**Note on Account Opening**

1. **Introduction**

A trading account is essential for individuals and businesses who participate in financial markets. It allows for buying and selling of securities, diversification of portfolios, and potential for profit. Proper management of a trading account can lead to financial growth and long-term stability.

Most often, stock broking firms have thousands of clients. It is not feasible to take physical orders from every client on time. So, to make this process seamless, you open a trading account. Using this account, you can place buy or sell orders either online or by phone, which will automatically be directed to the exchange through the stockbroker.

1. **How To Open a Trading Account?**

To open an account please fill out the Know Your Client (KYC) form and submit it along with two documents that serve as proof of your identity and address.

Your application will be verified either through an in-person check, where you will be asked to divulge your personal details.

Once processed, you will be given your trading account details to conduct trades in the stock market.

1. **Document Required to Open Trading Account**

Just like the procedure for opening a demat account, you need to submit proof of identity and address along with a passport-size photograph and the account opening form for opening a trading account. Here is a broad list of documents that can be used as proofs:

Proof of Identity (POI): - List of documents admissible as Proof of Identity:

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

Proof of Address (POA): - List of documents admissible as Proof of Address:

(\*Documents having an expiry date should be valid on the date of submission.)

1. Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook -- Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following: Bank Managers of Scheduled Commercial Banks/Scheduled Co-Operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FII/sub account, Power of Attorney given by FII/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

Exemptions/clarifications to PAN (\*Sufficient documentary evidence in support of such claims to be collected.)

* 1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
  2. Investors residing in the state of Sikkim.
  3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
  4. SIP of Mutual Funds upto Rs 50, 000/- p.a.
  5. In case of institutional clients, namely, FIIs, MFs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

List of people authorised to attest the documents:

Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/ Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).

**IMPORTANT POINTS**:

* 1. Self-attested copy of a PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole-time directors and persons authorized to deal in securities on behalf of the company/firm/others.
  2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities authorized for attesting the documents, as per the above-mentioned list.
  3. If any proof of identity or address is in a foreign language, then translation into English is required.
  4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
  5. If correspondence & permanent address are different, then proofs for both have to be submitted.
  6. For foreign entities, CIN is optional and in the absence of a DIN number for the directors, their passport copy should be given.
  7. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of State or of Governments, senior politicians, senior Government/judicial/ military officers, senior executives of state-owned corporations, important political party officials, etc.
  8. Copy of the canceled cheque leaf/passbook/bank statement specifying the name of the constituent, MICR Code, or/and IFSC Code of the bank should be submitted.
  9. Demat master or recent holding statement issued by DP bearing the name of the client
  10. Stockbroker has an option of doing 'in-person' verification through a web camera at the branch office of the stockbroker/sub-broker's office.
  11. Form needs to be initialized by all the authorized signatories.
  12. Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in securities on behalf of company/firm/others and their specimen signatures.