

## **DOS AND DON'TS FOR RETAIL INVESTORS:**

1. Deal only with registered intermediaries - check the registration certificate of the intermediary you are dealing with. It allows recourse to regulatory action.
2. Beware of fixed/guaranteed/regular returns/ capital protection schemes. Brokers or their authorized persons or any of their associates are not authorized to offer fixed/guaranteed/regular returns/ capital protection on your investment or authorized to enter into any loan agreement with you to pay interest on the funds offered by you. Please note that claims for funds or securities given to the broker under any arrangement/ agreement of indicative return will not be accepted by the Exchange in case of default by your broker.
3. Please ensure that you fill all the required details in 'KYC' document by yourself and receive duly signed copy of your 'KYC' documents from your broker. Check for all conditions that have been agreed and accepted by you.
4. Always keep your contact details viz. Mobile number/Email ID updated with the stock broker. Email and mobile number is mandatory and you must provide the same to your broker for updation in Exchange records. You must immediately take up the matter with Stock Broker/Exchange if you are not receiving the messages from Exchange/Depositories regularly.
5. Opt for electronic (e-mail) contract notes/financial statements only if you are computer savvy and have your own e-mail account.
6. Don't ignore any emails/SMSs received from the Exchange for trades done by you. Verify the same with the Contract notes/Statement of accounts received from your broker and report discrepancy, if any, to your broker in writing immediately and if the Stock Broker does not respond, please take this up with the Exchange/Depositories forthwith.
7. Check the frequency of accounts settlement opted for. If you have opted for running account, please ensure that your broker settles your account and sends statement of accounts regularly and in any case not later than once in 90 days (or 30 days if you have opted for 30 days settlement). Please note that claims for a period longer than 90 days will not be accepted by the Exchange in case of default by your broker.
8. Regularly verify Consolidated Accounts Statement (CAS) received from Depositories and reconcile with your trades / transactions.
9. Ensure that pay-out of funds/securities is received in your account within 1 working day from the date of pay-out. Ensure that you receive Contract Notes within 24 hours of your trades.
10. Trade verification facility is also available on NSE website which you can use to verify your trades executed.
11. Do not keep funds idle with the Stock Broker. Please note that claims for funds, without transactions on the exchange will not be accepted by the Exchange in case of default by your broker.
12. Brokers are not permitted to accept transfer of securities as margin. Securities offered as margin/collateral MUST remain in the account of the client and can be pledged to the broker. Clients are not permitted to place any securities with the broker or associate of the broker or authorized person of the broker for any reason. Broker can take securities belonging to clients only for settlement of securities sold by the client.
13. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks/ Securities promising huge profits.
14. Be careful while executing the PoA (Power of Attorney) - specify all the rights that the stock broker can exercise and timeframe for which PoA is valid. It may be noted that PoA is not a mandatory requirement as per SEBI / Exchanges.
15. Check messages sent by Exchanges on a weekly basis regarding funds and securities balances reported by the trading member and immediately raise a concern to the exchange if you notice a discrepancy.
16. Do not share password (internet account) with anyone. It is like sharing your safe key.
17. Please do not transfer funds, for the purposes of trading to anyone, including an authorized person or an associate of the broker, other than a SEBI registered Stock broker.