

MATHRAN SECURITIES PRIVATE LIMITED

Client Acceptance & On-boarding Policy

Policy created by : Compliance Head	Policy created on : 01/04/2014
Policy reviewed by : Internal Auditor	Policy reviewed on : 01/04/2024
Policy approved by : Board of Directors	Policy approved on : 10/04/2024
Periodicity of Review periodicity : Yearly / SOS	
Version number : V2024.01	Effective date of implementation : 10/04/2024
Officer responsible for implementation :	Mr. Arijit Chandra, Compliance Officer

Objective

The purpose of this policy is to lay down a transparent and robust framework for the introduction, registration, and acceptance of clients. This ensures the company adheres to Anti-Money Laundering (AML) standards and prevents the onboarding of unscrupulous elements

Policy on Client Introduction & Registration

All prospective clients must be introduced through legitimate channels, ensuring their identity is verifiable.

- **Registration Process:** Clients must fill out the standard **Account Opening Form (AOF)**, providing mandatory information such as PAN, Aadhaar (for e-KYC), and bank/depository details.
- **Verification of Documents:** All "Originals" must be verified against the copies provided.
- **CKYC & KRA Registration:** The Compliance Team shall upload client details to the Central KYC (CKYC) registry and KRA agencies within the stipulated timelines (usually within 10 days of onboarding).

In-Person Verification (IPV)

As per SEBI requirements, IPV is mandatory for all new clients to ensure the person seeking to open the account is the same person whose identity documents are being submitted.

- **Methodology:** IPV can be conducted physically or through Video In-Person Verification (VIPV).
- **VIPV Standards:** If conducted via video, it must be live, high-resolution, and include a timestamp and GPS coordinates. The client must hold their original PAN/Aadhaar during the call.
- **Authorized Officials:** IPV shall be performed only by authorized employees of the Stock Broker or authorized persons (APs) registered with the Exchange.

Policy on Acceptance of Clients

We shall follow a Risk-Based Approach to categorize clients into Low, Medium, and High risk.

- **Pre-Acceptance Checks:** Before onboarding, the compliance team must check the client's name against:
 - SEBI Debarred Entities list.
 - UNSC/OFAC Sanctioned lists.
 - Internal "Negative List" of defaulters.
- **Mandatory Requirements:** No account shall be opened in a fictitious or "benami" name.
- **Disclosures:** Clients must be informed about the Risk Disclosure Document (RDD) and Rights & Obligations.

Onboarding of New Clients (Specific Criteria)

The onboarding process must be granular, ensuring the following:

Category	Requirement
Individual	Identity proof, Address proof, and Financial proof (if trading in Derivatives).
Non-Individual	Board Resolution, List of Authorized Signatories, and Ultimate Beneficial Ownership (UBO) declaration.
Politically Exposed Persons (PEP)	Onboarding requires prior approval from the Principal Officer/Senior Management.

- **Financial Capability:** For the F&O segment, the client must provide a valid "Proof of Income" (e.g., 6 months' bank statement, latest salary slip, or ITR acknowledgment)

Rejection of Client Application

The company reserves the right to reject an application if:

- The applicant fails to provide satisfactory evidence of identity or address.
- The applicant's name appears in the SEBI Debarred List or UNSC prohibited list.
- The applicant refuses to provide information regarding the "Beneficial Owner."

Record Keeping

All KYC records and account opening forms must be maintained for a period of **at least 5 years** after the business relationship with the client has ended.

Review Policy:

This policy may be reviewed as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.

The policy may be reviewed by the Managing Director/CEO and place the changes in policy before the Board at the meeting first held after such changes are introduced.

Policy communication:

A copy of the approved policy shall be made available to Compliance officer, Head of risk and Head of Operations.