



**SHARE INDIA SECURITIES LIMITED**

***POLICY ON TREATMENT OF INACTIVE  
TRADING ACCOUNTS***

Share India

## **Policy on Treatment of Inactive Trading Accounts**

**1. Purpose:** This policy outlines the procedures for identifying, managing, and reactivating inactive trading accounts in compliance with applicable regulatory guidelines and to ensure consistent handling of such accounts.

**2. Definition of Inactive Trading Account:** An account is classified as inactive if any of the following activities have not occurred for a continuous period of 24 (twenty-four) months:

- Trading or participation in Offer for Sale (OFS), buy-back, or open offers across any segments.
- Transactions such as applying for or subscribing to IPOs, Sovereign Gold Bonds (SGBs), or Mutual Funds.
- Modifications or updates to client details (e.g., email ID, mobile number, address) in the Know Your Client (KYC) record, uploaded and validated through KYC Registration Agencies (KRAs).

### **3. Identification and Flagging:**

- Accounts meeting the criteria for inactivity will be flagged as 'Inactive' in the Unique Client Code (UCC) database across exchanges.
- Notification of impending inactivity may be sent to clients, excluding any solicitation to trade.

### **4. Reactivation of Accounts:**

- Clients seeking reactivation of their inactive accounts must undergo the following process:
  - a. Completion of in-person verification (IPV) or video in-person verification (VIPV) as per SEBI's KYC requirements.
  - b. Confirmation and/or update of basic client details such as address, mobile number, email ID, bank account details, Depository Participant (DP) account, and income.
  - c. Upload of updated details to KRA for validation, if applicable.
  - d. Reactivated accounts will restart the 24-month inactivity period from the date of reactivation.

### **5. Due Diligence:**

Periodic review of client accounts must be conducted to ensure compliance with anti-money laundering (AML) guidelines and internal KYC policies.

### **6. Settlement of Client Assets:**

Client accounts must be settled on a monthly or quarterly basis, as per client preference.

If client details are unavailable or the client is untraceable, all efforts must be made to locate and settle the account, with an audit trail of such attempts maintained.

Unsettled funds must be upstreamed to Clearing Corporations, and claims from clients must be addressed promptly.

### **7. Exceptions:**

Clients previously flagged as inactive under earlier guidelines but active under revised criteria will be reclassified as active.

Updates to the UCC database must be made accordingly.

### **8. Policy Review:**

This policy will be reviewed periodically and updated as necessary to remain compliant with regulatory changes and organizational requirements.

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