

Norms for eligibility of claims for compensation from IPF to the clients of the defaulter member

Only transactions that have been executed on the BSE platform shall be eligible for compensation from BSE IPF, subject to the maximum permissible limits. Further, claims arising out of following nature of transactions shall be considered ineligible for compensation from IPF:

- i) Transactions carried out on stock exchange, other than BSE
- ii) Transactions which are not related to usual trading activity
- iii) Speculative transactions done on BSE
Explanation: For this purpose, the following transactions shall be considered as speculative
 - a) Transactions that are squared up on the same day
 - b) Where the nature of transaction is a speculative
- iv) Transactions that are in the nature of loan transactions
Explanation: For this purpose, the following transactions shall be considered to be loan transactions:
 - a) Funds and securities given to the stock broker, prior to the date of registering the client code in the Unique Client Code database of the stock exchange
 - b) Retention of funds and securities with the stock broker beyond the period for which the account has to be settled mandatorily by the stock broker
Provided that the constituent has lodged a complaint with the stock exchange within one month of such default by the stock broker
 - c) Funds and securities given to the stock broker not commensurate with the level of trading activity
- v) Sham and collusive transactions
- vi) Interest granted in claims decided in IGRC/ arbitration awards/ appellate arbitration awards/ High Court orders, since these are not transaction related
- vii) Where the documents submitted by the constituent, in support of the claim, indicates that the constituent has a liability/ dues towards the stock broker for the transactions relating any other stock exchange
- viii) Any other criteria/ condition, which in the opinion of the Defaulters Committee renders the claim as ineligible, based on the facts of the case.

For the purpose of determining the eligibility of the claim, the constituent shall submit the following documents, in support of the claim, to the Exchange:

- a) Account opening form
- b) KYC documents submitted
- c) Running Account authorization, if any
- d) Power of attorney given to the stock broker
- e) Contract notes
- f) Statement of account (Ledger statement) maintained by the stock broker with respect to BSE and other stock exchanges
- g) Bank Statements of the constituent
- h) Demat account statements
- i) Income Tax statements
- j) Claims filed with other stock exchanges
- k) Claims admitted by other stock exchanges

- l) Correspondence with the stock broker relating to the claim
- m) Any other document, as may be sought by the stock exchange

In addition to the above, the constituent shall comply with the directions/ instructions issued by the stock exchange from time to time.