

Client Referral Internal Policy of Sankalp Share Brokers Pvt Ltd

Background:

The Exchanges have come out with a circular giving guidance & clarifications relating to various Incentives / Referral Schemes prevailing in the market. To safeguard the interest of the Investors, Internal Policy need to be framed by Stock Brokers regarding the Referral Incentive / Scheme followed by their organization and the same needs to be duly approved by their board.

Relevant Act:

The policy must comply with code of conduct prescribed for stock brokers under regulation 9 of SEBI (Stock Brokers) Regulations, 1992 and all relevant Bye-laws, rules and regulations of SEBI / Exchanges with respect to sharing of brokerage, account opening, inducement to trade, sales practices, order placement etc. issued from time to time.

Eligibility:

All known persons shall be eligible to receive Incentive for referring their friends / relatives/ family members/ prospective clients to open a client account along with demat account with Sankalp Share Brokers Pvt Ltd.

Guidelines:

1. In order to earn Incentives by referring persons as mentioned above, all the referred clients are required to open their Trading cum Demat Account directly with Sankalp Share Brokers Private Limited along with IPV/OSV to be done directly by the staff of broking firm.
2. Referring persons are not allowed to undertake any sort of advisory / any buy-sell recommendations / portfolio management to the clients of broking firm, the role to referring person should be limited to "Referral" only.
3. All instructions of Orders / trade request need to be directly given by clients to the staff of broking firm and referred clients shall not be subject to any kind of trade inducement by referring person.
4. All contract notes, daily margin statement, statement of account, annual global statement, STT statement or any type of correspondence either physically or electronically should undertake directly with the clients and referring person shall not have any role to play in it.
5. All the details pertaining to the clients shall be maintained confidentially and the same should not be disclosed to any person including referring person

except as required under any law / regulatory requirement or with the express written consent of the client.

6. The rate of Incentive should be flat (i.e. not slab based) and a single rate should be applied. It is hereby clarified that we may have different referral incentive rates across different referring person.
7. The Incentive so paid to referring person shall not be recovered from the clients being referred and no obligation whatsoever should be cast on such client.
8. There should be no financial transactions between the referred clients and the referring persons in relation to the transactions undertaken by clients with Sankalp Share Brokers Private Limited.
9. Sankalp Share Brokers Private Limited shall be directly and wholly liable in case of any dispute with regards to referral program / incentive scheme or calculation thereof of referral income between broking firm and referring persons and such disputes / grievances shall not be covered under investor protection / grievance redressal mechanism of exchanges / SEBI.
10. The referring persons shall not be forbidden to do any business under the rules and regulations of exchanges / SEBI or any other regulatory authority.

Payout:

The eligible referring persons are required to settle their Incentives on periodically basis. The Incentive so earned will be subject to provisions as per the applicable law prevailing.

Limitations:

1. The amount of incentive shall be calculated as per the calculations given above and in no circumstances shall not exceed the maximum amount arrived.
2. This policy needs to be approved by the Board of Sankalp Share Brokers Private Limited.
3. The policy needs to be reviewed at least once in a year.