Treatment of Inactive Trading account

1. In case of trading account, the term inactive account refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges

2. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/ credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

3. The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' in UCC database of all the respective Exchanges and the Back office records of SPS. It is to be ensured that any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client.

4. The correct status of the client code shall be uploaded in the UCC database of the Exchanges prior to the execution of the trades and shall also be updated in SPS Backoffice

5. Fresh documentation, due diligence and IPV shall have to be undertaken where a client is coming for reactivation after a period of 1 year of being flagged as inactive. However, in case a client has undertaken transaction with respect to IPO/Mutual Fund subscription and DP operations of SPS during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

6. Further, in the below mentioned conditions, as stipulated inSEBI circular dated April 24, 2020 bearing reference numberSEBI/HO/MIRSD/DOP/CIR/P/2020/73, the requirement for undertaking an IPV shall not be required:-

    - Where the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI.
    - When the KYC form has been submitted online, documents have been provided throughDigi lockeror any other source which could be verified online.

7. Notwithstanding anything contained above, in case a client seeks re-activation before a period of 1 yearof being flagged as inactive, while reactivating the client, it is to be ensured that the basic details of such client like Address, Mobile number, Email ID, Bank/DP account are updated in SPS backoffice records as well in the UCC records of the Exchanges. In case of any changes, necessary documents shall be collected.

8. Also it is to be ensured that appropriate due diligence of the client is conducted on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time in accordance with SPS's KYC policies.