

INACTIVE CLIENTS POLICY

Neo Wealth Management Private Limited. (NEO WEALTH) - For following Businesses:

- Trading cum Clearing Member of Exchanges
- Depository Participant

Version Details

Sr. No.	Details of Changes	Date of creation / Change	Author	Version Number	Approved By
1	1st Policy	13th, March 2023			

This is pertaining to SEBI circular “Dealings between a client and a stock broker (trading members included)” dated December 3, 2009 and other circulars issued by SEBI from time to time. Exchanges have issued various circulars in Feb 2020 & December 2020 elaborating on guidelines to be followed for identification of dormant accounts and its reactivation

Objective:

Neo Wealth Management Private Limited (NEO WEALTH) identifies such client codes / trading accounts that are inoperative for a minimum period of preceding 12 months i.e. no trades have been carried out since last 12 months across all Exchanges. Besides trades executed on Exchange platform, trades shall also include any ETF, Mutual Funds, Bonds, NCD, SLBM transactions etc. routed through the Neo Wealth.

Accordingly, such trading accounts are made inactive in the trading System and the client is informed about the status of his trading account maintained with NEO WEALTH via email/letter/SMS or by way of any other mode. Such trading Accounts shall also be marked “inactive / dormant” in UCC database of Exchanges where such clients details are updated.

For re-activation of such trading account, the client shall be required to make a request to re-open the account and submit all necessary information / documents with regard to updation of his / their KYC requirement.

As per regulations, it is required to undertake the fresh documentation, due diligence and In person verification (IPV)* where a client is approaching NEO WEALTH for reactivation after a period of 1 year of being flagged as inactive. In case a client seeks re-activation before a period of 1 year of being flagged as inactive, Member shall, while reactivating the client, ensure that the basic details of such client like Address, Mobile number, Email ID, Bank/DP account are updated in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected.

NEO WEALTH upon verifying / carrying out due diligence at its end may activate clients trading code in the Trading System.

*The requirement of IPV is not required in following scenarios

- Where the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI.
 - When the KYC form has been submitted online, documents have been provided through Digi locker or any other source which could be verified online.
- (Above requirement has to be complied in accordance with prevailing SEBI guidelines on online Account Opening)

Upon reactivation, the client is informed about the status of his trading account via email/letter/SMS or by way of any other mode.

Upon re-activation the NEO WEALTH may execute the order on behalf as per instructions of clients after updating the UCC status in Exchanges.

Funds / Securities if any of inactive clients shall be separately kept in different bank / demat accounts opened for such purpose. Proper documentary trail is to be maintained at the time of crediting and also at the time of returning back to respective clients only.

Above guidelines are not applicable to institution clients and Non Institution clients who are settling their trades through custodians.

Policy Updates and Review:

The modifications / updates to the policy may also be initiated by Principal Officer from time to time based on the analysis of transactions monitored in customer accounts / operational risk & surveillance measures. The policy shall be periodical reviewed.

Issued by: Compliance Team