



# Centrum Finverse Limited

## Client Code Change Policy

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(Internal)

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### Document Approval History

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## Objective

The firm strives to ensure high levels of transparency in all dealings with clients. This policy intends to set out a process and guideline for any changes in client code post execution of orders / transactions. This policy sets out requirements for the rationale, authorization and archival of such changes.

### 1. Situations leading to Client Code Change

Trade modification from one client UCC to another client UCC is not permitted in any circumstances. Trades with incorrect UCC can be transferred only to ERROR account UCC. Cut off for Update on exchange terminals is 4:00 PM. Dealers and respective teams to inform with approvals for changes before 3:45 PM. Following are the instances for client code modification.

Client code modification is permitted in the following situations:

Situation	Timing of Identification
Orders executed with <b>wrong</b> UCC by dealer	Before close of trading hours
Orders executed with <b>incorrect Quantity/Price</b> by Dealer	Before close of trading hours
<b>Customer Rejection</b> of order after receipt of Confirmation/Contract	Before close of trading hours
<b>Invalid orders for NRIs</b> (Regulatory restrictions)	Before close of trading hours
Trade executed without/incorrect <b>CP Code</b>	Before close of trading hours

For cases identified after exchange cut-off, modification cannot be done. Such cases to be handled by transfer of Profit/Loss by passing JV to receptive client code from ERROR account.

All Delivery Vs Payment Cases (Rejection by Custody) to be handled by transfer of trades to Prop/ERROR Codes as per the exchange/regulatory guidelines post rejection notification by Custody.

### 2. Authorization.

Any client code change is considered an **exception** and requires a formal process. All client code changes to be authorized by Head of Operations & Risk / CFO.

- The person originating the request must provide an **adequate explanation** to the **authorised approvers**.
- The approver authorizes the modification based on the explanation.
- In the absence of the **Head of Operations & Risk / CFO**, the **Compliance Officer** can grant an **interim approval**, which must be regularized later.
- The **Compliance Officer** must be **marked on all approvals**.
- As per the changes in business scenario and value of trade approval matrix may be revised and/or Approval from higher authorities viz, CBO/MD/CEO may be sought singly or jointly for critical/sensitive/high value cases.

### 3. Approval and Execution Process

#### (A) Non-Institutional Clients – Instances Identified During Market Hours (Before Exchange Cut-off for Trade Modification)

Client code changes during market hours shall be permitted **only under exceptional circumstances** and **solely for rectifying genuine errors**, subject to approval from the **Head of Operations & Risk** and/or the **CFO**, after consultation with the **Compliance Officer**.

- **Dealer / RM** to originate a request in the **standard template**, capturing complete trade details and justification. The request shall be sent to the **Head of Operations & Risk**, **CFO**, **Operations**, and **Compliance** teams for review and approval.
- **Approval** shall be obtained from the **Head of Operations & Risk / CFO**, with a **copy marked to Dealing, Operations, Risk, and Compliance** teams. The approval communication shall include the detailed reason and follow the prescribed format.
- The **RMS Team** shall:
  - Intimate the **Finance Team** to allocate requisite funds/margins in the **ERROR UCC** to meet margin obligations arising due to trade shifting.
  - Execute the **client code change** on the **exchange terminal** post receipt of approval.
  - Maintain complete records of all such trade modifications for audit and compliance review.
- The **Dealer**, through the **RMS Team/Terminal**, shall square off open positions in the **ERROR Account** at the earliest, to minimize market exposure.

#### (B) For instances identified post expiry of the Client code change window

The **Client Code Modification Window** on exchange terminals is available **only up to 4:00 PM**. After closure of the window, **client code modification is strictly prohibited** on both **exchange terminals** and **back-office systems**.

- Instances identified post cut-off shall be **reported by Dealer / RM** to the **Head of Operations & Risk / CFO** along with detailed justification.
- Such requests are expected to be **rare** and must be **reviewed thoroughly** by the approving authority.
- **Approval** shall be accorded by the **Head of Operations & Risk / CFO**, with a **copy marked to Risk, Operations, and Compliance** teams.

- In such cases, the **Profit/Loss adjustment** shall be passed through **Journal Vouchers (JVs)** as follows:
  - From **Incorrect Client Code** → **ERROR Account**, and subsequently
  - From **ERROR Account** → **Correct Client Code**.

**(C) For trade rejected by custodian post of the Client code change window**

Custody settled trades may be rejected by custodian for instances of CP Code mismatch, Security Qty mismatch, Funds amount mismatch, Inactive client CP Code, etc.

- If the rejection/error is identified **before the exchange modification cut-off**, the procedure outlined in **Point (A)** shall apply.
- If the rejection is identified **after the exchange modification window**, the process outlined in **Point (B)** shall apply.
- Rejection details received by Settlement Ops Team from custodian. Settlement Ops to intimate Dealer/RM, Compliance, Risk, PMS and other concerned departments.
- If finally the case is proper rejection the trade is shifted to **ERROR/Prop account**.
- Intimation to be sent to respect RM/Dealer/PMS Teams for with rejection reasons.
- Non delivery of securities towards DVP trades results into Auction Loss.
- All such trade related charges, profits & loss to be booked into **ERROR account**.

#### 4. Exchange reporting process

*(a) Changes before exchange modification cut-off (reported through the trading system) for non- institutional clients & error code impact.*

All such code changes to be done in respective exchange terminal/portal by the Risk Team subject to necessary approvals and as per regulatory guidelines. The trail of all the trade changes is to be filed by Risk Team and submitted to compliance team periodically.

Risk team to report such cases as per regulatory guidelines in Exchange Compliance Portal (ENET/RTRMS) within T+5 days.

*(b) Changes after exchange modification cut-off*

Client code changes are not allowed for such cases. Instances are handled by passing JV for the profit/loss incurred by client from **ERROR account**. Respective approvals and records for such changes shall be kept by compliance department for review during internal/external audits and inspections.

#### 5. Internal Reporting

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Quarterly Summary report for client code changes, with details of financial impact and risk analysis to be sent to Designated Directors/Compliance Officer. Further the report is presented to Audit Committee and/or Board Members for review. The RMS team shall prepare the reports for the respective segments.

Implementation and review of policy:

This policy shall come into effect from the date of approval of the Board of Directors of the company for its implementation and that the same will be reviewed on periodic basis or as and when there are any changes introduced by any Regulatory Authority or as and when it is found necessary to change on account of Business needs.