Client Code Modification Policy

The 'Client Code Modification Policy (also referred to as the Error Policy)' is defined in terms of circulars issued by SEBI and the exchanges regarding modification of client codes of non-institutional trades while transacting through Indiabulls Ventures Ltd. Ltd. (IVL).

Genuine Modifications

Following instances of client code modifications would be considered as genuine modifications, provided there is no consistent pattern in such modifications:

i.   Error due to communication and/or punching or typing such that the original client code/name and modified client code/name are similar to each other but such modifications are not repetitive.
ii.   Where original client code/name and modified client code/name belong to a family. (Family for this purpose means spouse, dependent parents, dependent children and member of HUF)

Note: Shifting of trades (institutional or non-institutional) to the error account of IVL shall not be treated as modification of client code provided positions arising out of trades in error account are subsequently liquidated / closed out in the market & not shifted to some other client code.

Error Account

i.   A separate error account (Client Code – ERROR) is earmarked to shift the trades from any institutional or non-institutional account.
ii.   The Error Account will be in the name of 'Indiabulls Ventures Ltd.' as 'PRO/OWN' with the PAN details of IVL.
iii. The error trade will not be allowed to be modified post T+0 day.
iv.   No trades are permitted to transfer from the error account to any other client account.
v.   Post transfer, the trades in the error account will be either liquidated or closed out in the market.

Levy of Penalty

i.   Genuine trade modifications are not exempted from the exchange penalty.
ii.   Only trades modified from the institutional or non-institutional client code to 'Error Account' are exempted from the exchange penalty.
iii. Based on the analysis of scenario leading to trade code modifications, the penalty levied by the exchange would be either deducted from the client or the IVL.
iv.   The profit resulting out of liquidation or close out will be retained in the 'Error Account'. The profit may be shared with the client based on the directions given by the investor grievance cell of the exchange based on the client's plea.
v.   Based on the analysis of scenario leading to trade code modifications, the loss resulting out of liquidation or close out will be born by client or IVL. The brokerage and other transaction charges will be levied from the client in case of error are established on account of the client.
vi.   Further, based on the analysis of scenario leading to trade code modifications, IVL will recover the exchange penalty/liquidation or close out loss along with the brokerage & other charges from the respective employee.

Personnel authorized to make the modifications

Every code modification request has to be authorized by the RMS Head. RMS Head post his assessment about the genuineness of the error, approve or reject the code modification request.

Reporting of client code modification

Every code modification needs to be reported to exchange or changed on the exchange provided platform (as defined in the guidelines of the respective exchange).