

# STP GUIDELINES

## PURCHASES:

- The investor prefunds stockbroker's client account.
- The investor mandates the broker to buy shares attaching evidence of prefunding Client's account.
- Bank notifies the Broker.
- Broker executes mandate
- CSCS processes.
- CSCS advises Bank to debit Broker's Client account.
- Bank credits Trading Account
- NIBBS debit Bank to credit selling investors, broker with commission and regulatory authorities.

## SALES:

- The investor mandates the Broker.
- Broker executes mandate
- CSCS processes.
- CSCS advises NIBSS to credit beneficial owners, commission to brokers and regulatory authorities.

## EXCEPTIONS:

- For proprietary accounts, the stock broking firm is the client in this case and will be treated as such.
- Cross deals with considerations will be treated as normal transactions, while those without considerations will be treated as Nominal Transfers or transactions tagged on NSE approval.
- Errors-in-Trading: Emphasis should be on professionalism, however cancellation of such trades at NSE is allowed if applied for.
- Managed Accounts: This will be treated with Brokers' account.

- Nominal Transfers: This will be done through NSE approval to CSCS.
- Foreign Clients: This should be treated as managed accounts unless the client elects to open personalised account at the bank.
- Margin Accounts: Margin accounts with the Banks will be bank-driven while Broker-Client margin account would be constructed with the stock broking firm's bank account.
- Account currently in debt with the Brokers: Stocks involved to be placed on lien through CSCS formal process. Also such must be formalised and CSCS advised.
- If proceeds of sales will be used to purchase shares for the same client such proceeds must be credited to stockbroker's client account from where it would be used to purchase the shares on same day or later date.