Policy Framework for Voluntary Freezing/Blocking of Online Trading Account Access for Clients

Annexure to Risk Management Policy of VRM Share Broking Private Limited (VRM)

Introduction

In an effort to enhance the ease of business operations and investment activities for investors, and to safeguard investors from suspicious activities, SEBI, through its circular ref. No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, has mandated a framework for stock exchanges. This framework requires Trading Members to provide clients with the facility to voluntarily freeze/block online access to their trading accounts. Consequently, stock exchanges have issued circulars detailing this framework. In line with these directives, the following policy has been formulated for the voluntary freezing/blocking of trading accounts.

Whenever client of VRM notice any suspicious activities in their online trading account and/or suspect that login credential of their trading account are breached/hacked and there is an urgent need to address the situation and block/freeze the access and/or activities in their trading account, the client can choose any of the following mode of communication to intimate/send a request to VRM for Voluntary Freezing/Blocking of their online Trading Account.

Option A: Clients can Call on **9322272483/9321737937** from their registered Mobile Number.

Option B: Clients can send an email to **stoptrade@vrmshares.com** from their registered email ID.

The intimation should contain the minimum identity details required viz TRADING A/C. CODE / UCC / PAN / ACCOUNT NAME so that the correct account information is identified within shortest time.

Upon receipt of the email/sms, the **VRM** team will carry out the validation process as under;

1. Verify the sender's email Id/Mobile Number:

    -   In case the request is received from registered email ID/Mobile Number:

        ▪ Call the client on the registered mobile number.
        ▪ Confirm the identity of client and reconfirm the request for block/freeze and reasons for such request.
        ▪ Send the acknowledgement of receipt of the request/instruction to the sender's email/mobile and Block/Freeze the trading activity in the particular trading code at the earliest and within the time frame that may be specified by the authorities from time to time.
        ▪ Cancel all the pending orders in the trading system for that trading code.
        ▪ Review and confirm the executed orders and outstanding position of the client for the day and take instructions/orders to square off any positions and execute such square off orders through RSM terminal as per instructions of clients at the earliest and within the time frame as may be specified by the authorities from time to time.
        ▪ Send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending

orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.

- In case the request is received from other than registered email ID/Mobile Number:

  ▪ Call the client on the registered mobile number.
  ▪ Confirm the identity of client and reconfirm the request for block/freeze and reasons for such request.
  ▪ If the clients is not contactable on the registered mobile number, call up on the number from which the instruction is received. Call alternate available numbers of family members / introducers, AP and establish the direct contact with client and confirm the identity of client by reconfirming at least two of the private and confidential clients specific information with clients as available in client master database as part of additional due diligence to ensure and confirm the identity of the clients.
  ▪ Send the acknowledgement of receipt of the request/instruction to the sender's email/mobile and Block/Freeze the trading activity in the particular trading code within the time frame as may be specified by the authorities from time to time.
  ▪ Cancel all the pending orders in the trading system for that trading code under confirmation of clients only when the contact with client is established and identity of client is confirmed. If the contact with client is not established and identity is not confirmed within the reasonable time and there appears to be some suspicious pending orders in that trading code, a suitable actions may be taken by the RMS team under consultation with any one of the available designated director of VRM as to either cancel the specific orders or all the orders or any other actions as may be required.
  ▪ Send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and action taken about pending orders in the client's trading account, along with the process of re-enablement for getting the online access to the trading account.
  ▪ Review and confirm the executed orders and outstanding position of the client for the day and take instructions/orders to square off any positions and execute such square off orders through RSM terminal as per instructions of clients as and when the contact with client is established and identity of client is verified.

2. Time frame to freeze/block trading account.

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the Trading account.
Request received during the trading hours and within 15 minutes before the start of trading.	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

Note: The applicable timeframe shall be as per prevailing guidelines from the authorities updated from time to time.

3. Procedure **to Unfreeze/Unblock the Account**

Clients wishing to unfreeze/unblock their account must send an email to **stoptrade@vrmshares.com** or call on **9322272483/9321737937** from their registered email ID/ Mobile No. Upon receipt of the email/ Call the **VRM** team will contact the client to confirm the identity of client and genuineness of request, reset the login access credentials to the system default and communicate it to clients through its registered email Id / Mobile Number and unfreeze the trading account.

__Clarifications__
1. Freezing/blocking only restricts online access to the client's trading account. There will be no restrictions on the risk management activities of **VRM**

2. The request for freezing/blocking does not equate to marking the client's Unique Client Code (UCC) as inactive in the Exchange records.

This policy shall be effective from July 01, 2024.