

Ref: 10-11/ISS/ 5214 /KS

March 3, 2011

All Registered Intermediaries of ISS (RIs)

Dear Sir / Madam,

Sub: Compliance Requirements for Registered Intermediaries

We hereby remind all our Registered Intermediaries of our earlier circulars with regard to compliance requirement on contract note, and the details are provided hereunder.

1. Contract Notes:

As required under NSE Regulation 3.5.1, 3.5.2, 3.5.3, 6.1.17, NSE Circular No. NSE/CMT/001 dated 28/10/1994 and NSE/CMT/005 dated 12/12/1994 and the Regulations of BSE, all the Registered Intermediaries have to ensure that contract notes are issued to all the clients.

- ✓ within 24 hours of the execution of the contract.
- ✓ with all relevant details filled in bearing the signature of the authorised signatory.
- ✓ bearing a running serial number which is initialized at the beginning of each financial year.
- ✓ copies / duplicates of contract notes issued to the clients containing signature of the respective clients for having received the same within 24 hours of execution of the contract **to be sent to ISE Securities & Services Ltd. (ISS) within 30th of the following month.**
- ✓ That is, the duplicates of the contract notes for the month of February 2011 have to be forwarded in a bound form latest by end of March 2011.
- ✓ These copies / duplicates **have to be bound in a book form** and the month for which such contract notes pertain to should be written on the bound books along with the sub-broker codes.
- ✓ Non-receipt of such copies of contract notes by ISS within the stipulated time (i.e. 30th of the following month) shall be considered as serious violation and appropriate disciplinary action may be initiated.
- ✓ Such bound books should be submitted to ISS for NSE and BSE separately.
- ✓ All the contract notes duly acknowledged by the client containing the date of receipt (which should be within 24 hours of execution of contract) should be maintained Client wise and Date wise and the same should be bound and sent to us in the manner prescribed above.

2. Electronic Contract Notes:

- ✓ Wherever the Electronic Contract Notes have not been delivered to the client or has been rejected (bouncing of mails) at the e-mail ID of the client, the Registered Intermediary shall send a physical contract note to the client within the stipulated time (24 hours of execution of the contract) under the

regulations of SEBI / Stock Exchanges and he should maintain the proof of delivery of such physical contract notes.

- ✓ In such cases, copies / duplicates of contract notes issued to the clients containing signature of the respective clients for having received the same within 24 hours of execution of the contract **to be sent to ISE Securities & Services Ltd. (ISS) within 30th of the following month.**
- ✓ That is, the duplicates of the contract notes for the month of February 2011 have to be forwarded in a bound form latest by end of March 2011.
- ✓ These copies / duplicates have to be bound in a book form and the month for which such contract notes pertain to should be written on the bound books along with the sub-broker codes.
- ✓ Non-receipt of such copies of contract notes by ISS within the stipulated time (i.e. 30th of the following month) shall be considered as serious violation and appropriate disciplinary action may be initiated.
- ✓ Such bound books should be submitted to ISS for NSE and BSE separately.
- ✓ All such contract notes duly acknowledged by the client containing the date of receipt (which should be within 24 hours of execution of contract) should be maintained Client wise and Date wise and the same should be bound, carrying the note **“physical contract notes issued for cases of bounced electronic contract notes”** and sent to us in the manner prescribed above.

All the Registered Intermediaries are hereby required to send the above documents / details to ISS, failing which serious action, including levy of fines / penalties, shall be taken against the Registered Intermediaries.

The above compliance requirements are only partial and the Registered Intermediaries are advised to become familiar with the applicable Rules and Regulations of SEBI, NSE, BSE, ISS and ISE.

For any further queries please contact the undersigned or Ms. Nayana K 67941109 / 67941115 / 67941138 or e-mail at custody@iseindia.com

Thanking you,

Yours faithfully

For ISE SECURITIES AND SERVICES LTD.

Kevin M. N. Sunder

Head Custody Department

Encl: As above.