On letterhead of the Member

Annexure-2

**RIGHTS AND OBLIGATIONS OF STOCKBROKERS RELATING TO EOP SERVICES**

**DEALINGS ON THE EXCHANGE**

1. The stockbroker shall place order for subscription or redemption of permitted mutual fund units and switch transactions in permitted direct plans of mutual fund schemes on the platform.
2. The stockbroker shall use such equipment and software as specified by the Exchange from time to time for the purpose of accessing the Platform.
3. The stockbroker shall allow the Exchange to inspect the equipment and software used for the purpose of accessing the Platform.
4. The permission to use the Platform shall be subject to payment of such charges and compliance with such requirements as may be prescribed by SEBI/Exchange from time to time.
5. The stockbroker shall ensure to maintain adequate safeguards and systems to disseminate information to the Constituents regarding execution of orders/ transactions as prescribed by the SEBI/Exchange.
6. Any failure in the Platform, software or connectivity shall not reduce, alter, or affect the liability of the stockbroker in respect of any order placed by it on the Platform.
7. A stockbroker shall not deal with another stockbroker of the Exchange for placing orders on the Platform except with the prior permission of the Exchange.

**DEALINGS IN SECURITIES**

1. The stockbroker shall be permitted to deal in securities in accordance with the provisions of the Rules, Byelaws and Regulations of the Exchange for such categories of stockbrokers, transaction types and for such business hours as the Exchange may specify from time to time.
2. A stockbroker shall continue to be liable for all orders executed on the Platform. A stockbroker shall be responsible for all the actions of its Approved Users.
3. The stockbroker shall be responsible to furnish particulars of unique client codes of each of its Constituents to the Exchange in such form, manner, at such intervals and within such time as may be specified by the Exchange from time to time.
4. The stockbroker shall ensure that appropriate confirmed order instructions are obtained from the Constituents before placement of an order on the Platform and shall keep relevant records or documents of the same and of the completion or otherwise of these orders.
5. The stockbroker shall make available to its Constituent the electronic order receipt which shall include all details as prescribed by SEBI/Exchange from time to time and shall dispatch copies of the order confirmation slips/ modification slips/ electronic order receipt/ transaction receipt.
6. The procedure and conditions for amendment or cancellation of pending orders would be as specified by the Exchange from time to time. However, the orders executed through Platform are irrevocable and 'locked in'.
7. The stockbroker shall be solely responsible for the accuracy of details of all orders entered on the Platform including orders entered on behalf of its Constituents.

**BROKERAGE**

1. All the orders entered on the Platform shall be the applicable NAV.
2. The stockbroker shall charge transaction fee in the manner specified by SEBI and/or Exchange from time to time.

**OFFICE RELATED PROCEDURE**

1. The stockbroker shall not carry on in any office or premises any activity connected with or pertaining to its operations as a stockbroker of the Exchange unless it has intimated to the Exchange the full address of such office or premises with details of the activity proposed to be so carried on therein and the person in whose supervision and control it is to be so carried on.
2. The stockbroker shall ensure that all employees and persons acting on its behalf on the Platform shall subscribe at all times to high standards of professional expertise and integrity.
3. The stockbroker shall at all times maintain such infrastructure, staff, communication facilities and records so as to be able to service its Constituents satisfactorily and as per the requirements enumerated in the Byelaws, Rules and Regulations of the Exchange or Securities Laws.
4. The stock broker shall provide an explanation, if sought by the Exchange, regarding the level of service or professional conduct of the stock broker or any of his staff where such service or conduct has been found unsatisfactory or contrary to principles enumerated in the Byelaws, Rules and Regulations of the Exchange, or notifications, directions or circulars issued there under.

**ADVERTISEMENT**

1. The stockbroker shall not display any advertisement regarding any Mutual Fund scheme or any proxy/ surrogate/ common brand related advertisements on their platform.
2. The advertisement of the stockbroker on other websites/ applications/ portals/ media/ channels or any other platforms shall adhere to the advertisement code prescribed by the Exchange from time to time.

# DISCLOSURE OF INVESTOR COMPLAINTS, ARBITRATION DETAILS AND DISCIPLINARY ACTION

1. Unless otherwise directed by SEBI or other competent authority, court or tribunal, the Exchange may disclose the details of the complaints lodged by constituents/ investors against the stock brokers on its website or on any other website designated for this purpose, including the details pertaining to arbitration and penal action taken by the Exchange or SEBI against the stock brokers, in such format and update the same at such periodicity as may be specified by SEBI.

