



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/15/2011

August 02, 2011

To

All Recognized Stock Exchanges

Dear Sir/Madam,

**Sub: SMS and E-mail alerts to investors by stock exchanges**

1. SEBI receives complaints from investors against stock brokers which include alleged unauthorized trading in their accounts. SEBI has taken steps in the past to address this issue.
2. As an additional measure, it has now been decided in consultation with the major stock exchanges and market participants that the stock exchanges shall send details of the transactions to the investors, by the end of trading day, through SMS and E-mail alerts. This would be subject to the following guidelines:

**A. Applicability**

These guidelines are applicable to equity - cash and derivative - segments of the stock exchanges.

**B. Uploading of mobile number and E-mail address by stock brokers**

- i. Stock exchanges shall provide a platform to stock brokers to upload the details of their clients, preferably, in sync with the UCC updation module.
- ii. Stock brokers shall upload the details of clients, such as, name, mobile number, address for correspondence and E-mail address.
- iii. Stock brokers shall ensure that the mobile numbers/E-mail addresses of their employees/sub-brokers/remisiers/authorized persons are not uploaded on behalf of clients.
- iv. Stock Brokers shall ensure that separate mobile number/E-mail address is uploaded for each client. However, under exceptional circumstances, the stock broker may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents.

**C. Verification by the stock exchanges**

After uploading of details by the stock brokers, the stock exchanges shall take necessary steps to verify the details by any mode as considered appropriate by them which may include the following:

- a. By way of sending SMS and E-mail directly to the investors at the numbers/E-mail address uploaded by the stock brokers.
- b. By way of sending letters to the address of the investors uploaded by the stock brokers.

**D. Sending of alerts by the stock exchanges**

Upon receipt of confirmation from the investors, the stock exchanges shall commence sending the transaction details generated based on investors' Permanent Account Number, directly to them.

**E. Handling of discrepancies, if any.**

If any discrepancy is observed by the stock exchanges in the details uploaded by the stock brokers including non-confirmation by investors, bounced E-mails, undelivered SMS/letters, etc., the stock exchanges shall inform the respective stock broker.

**F. Meeting out the expenses for providing SMS and E-mail alerts**

The stock exchanges may use the amount set aside from the listing fees for providing services to the investing public, as provided vide SEBI communication dated SE/10118 dated October 12, 1992, to meet the expenses for providing this facility.

**G. Implementation**

The stock exchanges shall put in place necessary infrastructure and implement the SMS and E-mail alert facility at the earliest and not later than four months from the date of this circular.

3. Stock exchanges are advised to :

- a. issue necessary instructions to bring the provisions of this Circular to the notice of their constituents and also disseminate the same on their websites;
- b. make amendments to the relevant bye-laws, rules and regulations for the implementation of the above, as deemed necessary, in coordination with other stock exchanges;
- c. communicate to SEBI, the status of the implementation of the provisions of this Circular in the Monthly Development Report to SEBI;
- d. develop the monitoring mechanism through the system of half-yearly internal audit and inspections; and
- e. publicize widely the availability of this facility for the awareness of the investors.

4. This Circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect from the date of this Circular.
5. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Circulars".

Yours faithfully,

**V S Sundaresan**  
**Chief General Manager**  
**022-26449200**  
**sundaresanvs@sebi.gov.in**