.	Allocation of Unique Client Code	Before trading
5.	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6.	Issuance of contract notes	24 hours of execution of trades
7.	Collection of upfront margin from client	Before initiation of trade



8.	Issuance of intimations regarding other margin due payments	At the end of the T day
9.	Settlement of client funds	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS – within 24 hours of pay-out
10.	‘Statement of Accounts’ for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
11.	Issuance of retention statement of funds/commodities	5 days from the date of settlement
12.	Issuance of Annual Global Statement	30 days from the end of the financial year
13.	Investor grievances redressal	30 days from the receipt of the complaint

DOs and DON'Ts for Investors

DOs	DON'Ts
<ol style="list-style-type: none">1. Read all documents and conditions being agreed before signing the account opening form.2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.3. Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes.	<ol style="list-style-type: none">1. Do not deal with unregistered stock broker.2. Do not forget to strike off blanks in your account opening and KYC.3. Do not submit an incomplete account opening and KYC form.



<ol style="list-style-type: none">4. Receive all information about brokerage, fees and other charges levied.5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.8. Receive funds and securities / commodities on time within 24 hours from pay-out.9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.	<ol style="list-style-type: none">4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.7. Do not opt for digital contracts, if not familiar with computers.8. Do not share trading password.9. Do not fall prey to fixed / guaranteed returns schemes.10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.
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Grievance Redressal Mechanism

Level 1 – Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.

Level 2 – Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange.

Complaints Resolution Process at Stock Exchange explained graphically: