

Policy on Client Code Modifications

1. The modification to the client code is to be done only in exceptional cases and not as a routine one.
2. The reason for modification has to be ascertained and its genuineness has to be analysed and also it's impact on the clients should be studied before the modification. If voice recording is in practice, the same should be studied.
3. Normally as a principle, other than for punching errors, no modification to the client codes be allowed.
4. Therefore it is imperative that the issue should be reported to the senior level Manager/Director and only with his approval, the modification should be carried after being satisfied that it is genuine, the same is required to be done to protect the interests of the client.
5. Hence the facility to modify the client codes should be available only at the Corporate Manager level and should not be given to the branches.
6. Training program should be conducted to all the Dealers and they should be explained how code modifications can be misused and what steps should be taken to avoid the same. It also should be explained that code modifications should not be encouraged to the clients except for cases like 'punching errors'/'typing errors'.
7. A register is to be maintained for recording all the code modifications with details like error code, correct code, scrip name quantity, client name, the name of the dealer who punched the code, the explanation of the dealer/Branch Manager, the 'analysis /study' of the authorised Manager and his approval /disapproval for modification.
8. The trades modified by the member to the " Error Code" has been settled in Error Account.
9. Shifting of any trade on account of genuine error (institutional or non institutional) to error account are subsequently liquidated/closed out in the market and are not shifted to other client code.
10. "Error Accounts" are classified properly and UCC uploaded to Exchanges.
11. Trades transferred to 'Error Accounts' are reviewed/monitored properly to check the genuineness and to prevent the use of client code modification facility for purposes other than correcting mistakes arising out of client code order entry.
12. This policy would be modified time to time as per circulars of SEBI/Exchanges.

For Frontline Capital Services Limited

Authorised signatories