



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/15/2011

August 02, 2011

To

All Recognized Stock Exchanges

Dear Sir/Madam,

Sub: SMS and E-mail alerts to investors by stock exchanges

1. SEBI receives complaints from investors against stock brokers which include alleged unauthorized trading in their accounts. SEBI has taken steps in the past to address this issue.
2. As an additional measure, it has now been decided in consultation with the major stock exchanges and market participants that the stock exchanges shall send details of the transactions to the investors, by the end of trading day, through SMS and E-mail alerts. This would be subject to the following guidelines:

A. Applicability

These guidelines are applicable to equity - cash and derivative - segments of the stock exchanges.

B. Uploading of mobile number and E-mail address by stock brokers

- i. Stock exchanges shall provide a platform to stock brokers to upload the details of their clients, preferably, in sync with the UCC updation module.
- ii. Stock brokers shall upload the details of clients, such as, name, mobile number, address for correspondence and E-mail address.
- iii. Stock brokers shall ensure that the mobile numbers/E-mail addresses of their employees/sub-brokers/remisiers/authorized persons are not uploaded on behalf of clients.
- iv. Stock Brokers shall ensure that separate mobile number/E-mail address is uploaded for each client. However, under exceptional circumstances, the stock broker may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents.

C. Verification by the stock exchanges

After uploading of details by the stock brokers, the stock exchanges shall take necessary steps to verify the details by any mode as considered appropriate by them which may include the following:

- a. By way of sending SMS and E-mail directly to the investors at the numbers/E-mail address uploaded by the stock brokers.
- b. By way of sending letters to the address of the investors uploaded by the stock brokers.

D. Sending of alerts by the stock exchanges

Upon receipt of confirmation from the investors, the stock exchanges shall commence sending the transaction details generated based on investors' Permanent Account Number, directly to them.

E. Handling of discrepancies, if any.

If any discrepancy is observed by the stock exchanges in the details uploaded by the stock brokers including non-confirmation by investors, bounced E-mails, undelivered SMS/letters, etc., the stock exchanges shall inform the respective stock broker.

F. Meeting out the expenses for providing SMS and E-mail alerts

The stock exchanges may use the amount set aside from the listing fees for providing services to the investing public, as provided vide SEBI communication dated SE/10118 dated October 12, 1992, to meet the expenses for providing this facility.

G. Implementation

The stock exchanges shall put in place necessary infrastructure and implement the SMS and E-mail alert facility at the earliest and not later than four months from the date of this circular.

3. Stock exchanges are advised to :

- a. issue necessary instructions to bring the provisions of this Circular to the notice of their constituents and also disseminate the same on their websites;
- b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above, as deemed necessary, in coordination with other stock exchanges;
- c. communicate to SEBI, the status of the implementation of the provisions of this Circular in the Monthly Development Report to SEBI;
- d. develop the monitoring mechanism through the system of half-yearly internal audit and inspections; and
- e. publicize widely the availability of this facility for the awareness of the investors.

4. 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 market and shall come into effect from the date of this Circular.
5. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Circulars".

Yours faithfully,

V S Sundaresan
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NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : INVESTIGATION	
Download Ref.No.: NSE/INVG/19135	Date : October 14, 2011
Circular Ref.No.: 680/2011	

All NSE Members

Sub : SMS and E-mail alerts to investors by stock exchanges

This is with reference to SEBI circular ref no. CIR/MIRSD/15/2011 dated August 02, 2011, regarding SMS and email alerts to investor by Stock Exchanges.

Pursuant to the circular, the file structure for uploading client code details for CM, F&O and CDS segment will be modified. The User Manual containing the file structure and validations of the revised structure is attached as Annexure. Members may please note that the modified structure will be released w.e.f. November 19, 2011 and the service will commence thereafter, subject to regulatory clearance.

Trading members are requested to note the following for implementation of the circular:

1. Upload of details by trading members and related changes

- a. For the clients who wish to opt for the facility, the Trading Members will indicate that the mobile number and email address have been updated and also indicate the type of facility opted.
- b. The choice of service i.e. either SMS, email or both will have to be specified.
- c. Facility will not be extended to clients whose mobile number/e-mail address matches with a record already uploaded to the Exchange. However, at the specific written request of a client, the same mobile number/e-mail address can be uploaded for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents.
- d. Where a client trades in more than one segment, the Trading Member will have to update records for each segment to avail the facility.
- e. Four new fields have been added to the existing UCI structure to capture details required for the service. These fields are Updation flag, Type of service, Relationship and Master PAN. The fields and their validations are explained below :

Updation flag

Selecting the flag “Y” will indicate that the client wishes to avail the facility and that the mobile number and email address have been updated.

