



CIRCULAR

CIR/MIRSD/64/2016

July 12, 2016

- 1. All Recognized Stock Exchanges**
- 2. Stock Brokers through Recognized Stock Exchanges**
- 3. All recognised Depositories**
- 4. Depository Participants through Depositories**

Dear Sir/ Madam,

Subject: Simplification of Account Opening Kit

1. Presently, a stock broker/ depository participant is required, in terms of SEBI circulars: (a) No. MIRSD/ SE /Cir-19/2009 dated December 3, 2009, (b) No. CIR/MIRSD/16/2011 dated August 22, 2011, and (c) No. CIR/MIRSD/12/2013 dated December 04, 2013, to provide a copy of the following standard documents, which are part of the account opening kit, to the clients:
 - a. Rights & Obligations of stock broker, sub-broker and client for trading on exchanges (including additional rights & obligations in case of internet/ wireless technology based trading);
 - b. Rights and Obligations of beneficial owner and depository participant as prescribed by SEBI and depositories;
 - c. Uniform Risk Disclosure Documents (for all segments/ exchanges); and
 - d. Guidance Note detailing Do's and Don'ts for trading on stock exchanges.
2. In consultation with market participants, with a view to simplify the account opening kit, it has been decided that, stock broker/ depository participant shall make available these standard documents to the clients, either in electronic or physical form, depending upon the preference of the client as part of account opening kit. The preference of the client shall be sought as part of the account opening form. In case the documents are made available in electronic form, stock broker/ depository participant shall maintain logs of the same.
3. It is also reiterated that stock exchanges / depositories / stock brokers/ depository participant shall continue to make the aforesaid documents available on their website and keep the clients informed about the same.



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Securities and Exchange Board of India

4. Necessary steps shall be taken to implement this circular and ensure its full compliance in respect of all new clients from August 01, 2016.
5. The following SEBI circulars shall stand modified to the extent of the above changes:
 - a. No. MIRSD/ SE /Cir-19/2009 dated December 3, 2009;
 - b. No. CIR/MIRSD/16/2011 dated August 22, 2011; and
 - c. No. CIR/MIRSD/12/2013 dated December 04, 2013.
6. The Stock Exchanges and Depositories are directed to:
 - a. bring the provisions of this circular to the notice of their stock brokers/ depository participants and also disseminate the same on their websites;
 - b. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision in coordination with one another to achieve uniformity in approach; and
 - c. monitor the compliance of this circular through half-yearly internal audit and inspections of stock brokers/ depository participants.
7. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

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