

# NVS Brokerage Private Limited

## **INTERNAL POLICY ON NISM-VII: Securities Operations and Risk Management Certification**

### **Reference**

1. SEBI Notification No. LAD-NRO/GN/2010-11/21/29390 published in the Gazette of India on December 10, 2010.
2. NSE Circular no. NSE/INSP/16536 December 15, 2010.
3. NSE Circular no. NSE/INSP/27495 September 02, 2014.
4. BSE Notice no. 20101215-19 dated December 15, 2010.
5. BSE Notice no. 20140902-8 dated September 02, 2014.

### **Brief**

SEBI notification no. LA-NRO/GN/2010-11/21/29390 dated December 10, 2010 mandated persons associated with a registered stock broker/trading member/clearing member who are involved in or deal with, any of the below mentioned functions are required to have a valid NISM Series VII Certification:

1. Assets of funds of investors or clients.
2. Redressed of investor grievances.
3. Internal Control or risk management.
4. Activities having a bearing on operation risk.

The Associate person was advised to obtain the certification within two years from the date of said notification. Simultaneously whenever the company employs any associated person specified as mentioned above, the said associated person shall obtain valid certification of NISM Series VII – Securities Operation and Risk Management (SORM) within one year from the date of his/her employment.

### **Definition of Associated Person**

“Associated Person” means a principal or employee of an intermediary or an agent or distributor or other natural person engaged in the securities business and includes an employee of a foreign institutional investor or a foreign venture capital investor working in India.

As per the above requirement any of the following employees of the Company would require to pass the NISM VII certification:

1. Director
2. Compliance Officer
3. Any Employees from KYC, DP, RMS, Operations, Settlements and Dealers.

### **EXEMPTION**

In view of operational difficulties expressed by the Members in consultation with SEBI and other exchanges NSE vide their circular dated September 2, 2014 exempted from the requirement of NISM –VII associated persons handling basic clerical/elementary functions in above stated areas.

The circular also advised the Members to have a well-documented internal policy on the above guidelines.

# NVS Brokerage Private Limited

NSE vide said circular enumerated following activities as **Indicative activities falling under basic elementary level/clerical level**

## Internal control or risk management

1. In awarding of collateral's/ cheques'.
2. Person performing maker entries'.
3. Maker entry in the database.
4. Photocopying, printouts, scanning of documents.
5. Preparing of MIS.
6. Sending of letters/reports to clients, Exchanges, SEBI.
7. Attending calls, etc.

## Redressed of investor grievances

1. In awarding of complaint.
2. Seeking documents from clients.
3. Person performing maker entries.
4. Maker entry in the database.
5. Photocopying, printouts, scanning of documents.
6. Preparing of MIS.
7. Sending of letters/reports to clients, Exchanges, SEBI Updating, data entry, uploading on SCORES.
8. Attending calls, etc.

## Activities having a bearing on operational risk and dealing with assets or funds of investors or clients

1. Person performing maker entries
2. Maker entry in the database
3. Preparing MIS
4. Generating reports, Files
5. Photocopying, printouts, scanning of documents
6. Dispatching documents to clients
7. Sending of letters/reports to clients, Exchanges, SEBI
8. Attending calls, etc.

However, any of the works (as stated herein above) being performed by such persons, obtaining, NISM-SORM Certification shall be optional provided that they are supervised by his / her supervisor who shall have to obtain/continue to have NISM– SORM Certification or such other prescribed certification at all times.

**Based on the above guidelines the policy exempts the requirement of passing of NISM VII certification for Authorized persons(AP) & Employees or staff of Member, APs & Associates provided they are strictly involved in aforesaid exempted activities (more particularly marked\*).**

# **NVS Brokerage Private Limited**

## **REVIEWOFPOLICY**

The policy may be reviewed from time to time as and when any changes introduced by SEBI or Stock exchanges or depending on the business needs of the Company.

The policy may be reviewed by the Directors or Compliance Officer and place the changes in policy before the Board at the meeting.

## **APPROVINGAUTHORITY**

The policy is approved by the Board vide their meeting held on 30<sup>th</sup> January,2019.