

Circular No.: GWMPLC/COM/2025/09
FOR AUTHORISED PERSONS (AP) & REMISER

Date: 25-09-2025
Applicable Date: 26 Sep 2025

BROKERAGE SHARING & COMPLIANCE POLICY

1. General Brokerage Sharing (Normal Trades)

Brokerage will be shared between the Company and AP/SB as per the mutually agreed ratio (e.g., 70:30, 60:40, etc.).

- **Example:** Brokerage = ₹10,000; Ratio = 70:30 → Company ₹3,000 | AP/SB ₹7,000.

2. Expiry Day – Low Premium Brokerage Sharing

On Options Expiry Days, brokerage sharing will follow these rules:

Premium < ₹5

- 100% brokerage retained by Company**
- No brokerage** Sharing to APs/Sub-Brokers/Remiser.

Premium ≥ ₹10

- Normal agreed ratio applies (e.g., 30:70, 40:60, etc.).

Examples

- **Case 1 – Premium < ₹5**
Brokerage = ₹20,000 → Company ₹20,000 | AP/SB ₹0
- **Case 2 – Premium < ₹5**
Brokerage = ₹20,000 → Company ₹10,000 | AP/SB ₹10,000

3. Complaint / Compliance / Dispute Cases

Complaint Amount + 25% Hold Rule

- Along with brokerage forfeiture, the **Complaint Amount + 25% will be held in the Sub-Broker's account** until the matter is fully resolved.
- If the compliance investigation or regulatory order **goes in Favor of the Member or AP/SB**, the withheld amount (after deducting legal/administrative expenses, if any) will be released to the AP/SB.
- If the case is decided **against the AP/SB**, the withheld amount may be adjusted towards settlement, penalties, or client compensation as per SEBI/Exchange directions.

Example:

- Complaint Amount = ₹2,00,000
- 25% Additional Hold = ₹50,000
- **Total Hold = ₹2,50,000** kept in suspense.
- After resolution:
 - If AP/SB is cleared → Release ₹2,50,000 (after expenses).
 - If AP/SB is liable → Amount adjusted for settlement/penalty.

4. Misuse of Client Credentials (User ID / Password)

Sl.No	Deviation	Period	Action	Remarks
1	Assured Returns to Clients- Trades without Clients' Consent- Unauthorised Trades- Misuse of Client Details (Login)	3 Compliant in a Month	Written Warning	To comply with statutory norms

2	Re-occurrence of any of the above instances	Subsequent Months	Termination would be initiated	Deposit amount would be refunded after recovery of all expenses
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6. Brokerage Limit – Daily Thresholds

Brokerage Limit – Daily Thresholds

To ensure transparency and client protection, the following thresholds are defined:

Suspicious Activity Definition

Any client trade that meets either of the below criteria will be flagged for review:

- a) **Brokerage Threshold** – Brokerage from a single client exceeds **₹25,000 in one day**.
- b) **Capital Threshold** – Brokerage earned equals or exceeds **25% of the client's invested capital in a single day**.

Mandatory Call Confirmation

All trades are required to follow the **mandatory call confirmation procedure**:

- a) All trade-related communications **must take place via a conference call**.
- b) The **respective AVP, Authorized Person/Sub-Broker, and the Client** must participate in the call to provide explicit confirmation.
- c) **Recording of the call** is mandatory for audit and compliance purposes.
- d) **Without full call confirmations, brokerage will not be released**, and the transaction will remain **on compliance hold**.
- e) All trade confirmations must be completed and provided by the next working day before 6:00 PM

△ Retroactive Applicability: All trades executed **before the circular implementation date** are also subject to this rule. Brokerage for such trades **will not be released** unless mandatory call confirmations are verified.

All APs, Aps employees, and Sub-Brokers are **strictly required to comply** with the above guidelines. Non-compliance will attract **disciplinary action, brokerage forfeiture, and potential termination**.

Example:

- Brokerage earned in Client A's account = ₹30,000 in a single day
- Threshold crossed → Trade flagged
- Compliance initiates:
 - AVP, Aps/SB and client call confirmation.
- Only after successful verification → Brokerage considered valid

8. Key Notes for APs, Remiser

- Always **record client consent** before placing trades.
- Never execute **Unauthorised trades / Trade Without Client Consent**.
- Never **use client credentials (User ID/Password/OTP)**.
- Ensure all **Remiser's are registered**.
- Violations may result in:
 1. Loss of brokerage entitlement,
 2. Penalty of 25% of the client's complaint amount,
 3. Suspension/termination of AP/SB,
 4. SEBI/Exchange disciplinary proceedings.

△ Note: On timely basis The Company reserves the right to revise this policy in line with SEBI, NSE, and BSE guidelines