

**SHREE TISAI CONSULTANT PRIVATE  
LIMITED**

**INTERNAL POLICY ON NISM- VII  
SECURITIES OPERATIONS AND  
RISK MANAGEMENT  
CERTIFICATION**

# INTERNAL POLICY ON NISM- VII SECURITIES OPERATIONS AND RISK MANAGEMENT CERTIFICATION

## 1) Preface:

Policy on NISM- VII Securities Operations and Risk Management Certification is adopted vide SEBI notification no. LAD-NRO/GN/2010-11/29/29390 dated 10<sup>th</sup> December 2010 issued under Regulation 3 of SEBI (Certification of Associated Persons in Securities Market) Regulation, 2007.

This policy lays down broad guidelines on the persons and who are required to obtain NISM VII (SORM) certificate. It also lays down the principles on which the functions or various activities are classified for the said purpose.

All associated persons shall obtain required certification within one year from the date of aforesaid SEBI notification.

## 2) Definitions:

- a) "Associated Persons" means persons associated with registered Stock-Broker/ trading member/ clearing member for following activities:
- i. Assets or funds of investors or clients
  - ii. Redressal of investor grievances,
  - iii. internal control or risk management, and
  - iv. activities having a bearing on operational risk

Provided the following activities shall inter-alia cover all activities other than basic elementary level/ clerical level activities.

- b) "Basic Elementary/ Clerical Level Activities" shall include the following activities:

### **Internal Control or Risk Management**

1. Inwarding 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.

### Redressal of Investor Grievances

1. Inwarding of complaints,
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 Updation, 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.

c) "NISM" means National Institute of Securities Markets (NISM)

### 3) Requirement and Activities Covered:

All Associated Persons shall obtain Associated Person Certification of Series VII from NISM if he is involved in all activities other than Basic or Elementary Level activities.

Sr No.	Type of Activities	Activities	Department
a)	Assets or Funds of Investors or Clients	<ul style="list-style-type: none"><li>• Pay-in and Pay-out to clients</li><li>• Margin collection</li><li>• Early Pay-in</li></ul>	Accounts, Settlement
b)	Redressal of Investor Grievances	<ul style="list-style-type: none"><li>• Investor Grievances</li></ul>	Risk and Compliance
c)	Internal Control or Risk Management	<ul style="list-style-type: none"><li>• Client Registration</li><li>• PMLA Compliance</li><li>• Third Party Pay-in/ Pay-out monitoring</li><li>• EOD, DOD and BOD for CTCL</li><li>• Limit management with</li></ul>	Risk and Compliance

		<ul style="list-style-type: none"> <li>• exchange</li> <li>• Other related activities</li> </ul>	
d)	Activities having bearing on Operational Risk	<ul style="list-style-type: none"> <li>• Billing and Contract note generation</li> <li>• Margin Reporting</li> <li>• Information Technology</li> <li>• Settlement of Funds and Securities</li> <li>• Membership Compliances</li> <li>• Audit and Inspection</li> <li>• Other related activities</li> </ul>	Risk and Compliance, Accounts, Information Technology

**4) Time Period:**

Associated Persons who are currently employed shall obtain the said certification within 2 years from the date of notification. Any Associated Persons employed in future shall obtain the certification within 1 year from the date of his employment.

**5) Requirement:**

Based on the nature of operations and size of organization, persons heading the following operations/ department shall be required to obtain the required certification:

- a) Compliance
- b) Risk Management
- c) Information Technology
- d) Accounts
- e) Settlement

**6) Review:**

The policy shall be periodically reviewed and updated by the Compliance Officer.