

## **Detailed writeup on A/c Opening process**

A trading & demat account can be opened both online by uploading documents and in the traditional offline method by sending physical KYC forms and necessary documents via courier or through branch offices.

You can choose the traditional method of opening a trading & demat account i.e. to send a physical KYC form along with other necessary documents.

### **Documents Needed:**

1. PAN
2. Aadhaar Card
3. Cancelled Cheque leaf (bank proof)
4. Identity proof of nominee if any
5. Address proof (Applicable only if your correspondence address differ from permanent address)
6. Financial proof (in case of derivatives segment)

## 1s.PhysicalKYCProcess:

**Step 1:** Fill out the trading & demat account opening form and furnish the required documents like proof of identity, proof of residence, and proof of income. You can use the Aadhaar card or passport as proof of residence and a copy of your Aadhaar card or PAN card as identity proof. Note that the PAN card is compulsory for opening a trading & demat account.

**Step 2:** After submitting the documents, your broker **will do** a KYC in person verification, or you will have to do online verification.

**The account opening form (KYC)** has two types of documentation requirements; among which some are mandatory. These include rights and obligations of stock brokers and investors, Uniform Risk Disclosure Document, Do's and Don'ts for trading on exchange, stock broker policies and procedures and tariff sheet.

On the other hand, the optional documents include running account authorisation, Demat Debit and Pledge Instruction (DDPI), electronic contract note declaration, consent for electronic communication, and receiving alerts via email/SMS. These voluntary documents are submitted if the investor is opting for additional services.

When you view a trading & demat account opening form, you can see sections like:

- Bank account details
- Depository account details
- Trading preference in which you need to select the segment in which you would like to trade, whether cash, F&O, currency derivatives, or commodity derivative and sign against the selected segment
- Dealing through sub-brokers or authorised persons or other stock brokers
- Choosing standing instruction, delivery instructions slip, email id etc.
- Disclosing the past actions or proceeding
- Providing details of the introducer who is introducing you to stock broker and their signature
- You should go through all the documents as well as understand the charges and tariffs applicable and clarify and verify before submitting above mentioned declaration
- Nominate a person who can claim these securities in unfortunate circumstances like your death
- Opt out nomination facility is also available, but it is advisable to nominate a person for hassle free transfers as per applicable laws
- Next is consent to instruction to maintain running account, which is voluntary

- Consent forelectroniccontract notedeclaration,whichisvoluntary
- DDPI is a document that allows a broker to debit the securities from the client's demat accountand deliver them to the exchange. DDPIlimits debiting shares from a client's account only ifthere'saselltradeplacedbytheclient.DDPIreplacedPOAwiththeeffectfromSeptember2022.
- Next comesbrokerageplansfortrading&demataccount
- Finally,yougettoprovideequity/commoditybrokeragedetails
- Acknowledgement ofreceiptof standardsetof documents

**Thefollowingdocumentsmustbe attachedwith a KYC applicationform:**

- PhotocopyofyourPANcard
- IdentityproofsuchasAadhaar,Passport,VoterID,DrivingLicense,PANoranyotherauthorisedphotoidentity.
- Alatestpassport-sizephotograph.
- Address proof such as Ration Card, Passport, Voter ID, DrivingLicense, Bank Passbook,Electricity Bill, self-declaration from High Court or Supreme Court, or any other identity card, orAddressProof,issuedbyarecognised authority.

**Someimportantregulationsthat areappliedtotheKYCformthatyoumust consider are:**

- CommonKYCformfor allinvestmenttypes registeredatthestock exchange.
- SimilarsetofdocumentsforKYCofallkindsof investmenttypes.
- Therearetwodifferentformsforindividualandnon-individualinvestors.
- CompletetheKYCform inallrespectsandstrike-offtheblank fields.
- Do notsignan emptyform.
- Crossoutanypagethatyouleaveblank.
- Knowthedocumentsrequiredtobe submittedtoyour broker.

After you successfully submit the above form and documents, your broker will open a tradingaccount in your name. You will then get a unique identity number known as a Client Code.

Youmustusehisquoteforeverytradethatiscarriedoutonyourbehalfbythebroker.

## FLOWCHART

### Trading&DematAccountOpeningProcess

