# MAXIZO Trading LLP

## Policy on Client Code Modification

- We did not make any code changes in the back office without following the approved procedure by the NSE for code changes.

- We have opened ERROR Code in the name of MAXIZO Trading LLP Error Account as per NSE Circular No. 56395 dated April 17, 2023.

- All client codes (institutional or non-institutional) shall be shifted to LLP Error Account.

- We will follow a timeline of 3 working days (including the day of trade) to square off / liquidate the trade(s) flowing into error account. In case we could not liquidate or squared off within the prescribed time limit, a penalty as prescribed in para 1.2 of the above circular would be applicable. This timeline is subject to availability of liquidity in the scrip/contract. In case the liquidity is not sufficient, the MAXIZO Trading LLP would approach the Exchange within one trading day if sufficient liquidity is not available at the Exchange. The square off / liquidation must be done at the earliest. The decision of the Exchange on the question of "Availability of liquidity" will be final and binding.

- Rigorous training imparted to each operator so that mistakes do not recure. The concerned operator is suitably treated.

- In case from the ERROR account, modification is done to some other client code, penalty at the prescribed rate of traded valued would be levied by the exchange. In case of such repeated instances, in addition to the penalty may also be leaved by the exchange and exchange may also initiate disciplinary action as deemed fit.

- Periodic review of the trades flowing to "error accounts" will be taken by the exchange. Exchange would initiate suitable disciplinary action if suspicious or unusual modifications is observed by it.

- MAXIZO will implement internal controls to minimize the instance of modifications into Error account to avoid disciplinary action proceedings from the

Exchange. Internal controls implemented by the MAXIZO will be checked as a part of Inspection.

- In addition to the above, client code modifications wherein both the two client codes (original code and modified code) are of institutional category the framework for monitoring and penalty will be as per the above circular.

  Modification between client codes of two entities which are of the institutional category will be allowed only if the modification from both client codes is from different schemes / sub-accounts of / managed by the same Institution. Such modifications shall not be subject to penalty. For FPIs, the group will be considered as uploaded by MAXIZO under the facility of "FPI Client Mapping – File Upload" as provided in "16.5 OTR allocation for Foreign Portfolio Investor (FPI)" under "Part B" of circular "NCL/CMPT/50876 dated January 03, 2022".

- With respect to trades settled through DVP mechanism, MAXIZO would need to report the name of entities to whom the trades were settled. The original client would be the client in whose client code the trades were executed, and the modified client code will be the PAN in whose name trades were settled through DVP mechanism.

- Any modification between two client codes which are of institutional category and do not satisfy the criteria mentioned in above para i.e., modification between two unrelated institutional clients will be subject to applicable penalty.

- MAXIZO would be required to provide the reasons for client code modification and error trades pursuant to Exchange circular - NSE/INVG/41459 dated June 28, 2019, and NSE/INVG/42106 dated September 11, 2019.

  In such cases in addition to the levy of penalty, Exchange may also undertake disciplinary actions as deemed fit in terms of Rules, Byelaws and Regulations of the Exchange against MAXIZO who undertake frequent client code modifications.

  As per the aforesaid NSE Circular 1. Modification to ERROR account which is liquidated within 3 working days. 2. Modification between two client codes which are of institutional client category and belong to same group, shall not be considered while computing the frequency of client code modifications.