

UPSE SECURITIES LIMITED

Internal Policy in respect of passing of NISM-Series –VII: Securities Operation and Risk Management Certification Examination

Reference

1. SEBI Notification No. LAD-NRO/GN/2010-11/21/29390 published in the Gazette of India on December 10, 2010
2. NSE Circular no. NSE/INSP/16536 December 15, 2010
3. NSE Circular no. NSE/INSP/27495 September 02, 2014
4. BSE Notice no. 20101215-19 dated December 15, 2010
5. BSE Notice no. 20140902-8 dated September 02, 2014

Brief

SEBI issued Notification no. LAD-NRO/GN/2010-11/21/29390 dated December 10, 2010, according to which, following categories of associated persons associated with a registered stock broker/trading member/clearing member in any recognized stock exchanges, who are involved in, or deal with any of the following:

- a. Assets or Funds of investors or clients
- b. Redressal of investor grievances
- c. Internal control or risk management
- d. Activities having a bearing on operational risk

shall be required to have a valid certificate of NISM Series VII – Securities Operation & Risk Management (SORM) from National Institute of Securities Market (NISM). NSE and BSE has also issued circulars requesting the members to comply with the requirement of said SEBI Notification.

Need For the Policy

The Company being a trading member BSE, NSE & MCX-SX, provisions of the aforesaid requirement is applicable to all its employees & sub-brokers involved in the activities as mentioned above.

Definition of Associated Person

“Associated Person” means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India.

Policy

As required in the aforesaid notification of SEBI, all existing persons associated with the Company as on date of publication and engaged in deal with:

- (a) Assets of funds of investors or clients
- (b) Redressal of investor grievances
- (c) Internal control or risk management
- (d) Activities having a bearing on operational risk

shall obtain the valid certification of NISM Series VII - Securities Operation and Risk, Management (SORM) within two years from the date of such notification. Simultaneously whenever the company employs any associated person specified as mentioned above, the said associated person shall obtain valid certification of NISM Series VII - Securities Operation and Risk Management (SORM) within one year from the date of his /her employment/registration as sub-broker.

Exemption

Associated persons handling the basic clerical / elementary functions in the aforesaid specified areas shall be exempted from obtaining the certification of NISM Series VII - Securities Operation and Risk Management (SORM). For this purpose, the company considers following activities as basic elementary level / clerical level:

Internal Control or Risk Management

1. Inwarding or collateral's / Cheques
2. Person performing market entries
3. Maker entry in the database
4. Photocopying, printouts, scanning of documents
5. Preparing of MIS
6. Sending of letters / reports to clients, Exchanges, SEBI
7. Attending Calls, etc.

Redressal of Investor Grievances

1. Inwarding of complaints
2. Seeking documents from clients
3. Person performing maker entries
4. Maker entry in the database
5. Photocopying, printouts, scanning of documents
6. Preparing of MIS
7. Sending of letters / reports to clients, Exchanges, SEBI updation, data entry, uploading on SCORES
8. Attending calls, etc

Activities having a bearing on operational risk and dealing with assets of funds of investors or clients

1. Person performing maker entries
2. Maker entry in the database
3. Preparing of MIS
4. Generating of reports, Files
5. Photocopying, printouts, scanning of documents

6. Dispatching documents to clients
7. Sending of letters / reports to clients, Exchanges, SEBI
8. Attending calls, etc

However, any of the works (as stated herein above) being performed by such persons, obtaining, NISM-SORM Certification shall be optional provided that they are supervised by his / her supervisor who shall have to obtain / continue to have NISM – SORM Certification or such other prescribed certification at all times.

This Policy was framed in September 2014 and and ratified by the Board of Directors of the company in their meeting held on 16th November 2015.