

CHIEF GENERAL MANAGER

Market Intermediaries Regulation & Supervision Department

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SEBI/MIRSD/DPS-1/Cir-31/2004

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The Executive Directors/Managing Directors/Administrators of All Stock Exchanges

Dear Sir/Madam,

Sub: - Uniform Documentary Requirements for trading.

1. SEBI had prescribed the uniform formats of client Registration Form and broker clients agreements vide its circular no. SMD/POLICY/CIRCULARS/5-97 dated April 11, 1997. Format of the broker-sub broker agreement was prescribed vide circular no. SMD/POLICY/CIRCULAR/11 -97 dated May 21st, 1997. Model Format of Risk Disclosure Documents was prescribed vide SEBI Circular no. SEBI/MRD/SE/Cir- 37/2003 dated September 30, 2003. Apart from the above, Clients Registration forms, clients' agreements and Risk Disclosure Documents for Derivative Segments were prescribed vide SEBI Circular No. FITTC/DC/CIR-3468/98 dated December 03, 1998.
2. In order to bring about uniformity in documentary requirements across different segments and exchanges and also to avoid duplication and multiplicity of documents, SEBI in consultation with stock exchanges (BSE and NSE) has formulated uniform set of documents which are listed below:
 - 2.1 Client Registration Form (Uniform across all the segments and exchanges where the broker is trading on different segments and exchanges)-[Annexure-1](#).
 - 2.2 Member Clients Agreements. (Uniform across all the segments of an exchange. However a separate agreement in the same format would be required for each of the exchanges where the broker is trading on different exchanges)- [Annexure-2](#).
 - 2.3 Model Tripartite Agreement between Broker-Sub broker and Clients (Applicable only in cash segment and a separate agreement in the same format would be required for each of the exchanges)- [Annexure-3](#).
 - 2.4 Uniform Risk Disclosure Documents. (Uniform across all the segments and exchanges).- [Annexure-4](#).
 - 2.5 Broker Sub broker agreement.- [Annexure-5](#).
3. It may be noted however that the documents prescribed in Annexure-"1" to "5" as above are model formats. The stock exchanges/stock broker may incorporate any additional clauses in these documents provided these are not in conflict with any of the clauses in the model document, as also the Rules, Regulations, Articles, Byelaws, circulars, directives and guidelines.

As regards the client registration form, it is reiterated that it shall be the responsibility of the stock broker to satisfactorily identify his clients. For the purpose, the stock broker may also seek additional information, if any, so as to satisfy himself about the antecedents of the client. It would be broker's responsibility to provide clients details as and when required.

4. The requirement of obtaining Client Registration Form may be waived for SEBI registered Foreign Institutional Investor, Mutual Funds, Venture Capital Funds and Foreign Venture Capital Investors, Scheduled Commercial Banks, Multilateral And Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory Development Authority (IRDA) and Public Financial Institution as defined under section 4A of the Companies Act, 1956. Further the stock broker and these clients may at their discretion, decide about the requirement of entering into

broker-client agreement and bringing the contents of Risk Disclosure Document to the notice of such clients.

5. Stock Exchanges are directed to implement the above requirements, except as laid down in para 2.3 with immediate effect. Requirement relating to tripartite agreement between broker-sub broker and clients of sub broker as stated under para 2.3 will come into effect from December 01, 2004.
6. The undersigned has been authorized to direct the exchanges to:
 - 6.1 make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.
 - 6.2 bring the provisions of this circular to the notice of the member brokers and also to disseminate the same on the website.
 - 6.3 communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market

Yours faithfully,

USHA NARAYANAN