

Policy regarding treatment of Inactive Trading Account

This policy defines the treatment of Dormant/Inactive accounts of the clients maintained with Kredent Trading LLP.

Background:

This Policy is framed in accordance with the applicable guidelines issued by SEBI and the Stock Exchanges, including NSE Circular Nos. NSE/INSP/43488 dated February 10, 2020, NSE/INSP/46506 dated December 01, 2020, NSE/INSP/64718 dated October 25, 2024, BSE Notice No. 20200210-47 dated February 10, 2020 and MCX Circular No. MCX/INSP/716/2024 dated October 28, 2024, as amended from time to time, regarding the treatment of inactive/dormant client accounts.

Objective:

The objective of the policy is to appropriately deal with the Inactive/dormant Accounts. The term "inactive account" refers to such account wherein no trades have been carried out since last 24 (Twenty-four) months across all Exchanges. Such accounts will be flagged as Inactive at backoffice level as well as at exchange level. Once the account gets deactivated the client will not be able to place any trade in their registered segment / Exchange. Reactivation of such accounts would be subject to necessary due diligence and required documents.

The following guidelines regarding treatment of Inactive Trading Account are as follows:

1. Definition of Dormant/ Inactive Accounts:

The Inactive accounts identified on the base of the above criteria shall be flagged as 'Inactive' in UCC database of all respective Exchanges and further trading to be allowed only after undertaking sufficient due diligence and obtaining the updated information related to KYC from the concerned Client.

2. Prior Intimation and System Controls:

Prior to classifying a trading account as inactive, we shall make reasonable efforts to intimate the client through the registered e-mail address, SMS, or any other registered mode of communication. Upon classification of the account as inactive, appropriate system-based controls and risk containment measures shall be implemented to ensure that no trading activity is permitted until the account is reactivated in accordance with this Policy.

3. Monitoring of Inactive Accounts:

All accounts classified as inactive shall be periodically monitored by the Compliance/KYC/Operations Department to prevent any unauthorized transactions or misuse. Appropriate records of such monitoring shall be maintained in accordance with applicable regulatory requirements.

4. Reactivation of Inactive Accounts

Reactivation of an inactive account shall be permitted only after completion of the prescribed due

diligence, verification of the client's KYC records and other information, wherever applicable, and fulfillment of such conditions as may be prescribed under applicable SEBI/Exchange regulations and our Company's internal policies. We may obtain fresh documentation and carry out In-Person Verification (IPV), wherever required under the applicable regulatory framework.

5. Verification at the Time of Reactivation

At the time of reactivation, we shall verify the client's KYC particulars, including but not limited to Name, PAN, Address, Mobile Number, E-mail Address, Income Details, Bank Account, Demat Account, PAN-Aadhaar linkage, KRA status and such other information as may be considered necessary under applicable regulatory requirements. Where any discrepancy or deficiency is identified during the verification process, the client shall be required to update or furnish the necessary information and/or documents, as applicable, before the trading account is reactivated.

6. Ongoing Due Diligence

We shall continue to undertake appropriate due diligence of inactive as well as reactivated client accounts in accordance with the Prevention of Money Laundering Act, 2002 (PMLA), SEBI Master Circulars and the Company's KYC/AML Policy, as amended from time to time.

7. Review of Policy

This Policy shall be reviewed periodically and amended, whenever necessary, to ensure continued compliance with the applicable provisions of the SEBI Act, SEBI Regulations, Exchange Circulars, Clearing Corporation requirements and internal risk management framework, as amended from time to time.
