

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/ 67132	Date: March 13, 2025
Circular Ref. No: 15/2025	

To All Trading Members,

Sub: Clarification regarding modes of order placement by the Trading Members

Members' attention is drawn to SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/110 dated August 09, 2024. As per Para No. 34 on "Prevention of Unauthorised Trading by Stock Brokers," all brokers shall execute trades of clients only after keeping evidence of the client placing such order. The following modes have been prescribed for order placement by the Trading Members on behalf of clients: -

- Physical record written & signed by client,
- Telephone recording,
- Email from authorized email id,
- Log for internet transactions,
- Record of SMS messages,
- Any other legally verifiable record.

It has been observed that certain trading members initiate buy/sell order(s) on behalf of the clients and communicate to the clients through IVR (Interactive Voice Response) system. Such clients are asked to press a predefined number/ option during the said IVR call to obtain the confirmation of order placement. Few examples of such practices of sending recorded messages through IVR system and seeking confirmation are listed below:

- Buy 50 shares of XYZ Ltd. at Rs.200/-. If you wish to proceed with buying, Press 1.
- There is a credit balance of Rs.1,00,000/- in your account with us. Select Option/Press 1 to buy Liquid Bees of the said amount.
- You may sell Liquid Bees held in your demat account with us. Press 2 to Sell the same.

In this regard, it is hereby clarified that orders initiated by the Trading Members on behalf of clients through IVR (Interactive Voice Response) system and considering pressing a predefined number / option as order confirmation shall not be considered as legally verifiable record of order placement.

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The Trading Members are advised to take note of the above and ensure compliance by May 15, 2025.

**For and on behalf of
National Stock Exchange of India Limited**

**Kapil Marwah
Associate Vice President**

In case of any clarifications, Members may contact our below offices:

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