

MEMBERSHIP DEPARTMENT

Circular No. 705

Ref. No: NSE/MEM/13601

December 3, 2009

Dear Members,

**Sub: Procedure to be followed for appointment and cancellation of Authorised
Persons**

This has reference to our Circular no 702 (Download Ref No.NSE/MEM/13429) dated November 09, 2009, wherein in accordance to SEBI Circular MIRSD/ DR-1/ Cir- 16/09 dated November 06, 2009, the framework governing the market access through Authorised Persons by the SEBI registered stock brokers of the stock exchanges was informed.

Further, the trading members are hereby informed that w.e.f. December 4, 2009 the procedure to be followed for appointment of Authorised Persons is as given below:

1. Upon receipt of request from members through ENIT, the status of application in ENIT shall be displayed by default as 'Documents Awaited' with remarks shown as 'physical documents to be submitted within 7 calendar days of the request through ENIT. The format of application for appointment of authorised person is enclosed as Annexure A-1.
2. In case of non-receipt of physical documents within 7 calendar days as aforesaid, on the 8th day the status in ENIT shall be changed to 'Rejected as documents not received' in which case the member has to apply afresh through ENIT and submit physical documents within 7 days of request.
3. In case of receipt of physical documents within 7 calendar days of ENIT request, the same day, the status in ENIT shall be changed to 'Documents Received'.
4. After receipt of physical documents, intimation through FTP on the subsequent day shall be sent to the member for payment of processing fee of Rs. 2000+service tax by way of debit to Exchange Dues A/c. The physical documents and the information submitted through ENIT shall be scrutinized as per the checklist enclosed as Annexure A-2.
5. Upon scrutiny, if the physical documents are found complete, the status in ENIT shall be changed to 'Under Process'.
6. In case of in-complete documents, the application shall be returned to the member highlighting the deficiencies in the application. The status in ENIT shall be changed to 'Returned' in which case the member has to re-submit the application through ENIT within 30 days of returning by clicking on the 'Re-submit' option and

mentioning the upload ref. no. of previous ENIT request reference number. Upon re-submission of application in ENIT, the member shall also submit physical documents within 7 calendar days of re-submission request in ENIT. In such cases where an application is re-submitted by clicking 'Re-submit' option, the processing fees shall not be charged once again. In case member does not re-submit the application in ENIT within 30 days of returning, the member shall have to submit the request afresh through ENIT and pay processing fees.

7. The application shall be placed before Sub-broker Recognition Committee (SRC) when scheduled for granting approval for appointment of Authorised Person.
8. Upon approval of appointment by SRC, the status in ENIT shall automatically get updated as 'Appointed' and the website of the Exchange shall be updated with the details of appointment.

Further, it is proposed to follow the below procedure for Cancellation of Authorised Person:

1. Upon receipt of request from members through ENIT, the status of application in ENIT shall be displayed by de-default as 'Documents Awaited' with remarks shown as 'physical documents to be submitted within 7 calendar days of the request through ENIT. The format of application for Cancellation of Authorised Person is enclosed as Annexure B-1
2. In case of non-receipt of physical documents within 7 calendar days as aforesaid, on the 8th day the status in ENIT shall be changed to 'Rejected as documents not received' in which case the member has to apply afresh through ENIT and submit physical documents within 7 calendar days of request.
3. In case of receipt of physical documents within 7 calendar days of ENIT request, the same day, the status in ENIT shall be changed to 'Documents Received'.
4. After receipt of physical documents, intimation through FTP on the subsequent day shall be sent to the member for payment of processing fee of Rs. 1000+service tax by way of debit to Exchange Dues A/c. The physical documents and the information submitted through ENIT shall be scrutinized as per the checklist enclosed as Annexure B-2.
5. Upon scrutiny, if the physical documents are found complete, the status in ENIT shall be changed to 'Under Process'.
6. In case of in-complete documents, the application shall be returned to the member highlighting the deficiencies in the application. The status in ENIT shall be changed to 'Returned' in which case the member has to re-submit the application through ENIT within 30 days of returning by clicking on the 'Re-submit' option and mentioning the upload ref. no. of previous ENIT request reference number. Upon re-submission of application in ENIT, the member shall also submit physical documents within 7 calendar days of re-submission request in ENIT. In such cases where an application is re-submitted by clicking 'Re-submit' option, the processing fees shall not be charged once again. In case member does not re-submit the application in ENIT within 30 days of returning, the member shall have to submit the request afresh through ENIT and pay processing fees.

7. The application shall be placed before Sub-broker Recognition Committee (SRC) when scheduled for granting approval for cancellation of Authorised Person.
8. Upon approval of cancellation of appointment by SRC, the status in ENIT shall automatically get updated as 'Cancellation Approved'. Further, after SRC approval, a letter confirming cancellation of appointment of Authorised Person shall be sent to the member and website of the Exchange shall be updated with the details of cancellation.

In case of any clarification, please contact the Membership Department on telephone number 022-26598249 and email id: minward@nse.co.in

For National Stock Exchange of India Ltd.

**Sd/-
Rehana D'souza
Manager**