Updation flag “N” denotes that client does not want the facility.

Updation flag “Null” denotes that client has not yet indicated whether he wants or does not want the facility.

If Updation flag is other than “Y” or “N” or null, the record will be rejected.

If Updation flag is uploaded as “N” or null and details of other fields (either or all - Type of service, Relationship and Master PAN) is mentioned then these records will be rejected.

Type of service

Type of service is either of the following – SMS, email or SMS and email

Mobile number is compulsory for activation of any type of service.

In case email facility or both is opted for then email address needs to be uploaded

If Updation flag is “Y” and type of service is any of the above mentioned but mobile number is not uploaded then these records will be rejected.

If Updation flag is “Y” and type of service is either email or SMS and email and mobile number is uploaded, however email address is not uploaded then these records will be rejected.

If Updation flag is “Y” and type of service field is null then the record will be rejected.

If Updation flag is “Y” and type of service field is other than default values (SMS, email or SMS and email) then the record will be rejected.

Relationship

If an existing mobile number or email address is to be used for Dependent child, Dependent parent and spouse, then this field is to be used

Only the values Dependent child, Dependent parent and spouse can be entered in this field. If the field contains null value then it will be treated as record of self. If any other value is entered in this field other than Dependent child, Dependent parent, spouse or null, then the record will be rejected.

Master PAN

Where a Trading Member uploads the same mobile number and/ or email address for dependent parent, dependent child or spouse, the PAN of the client holding the mobile number and/ or email address will have to be uploaded in the field of Master PAN.

In case relationship column contains the values Dependent child, Dependent parent or spouse then Master PAN is required to be uploaded, otherwise the record will be rejected.

In case relationship column contains null value, then the record will be considered as a self record. For self records, Master PAN should not be uploaded otherwise records will be rejected.

The format of the Master PAN should be proper i.e. 1 to 5 digit (alphabet), 6-9 digit (numeric) and 10 digit (alphabet).

2. Records eligible for SMS and Email confirmations

In case of dependents, records will be matched with the records of the Master PAN. Dependent's activation for this facility will be processed only when related master entity has given confirmation for the service. Both mobile number and email address should match with the mobile number and email address of Master PAN.

3. SMS confirmation by client

On completion of necessary validations, an SMS will be sent to the client for confirmation

SMS confirmation by the client is necessary for activation of service irrespective of the choice of service i.e. SMS, email or SMS and email

On receipt of SMS confirmation, the client's account will be activated for SMS facility.

In case the client has opted for email facility, an email with an activation link will also be sent for activating the email facility. The email confirmation will be processed only on receipt of SMS confirmation.

If SMS confirmation is not received within 5 days, an SMS will be sent again. Thereafter, if the confirmation is not received, the trading member will be intimated about the same through a report download.

Status of clients whose accounts have been activated and undelivered SMSes will be reported to members through a report download.

4. SMS and Email alerts

Upon receipt of confirmation from the investors, the Exchange shall commence sending the transaction details based on PAN. It should be noted that atleast four working day are required to activate the 'SMS & Email facility' from the request date subject to confirmation of the same by client.

Such reports will be further segregated trading member wise if email address and mobile number uploaded by the trading members is different for the same PAN.

The SMS would give the summarized traded value segment wise while the email would contain memberwise trade level details.

Transaction details will be sent separately for the master PAN and each dependent PAN.

Trading Members would be required to review the report downloaded in this regard and take appropriate actions as applicable.

Trading Members are requested to take utmost care while uploading the mobile number, email address and type of facility opted for. Trading Members shall ensure that the mobile numbers and e-mail addresses of their employees/sub-brokers/authorized persons are not uploaded on behalf of clients.

The data would be provided to the clients on an "as is" and "where-is" basis, without any warranty. The Exchange shall not be liable for any delay or any other interruption which may occur in providing the data due to any reason including network (Internet) reasons or snags in the

system, break down of the system or any other equipment, server breakdown, maintenance shut down, breakdown of communication services or inability of the Exchange to send the data. In no event shall the Exchange be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data provided by the Exchange through this facility.

For clarification and queries, please contact Riddhi Shethna (Extn 5119), Vidhi Doshi (Extn 5130) Rebecca D'Silva (Extn 5129) and Vaishali Bandekar (Extn 5131) or on 26598366 and 26598193 or via email on uci@nse.co.in

**For and on behalf of
National Stock Exchange of India Limited**

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