

DORMANT & INACTIVE ACCOUNT POLICY

1. Regulatory Objective & Scope

The objective of this policy is to frame an unalterable operational mechanism to identify, control, freeze, and reactivate trading accounts that have stayed inactive for a continuous period. This prevents the unauthorized use of dormant accounts, mitigates identity theft, and eliminates market manipulation through long-forgotten accounts [1.1].

- **The Core Definition (SEBI/Exchange Mandate):** A trading account shall be formally classified as “**Dormant**” if no trade (buy or sell) has been executed across any segment of any exchange by the client for a continuous rolling period of **24 consecutive months** [2.1].
-

2. Treatment & Consequences of Account Dormancy

Once a Unique Client Code (UCC) matches the 24-month zero-trade parameter, the backend system automatically moves the account into the **Dormant Master Ledger** and applies the following security freezes:

3. Step-by-Step Account Reactivation Workflow

A dormant account cannot be unlocked via routine customer support tickets. It must undergo a formal **Re-KYC or Reactivation Procedure** based on the duration of its dormancy:

Tier 1: Accounts Inactive for 1 to 2 Years

- **Procedure:** The client can initiate a digital reactivation request via the broker's secure online portal.
- **Verification:** The client must successfully pass a **Dual-Factor Authentication (2FA)** check and complete an online **In-Person Verification (IPV)** via webcam to confirm identity.
- **Declaration:** A digital declaration confirming that their pre-registered address, bank credentials, and mobile number have not changed must be submitted.

Tier 2: Accounts Inactive for More than 2 Years

- **Procedure:** The account requires a full, comprehensive **Re-KYC process**.
- **Verification:** The client must complete the central CKYC/KRA update flow and undergo a fresh, detailed digital IPV check.

- **Required Fresh Evidence:** The client must submit the latest copies of:
 1. Updated Proof of Address (if altered).
 2. Last 6 months' bank statements (mandatory if reactivating Derivatives/F&O segments) [2.1].
 3. Income Tax Return (ITR) acknowledgment or salary slips.

4. Risk Mitigation & Internal Controls During Dormancy

While an account stays dormant in the database, the Risk Management System (RMS) and internal surveillance teams must enforce strict security firewalls [1.1]:

- **UCC Master Freezing:** The IT department must block any manual dealer-terminal remapping of the dormant UCC to prevent internal "front-running" or temporary profit-shifting activities.
- **Bank Profile Locking:** No changes to the client's registered bank account details, demat linkages, registered email, or mobile number can be processed while the account is in a dormant state. Profile modifications can only occur *after* or *simultaneously with* a verified Tier 2 physical/digital Re-KYC check.

