

DOS & DONT'S TO TRADE WITH BROKERS/ SUB-BROKERS

- Deal only with SEBI registered intermediaries.
- Ensure that the intermediary has a valid registration certificate.
- Ensure that the intermediary is permitted to transact in the market.
- State clearly who will be placing orders on your behalf
- Insist on client registration form to be signed by the intermediary before commencing operations and obtain duplicate copy of the form.
- Enter into a tripartite agreement with your broker / sub-broker setting out terms and conditions clearly.
- Insist on contract note for trades done each day
- Ensure that broker's name, trade time and number, transaction price and brokerage are shown distinctly on the contract note.
- Insist on periodical statement of accounts.
- Issue cheques/drafts in trade name of the intermediary only.
- Ensure receipt of payment/ deliveries within 48 hours of payout.
- In case of disputes, file written complaint to intermediary/ Stock Exchange/SEBI within a reasonable time.
- In case of sub-broker disputes, inform the main broker about the dispute within 6 months.
- Familiarise yourself with the rules, regulations and circulars issued by Intermediary / stock exchanges/SEBI before carrying out any transaction

DON'TS

- Do not deal with unregistered intermediaries
- Do not pay more than the approved brokerage to the intermediary.
- Do not undertake deals for others.
- Do not neglect to set out in writing, orders for higher value given over phone.
- Do not sign blank Delivery instruction slip(s) while meeting security payin obligation
- Don't accept unsigned/duplicate contract note/confirmation memo
- Don't accept contract note/confirmation memo signed by any unauthorised person.
- Don't delay payment/deliveries of securities to broker/ sub-broker.
- Don't get carried away by luring advertisements, if any.
- Don't be led by market rumors or get into shady transactions