

WEALTHSTREET FINANCIAL SERVICES PRIVATE LIMITED

ERROR ACCOUNT, CLIENT CODE MODIFICATION (CCM) AND TRANSFER OF TRADES POLICY

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Prepared By	Compliance Department
Reviewed By	Operations Committee
Approved By	Internal Committee/ Board of Directors

Wealthstreet Financial Services Private Limited

Formerly Known as Wealthstreet Advisors Private Limited

CIN: U74999GJ2016PTC094432

Regd. Off : A-1101, Mondeal Heights, 11th Floor, Besides Wide Angle, S.G Highway, Ahmedabad-380015

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1. INTRODUCTION

Wealthstreet Financial Services Private Limited (“the Company”) is a SEBI-registered Stock Broker and is committed to ensuring that all trades are executed accurately, transparently, and in compliance with applicable regulatory requirements.

This Policy is framed in accordance with SEBI and Exchange guidelines governing Client Code Modification (“CCM”), Error Account handling, and transfer of trades. The objective of this Policy is to establish a controlled and auditable framework for rectification of genuine trading errors while preventing misuse of CCM facilities or unauthorized transfer of profits/losses between clients.

The Company shall ensure that all trade modifications and transfers are genuine, properly documented, approved through appropriate authority matrix, and executed strictly within the regulatory framework prescribed by SEBI and Exchanges.

2. OBJECTIVES

The objectives of this Policy are:

- To define what constitutes an error trade.
- To establish a transparent and controlled mechanism for handling erroneous trades.
- To regulate Client Code Modification (“CCM”) activities.
- To prevent misuse of CCM facility for profit/loss transfer, tax planning, or manipulative activities.
- To establish approval, documentation, monitoring, and audit controls.
- To ensure compliance with SEBI and Exchange regulations.

3. REGULATORY FRAMEWORK

This Policy is framed in accordance with:

- SEBI Act, 1992
- SEBI (Stock Brokers) Regulations
- NSE/BSE/MCX circulars relating to Client Code Modification
- SEBI circulars relating to Error Account handling
- Exchange guidelines issued from time to time
- Other applicable laws, regulations, and circulars.

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4. DEFINITIONS

4.1 Error Trade

An Error Trade refers to a trade executed with incorrect parameters due to genuine operational, dealer, system, or punching errors including:

- Incorrect client code
- Incorrect quantity or price
- Wrong scrip/contract
- Buy executed instead of sell or vice versa
- System or technical errors
- Dealer or dealing room errors
- Risk team operational errors.

4.2 Client Code Modification (CCM)

Client Code Modification means modification of client code entered at the time of order execution through the Exchange-provided CCM facility within prescribed timelines.

4.3 Error Account

Error Account refers to the designated internal account maintained by the Company exclusively for rectification and square-off of genuine error trades.

4.4 Transfer of Trades

Transfer of trades means transfer/modification of executed trades from one client code to another through permitted CCM mechanism due to genuine and bona fide errors.

5. GENERAL PRINCIPLES

- All trades shall be executed using correct client codes at the time of order placement.
- Client Code Modification shall be permitted strictly for genuine and bona fide errors only.
- CCM facility shall not be used for:
 - Transfer of profit or loss
 - Tax planning or adjustments
 - Margin avoidance
 - Artificial adjustment of positions
 - Manipulative or fraudulent activities

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- Unauthorized shifting of trades between clients.
- All modifications shall be completed strictly within Exchange-prescribed timelines.
- Complete audit trail and supporting documentation shall be maintained for all modifications.
- Repeated modifications or suspicious patterns shall be investigated and escalated.

6. PERMISSIBLE INSTANCES FOR CCM / TRADE TRANSFER

Trade transfer or CCM may be permitted only in exceptional circumstances involving genuine errors including:

- Typographical mistakes
- Punching errors
- Genuine miscommunication
- Similar client codes entered mistakenly
- Dealer punching error
- System-related operational errors
- Genuine inadvertent mistakes during order entry.

Such modifications shall be permitted only where:

- The error is unintentional and bona fide.
- Proper documentation and evidence are available.
- There is no indication of misuse, fraud, or manipulation.
- Exchange timelines are complied with.

7. NON-PERMISSIBLE INSTANCES

Client Code Modification or transfer of trades shall not be permitted in cases involving:

- Intentional transfer of profits or losses
- Tax planning adjustments
- Margin manipulation
- Post-facto adjustments outside regulatory framework
- Repeated negligent behaviour
- Manipulative or fraudulent activities
- Any activity violating SEBI or Exchange regulations.

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Any such misuse shall be treated as a serious violation and may attract disciplinary and regulatory action.

8. ERROR ACCOUNT MANAGEMENT

8.1 Treatment of Error Trades

- Trades erroneously executed in client accounts shall be identified immediately.
- Such trades shall be squared off without delay and may be transferred to designated Error Account wherever permitted.
- The Error Account shall be used strictly for rectification purposes only.
- The Error Account shall not be used for proprietary, speculative, or profit-making activities.

