

NOTICES

Notice No.	20130604-20	Notice Date	04 Jun 2013
Category	Compliance	Segment	General
Subject	Observation / Caution letters based on trading pattern of trading members and their client/s.		
Content			

To

All Trading Members of the Exchange

Sub: Observation / Caution letters based on trading pattern of trading members and their client/s.

The attention of the trading members of the Exchange is drawn to the Notice No. 20120605-30 dated June 5, 2012 in the captioned matter. As informed, with a view to identify and alert the market participants viz., Members, and their Clients at an early stage about unusual/abnormal activity, the Exchanges had decided jointly with SEBI to issue observation/caution letters to Members/clients where prima facie, unusual/abnormal activities are observed by the Exchange.

Also, as informed earlier, as per the Code of Conduct prescribed in SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 a stock broker is required to act with due skill, care and diligence in the conduct of all his business and accordingly members were asked to take adequate measures to ensure that there was no continuation of or undertaking of similar trading activity by them or their clients, upon receipt of observation/caution letter from the Exchange.

The trading members are once again advised to take adequate measures to ensure that similar trading activity is not continued by/through them post issuance of Observation/Caution letters by Exchange. Further, such client/s may be advised to ensure that similar trading activity is not continued through different trading member/s. Continuance of unusual/abnormal activity by the member/clients may attract appropriate disciplinary/regulatory action against the trading member/ client in co-ordination with SEBI.

The trading members are advised to take note of the aforesaid contents and also bring the same to the notice of their clients.

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June 4, 2013