

National Stock Exchange Of India Limited**Department : COMPLIANCE**

Download Ref No: NSE/COMP/48536

Date : June 09 2021

Circular Ref. No: 57/2021

To All Members,

Sub: Market Access through Authorised Persons

Member's attention is drawn to SEBI circular MIRSD/DR-1/Cir-16/09 dated November 06, 2009 Market Access through Authorised Persons, wherein the framework governing the market access through Authorised persons (AP) was introduced.

An Authorised Person is a person/entity who, as an agent of a Member, provides access to the clients of the Member to trading platform of a stock exchange. While doing so, the Authorised Person is prohibited from:

1. Accepting any receipt or payment/delivery of funds & securities of the clients. Authorised Person shall not collect or receive any funds or securities from the clients and shall not charge any amount from the clients, directly or indirectly, for the services rendered on behalf of the Member as an agent.
2. Employing any device, scheme or artifice or engage in any act or practice, including operating assured return schemes, unauthorised portfolio management & investment schemes etc, in contravention of the provisions of various SEBI/Exchange Rules & Regulation and circulars issued from time to time.

An Authorised person can only act as a facilitator and provide administrative assistance to the clients of the Member in accessing the trading platform of the Stock Exchange, failing which the Authorised person and its Directors/partners shall be liable for appropriate disciplinary actions including cancellation of their registration, debarment from the securities market etc.

Members are required to exercise adequate control and due diligence over the activities & transactions of their Authorised persons. Member shall conduct periodic inspection of their Authorised Persons and records of the operations carried out by them in accordance with Exchange circular dated October 18, 2019 (Ref NSE/INSP/42448NSE/INSP/42448). On noticing irregularities, if any, Member shall take necessary measures as stipulated in the aforementioned SEBI circular, including cancellation of the AP registration through ENIT and selecting the reason as "Disciplinary action" along with providing the necessary details.

Members should ensure that their Authorised Persons are engaging only in permitted activities and are not undertaking any business which are disallowed under the Byelaws, Rules & Regulations and circulars of SEBI/Exchanges including operating any schemes of unauthorised collective investments/portfolio management, promising indicative/guaranteed/fixed returns etc. It is, hereby, reiterated that all the acts of omission and commission of the Authorized person and/or their Directors/Partners, employees etc., shall

be deemed to be those of the Member and the Member shall be responsible for all such acts of its Authorised person(s) and/or their Directors/Partners, employees etc., including liabilities arising there from.

All Members are advised to take note of the same and ensure compliance.

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

**Meghana Kulkarni
Chief Manager**

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