8.2 Restrictions

- If both legs of the trade (original and square-off) are executed in the client account itself, movement to Error Account shall generally not be permitted except with proper approval and justification.
- Any penalty or cost implication arising due to such errors may be recovered from concerned employee/dealer/client as decided by management.

9. APPROVAL MATRIX

All movements of trades to Error Account and significant modifications shall require approval as per the following matrix:

Authority	Loss Amount	Trade Value
Branch Manager (BM)	Up to ₹5,000	Up to ₹5,00,000
Risk Manager (RM)	₹5,001 – ₹25,000	₹5,00,001 – ₹10,00,000
Senior Management	Above ₹25,000	Above ₹10,00,000

All approvals shall be documented and retained for audit and regulatory purposes.

10. CLIENT CODE MODIFICATION PROCESS

10.1 Online Modification (Within Exchange Timelines)

- All CCM requests shall be supported by a Trade Modification Memo.
- The memo shall include:
 - Original and modified client code
 - Trade details

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- Reason for modification
 - Supporting evidence/documents
 - Dealer details
 - Approval details.
- The request shall be reviewed and approved by authorized personnel before execution.

10.2 Offline Modification (Beyond Exchange Timelines)

Before Settlement

Where permissible under Exchange guidelines:

- Written request from client shall be obtained.
- Signature verification shall be conducted.
- Supporting documents and approvals shall be maintained.

After Settlement

- Client Code Modification shall not be permitted.
- Any adjustment, if legally permissible, shall be processed through approved accounting entries/JV with proper approval and documentation.

11. CCM MECHANISM AND CUT-OFF TIMINGS

All Client Code Modifications shall be executed strictly through Exchange-provided CCM facility.

Indicative cut-off timings (subject to Exchange circulars):

Segment	Cut-Off Time
NSE/BSE Cash Segment	4:00 PM
NSE F&O Segment	4:15 PM
MCX Segment	5:00 PM

No manual or unauthorized off-market transfer of trades shall be permitted.

The Company shall comply with all Exchange-imposed restrictions relating to CCM quantity, value limits, and penalties.

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12. CLIENT COMMUNICATION AND RESPONSIBILITY

Clients are expected to verify:

- Trade confirmations
- Contract notes
- Statements of account
- Margin statements

immediately upon receipt and report discrepancies promptly.

The Company shall not be responsible for losses arising due to delayed reporting beyond permissible timelines.

Where required, confirmation may be obtained from clients before execution of modification.

13. SYSTEMS AND INTERNAL CONTROLS

- All modifications shall be executed only through authorized systems.
- Proper maker-checker controls shall be maintained.
- Access to modification systems shall be restricted and monitored.
- Complete system-generated logs and audit trails shall be maintained.
- No unauthorized manual modifications shall be permitted.
- Risk Management and Compliance teams shall monitor CCM activities periodically.

14. MONITORING, REPORTING AND ESCALATION

The Company shall maintain complete records relating to:

- Trade Modification Memos
- Error Account transfers
- Client confirmations
- Approval records
- System logs
- Financial impact analysis.

Periodic review shall be conducted to analyze:

- Frequency of modifications
- Nature of errors

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- Dealer-wise patterns
- Client-wise trends
- Financial impact.

Any abnormal trend, repeated error, or suspicious activity shall be escalated to Compliance and Senior Management for investigation and further action.

Summary reports may be placed before Senior Management periodically.

15. DISCIPLINARY ACTION

Any misuse of CCM facility, intentional manipulation, negligence, unauthorized modification, or regulatory violation by employees, dealers, authorized persons, or associated persons shall attract disciplinary action including:

- Warning
- Financial recovery
- Suspension
- Termination
- Regulatory reporting
- Any other action deemed appropriate by management.

16. RECORD MAINTENANCE

The Company shall preserve:

- Trade Modification Memos
- Supporting documents
- Client requests
- Approval records
- Audit trail logs
- Error Account records
- Internal review reports

for the minimum period prescribed under SEBI and Exchange regulations.

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17. REVIEW OF POLICY

This Policy shall be reviewed at least annually or earlier if required due to:

- Regulatory changes
- Exchange circulars
- Internal audit observations
- Operational requirements
- Business requirements.

Any amendment to this Policy shall be approved by the Board of Directors or competent authority.

18. APPROVAL

This Error Account, Client Code Modification (CCM) and Transfer of Trades Policy is approved and adopted by the Board of Directors of Wealthstreet Financial Services Private Limited.

The Company is committed to ensuring that all trade modifications and error rectifications are handled in a transparent, controlled, auditable, and compliant manner while preventing misuse of Client Code Modification facilities and ensuring adherence to SEBI and Exchange requirements.

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