

NOTICES

Notice No.	20240622-2	Notice Date	22 Jun 2024
Category	Compliance	Segment	General
Subject	Policy on Handling of Good Till Cancelled Orders offered by Members to Clients		
Content			

It has been observed that certain members offer Good Till Cancelled/Good Till Triggered orders or orders of similar type to their clients that enables clients to place buying and selling orders by specifying the price and also the time frame for which an order would remain valid for placing on the Stock Exchange platform.

In case of corporate actions, such orders could lead to absurd trades and investors are at risk of facing losses. Since the aforesaid types of orders are offered by members, mechanism for handling such orders varies from member to member. In case of a corporate action, while certain members cancel such orders, other brokers do not cancel the same.

In view of the above, it has been decided in consultation with SEBI and Broker's Industry Standards Forum that the members, who offer Good Till Cancelled/Good Till Triggered orders or orders of similar type, shall formulate a policy for the same. The policy shall include:

- Details of Good Till Cancelled/Good Till Triggered/orders of similar type provided by member including its validity.
- Manner of handling of such orders in case of corporate actions (e.g. cancellation, price reset, retaining, etc. for the unexecuted orders).
- Provide timeline within which the member shall intimate their clients about details of upcoming corporate actions applicable for such unexecuted orders of clients, which shall not be later than one day prior to the ex-date of the corporate action.

Further, the said policy shall be made part of the Account Opening Form/Kit under heading "Policy on Handling of Good Till Cancelled Orders of Client" of Policy and Procedures document and the member shall also make available the said policy to their clients by displaying the same on their website/trading application, if any.

The members are also requested to note that the said policy shall be informed to the existing clients via email or any other suitable mechanism which can be preserved. In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed under Exchange Notice 20220607-11 dated June 7, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

Members are requested to take note of the above contents and comply.

In case of any clarifications, members may contact us on details given as under:

Contact Nos. Email ID

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For and on behalf of BSE Ltd.

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