

# Julius Bär

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<b>Document title:</b> Policy & Procedures for the Treatment of Inactive/ Dormant Client Accounts
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<b>Scope:</b> <b>Within the following legal entities / operations:</b> Stock Broking & Depository Participant business of Julius Baer Wealth Advisors (India) Private Limited

## 1. Background

SEBI vide circular no. MIRSD/ SE /Cir-19/2009 dated December 3, 2009 issued to stock exchanges, NSE vide its Consolidated Circular - Part B (Point 1.1/12) and BSE vide its Consolidated Circular Notice No. 20150108-2 Annexure-A 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 Admin & Control Team (A&C) 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 following month as per the procedures mentioned below.

#### 5. Definitions

##### 5.1 Stock Broking accounts:

- “Activity” refers to any transaction in the stock broking account of the client involving buying or selling of securities.
- “Inactive/ Dormant account” refers to a Stock Broking account of the client (excluding employee & employee related accounts) with no activity for more than 12 months.

##### 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, A&C must obtain a list of all accounts where there is no activity in last 12 month.
- A&C must classify them as Inactive/ Dormant Accounts and forward the list to Operations team for deactivation.
- Operations team must deactivate the accounts and confirm the same to A&C.
- 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.
- Operations must 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.
- RM/CSO must demonstrate that the client confirmation has been obtained for the proposed activity either through recorded phone lines or through an email received from the registered email id of the client; or through in-person meeting with the client.
- Operations shall reactivate the account upon receipt of such request from RM/CSO.

**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, September 04, 2017**

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