

Julius Bär

Document title:	IN – 9011 Policy and Procedures for the Treatment of Inactive/ Dormant Client Accounts
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Reference to global Policy	--

1. Background

SEBI vide circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009, NSE vide its Consolidated Circular - Part B (Point 1.1/12), Circular reference NSE/INSP/43488 dated February 10, 2020, Circular reference NSE/INSP/46506 dated December 01, 2020 and BSE vide its Consolidated Circular Notice No. 20150108-2 Annexure-A, Circular reference 20200210-47 dated February 10, 2020, Circular reference 20201201-27 dated December 01, 2020 have instructed Stock Brokers to frame a policy regarding treatment of Inactive/ Dormant accounts covering aspects of time period, return of client assets and procedure for reactivation of the same, and display the same on their web site. Additionally, NSDL, vide its Circular No. NSDL/POLICY/2008/0021 defined an Inactive/ Dormant account as any account having no Debit transaction in the last 6 months.

This policy has been prepared to comply with the above regulatory directives and it also defines the procedures for the treatment of such inactive/ dormant accounts.

2. Scope

This policy is applicable to all Stock Broking and Depository Participant Client accounts of Julius Baer Wealth Advisors (India) Private Limited (JBWA).

3. Monitoring

The AML/KYC Compliance team shall monitor client accounts to check for any inactive/ dormant account on a regular basis and to ensure compliance with the laid down policies.

4. Frequency

The verification of the inactive/ dormant accounts in the system would be done on a monthly basis by end of the calendar month as per the procedures mentioned below.

5. Definitions

5.1 Stock Broking accounts/ Trading account:

- The term “In-active account”/”Dormant account” refers to such trading account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges.
- The term “Activity” refers to any trades that have been carried out since last 12 (Twelve) months across all Exchanges.

5.2 Depository Participant accounts:

- “Activity” refers to any debit transaction in the Depository Participant account of the client.
- “Inactive/ Dormant account” refers to any Depository Participant client account having no Debit transaction in the last 6 months.

6. Procedures

6.1 Procedure for deactivation of Inactive/ Dormant S t o c k Broking accounts:

- From the system, AML/KYC Compliance team shall obtain a list of all accounts where there is no activity in last 12 month.
- AML/KYC Compliance team shall classify them as Inactive/ Dormant Accounts and forward the list to Operations team for deactivation.
- Operations team shall deactivate the accounts in the system and upload the status of such client codes in UCC database of the exchange.
- On a client being identified as inactive, the client’s funds and Demat account shall be settled. Settlement of client account will be done as per the periodicity (monthly/quarterly) opted by the client and his/her assets (funds, securities or any other collateral) be returned to him/her and statement needs to be sent to client.
- Operation team shall continue to send all usual client reports for deactivated accounts.

6.2 Procedure for deactivation of Inactive/ Dormant Depository Participant clients’ accounts:

- Identification and flagging of Inactive/ Dormant account has been automated and is driven by the Depository (NSDL) through the DP System.

6.3 Procedure for reactivation of Inactive/ Dormant accounts:

If the client wants to trade or transfer securities or funds from/ to his account, and his stock broking/ DP account is deactivated due to dormancy, then the following procedure must be followed before allowing the client to trade:

6.3. a. Procedure for re-activation of Inactive/ Dormant S t o c k Broking accounts:

RM/ CSO must present the case for reactivation of inactive/ dormant account to Operation & Dealing team in following manner:

1. The Pre-trade client confirmation has been obtained for the proposed activity either through any of the following method:

- a. Physical record written & signed by client,
 - b. Telephone recording,
 - c. Email from authorized email id,
 - d. Log for internet transactions,
 - e. Record of messages through mobile phones,
 - f. Any other legally verifiable record.
2. If re-activation of inactive/dormant client is to be done within One year of being marked as inactive/dormant:
 - RM/CSO must ensure that basic KYC confirmation on client's address, Mobile number, Email ID, Bank/DP account is obtained from the client.
 - Operation team need to ensure that above mentioned basic KYC records of the client are updated in system as well as in UCC records of the Exchanges.
 - IPV is not mandatory.
3. The fresh documentation, due diligence and IPV is required where an inactive/dormant client is coming for reactivation after a period of One year of being flagged as inactive. However, in case a client has undertaken transaction through the JBWA, with respect to IPO/Mutual Fund subscription and DP operations during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.
4. If KYC documents are submitted through Aadhaar authentication / verification of UIDAI or through online KYC form where KYC documents are submitted through Digi locker or any other source which could be verified online, IPV is not required.
5. Wherever it is mandatory under the local regulation, RM/CSO must demonstrate that:
 - In-Person Verification (IPV) of the concerned client has been done.
 - "No Change" confirmation on existing KYC information of the client is obtained or revised KYC documents (wherever applicable) are obtained from the client.
6. Operations shall reactivate the stock broking account/ trading account of such clients only upon receipt of information as mentioned in above points.
7. Process of IPV & KYC confirmation with inactive/dormant clients is not mandatory in case, Dormant/Inactive client intends to execute transaction other than its stock broking account with JBWA such as investments in Mutual Fund through Fund houses, investments in third party products/ structured products through product issuer etc.

6.3. b. Procedure for re-activation of Inactive/ Dormant Depository Participant account of Client:

- Recorded line call confirmation with the client needs to be done by employee of the JBWA before delivery instruction is given to DP Operation team for execution.
- Before execution of the transactions, DP Operation team to ensure recorded line call confirmation is obtained from the client by JBWA employee.
- If Recorded line call confirmation is not obtained, DP Operation team will approach concerned RM/CSO to complete the call confirmation requirements.
- If Recorded line call confirmation is obtained, DP Operation team will proceed with the execution of the transactions.

Mumbai, December 18, 2020

Compliance officer

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