**CODE OF CONDUCT FOR STOCKBROKER**

1. The stockbroker shall at all times adhere to the code of conduct as specified by the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 or as amended thereof.
2. The stockbroker in the conduct of its business, shall observe high standards of just and equitable principles of execution of transaction.
3. The stockbroker shall adhere to the Rules, Regulations and Byelaws of the Exchange and shall comply with such operational parameters, circulars, rulings, notices, guidelines, and instructions of the Relevant Authority as may be applicable from time to time.
4. In conducting its business activities, the stockbroker shall act honestly and fairly, in the best interest of its Constituents.
5. The stockbroker shall have and employ the resources and procedures which are needed for the proper performance of his business activities.

**GENERAL GUIDELINES**

1. No stockbroker shall shield or assist or omit to report any member whom he has known to have committed a breach or evasion of any Rules, Byelaws or Regulations of the Exchange or of any resolution, order, notice or direction thereunder of the Exchange or its Board of Director/committee/managing director/officer.
2. Except with the permission of the Exchange, no stockbroker shall transact in mutual fund schemes which have been suspended or unlisted in EOP segment.

**FRAUDULENT AND UNFAIR PRACTICES**

1. No stockbroker shall buy, sell, redeem, or deal in mutual fund units in a fraudulent manner or indulge in any unfair practice including market manipulation.
2. No stockbroker shall make a statement, or disseminate information which is misleading in material particulars, or which is likely to induce the subscription or redemption of mutual fund units and switch direct plans of schemes of Mutual Funds:
3. he does not care to ascertain whether the statement or information is true or false;
4. knows or ought to reasonably know that the statement or information is false or misleading in material particulars.
5. No stockbroker shall-
   * 1. engage in any act or practice in the course of his/its business, which would operate as a fraud or deceit upon any person in connection with the subscription or redemption of mutual fund units and switch direct plans of schemes of Mutual Funds; or
     2. delay the placement of orders of mutual fund units; or
     3. indulge in falsification of his books, accounts and records to avoid its obligation or for the purpose of manipulation.

**JURISDICTION OF COURTS**

1. In matters where the Exchange is a party to the dispute, Civil Courts at Mumbai shall have exclusive jurisdiction to entertain, try and decide such dispute and in disputes where a Constituent is a party, a court exercising jurisdiction over the seat of arbitration shall be the competent court.

**RECORDS**

1. The stockbroker shall comply with all relevant securities laws, including the Securities Contracts (Regulation) Act, 1956 and Rules framed thereunder, the Securities and Exchange Board of India Act, 1992 and Regulations including the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and guidelines framed thereunder, and the requirements of and under any notifications, directives and guidelines issued by the Central Government, any statutory body or local authority or any other authority acting under the authority or direction of the Central Government relating to the maintenance of accounts and records by the stockbroker.
2. The stockbroker of the Exchange shall comply with the following requirements and such other requirements as the Exchange may from time to time notify on this behalf relating to books of accounts, records and documents in respect of his membership and execution of transaction on the Exchange.
3. Where a stockbroker holds membership of any other recognized stock exchange(s), such a stockbroker shall maintain separate books of accounts, records and documents for orders executed on each recognised stock exchange.
4. Stockbroker of the Exchange shall maintain the books of accounts, records and documents either electronically or physically relating to its business for a period of five years.
5. Reports produced from the Platform like Order log and order executed.
6. Order book in respect of member’s own orders.
7. Records in respect of transaction fee collected separately from Constituents.
8. The stockbroker shall maintain permanently copies of agreements/Know Your Client (KYC) form/Client Account Opening form/Rights and Obligations document executed with each of its Constituent in accordance with the requirements laid down by SEBI/ the Exchange.
9. The stockbroker shall maintain records of all relevant particulars of persons who are approved as “Approved Users” by the Exchange.
10. The stockbroker shall intimate to the Exchange the place where these records are kept and are available for audit/inspection.

I/We accept the above-mentioned rights and obligations for availing EOP services.

For \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of the Member)

Signed by Authorized signatory(ies)

Designation