

March 18, 2021

Dear Sir/Madam,

**Commencement of Futures & Options/ Currency Derivatives Execution account**

Thank you for agreeing to appoint J.P. Morgan India Private Ltd ("JPMIPL") as your execution broker for the Futures & Options / Currency Derivatives Segment at the National Stock Exchange ("NSE").

In order to ensure smooth and proper working of the trade process please note the below procedures for trading futures and options products as outlined below. Please also acknowledge your understanding and acceptance of the same by signing this letter.

**Order Taking/Execution:** At the time of placement of your order, you will need to specify the Foreign Portfolio Investor account (at sub fund level) for which the trade is intended.

**Margin Requirements:** Before accepting any order from you, JPMIPL shall be entitled to collect from you, margin(s) of such amounts and of such kinds to meet your margin requirements as prescribed by NSE/NSE Clearing Limited ("NCL") as JPMIPL may deem necessary which at any point of time shall not be less than the amount stipulated by NSE/NCL, from time to time. Additionally, JPMIPL shall have authority to collect such additional margin(s) as JPMIPL may deem necessary or as per the requirement of NSE/NCL, in order to ensure that JPMIPL holds sufficient margin to meet your end of day and peak margin requirements as prescribed by NSE/NCL.

While it is your responsibility to ensure that you maintain sufficient margin with JPMIPL to meet your margin requirements as prescribed by NSE/NCL, parties can mutually determine the manner in which the margin posted may be utilized in order to cover your end of day and peak margin requirements, before the give-up happens and such give-up trades are accepted by your Clearing Member (CM). Also, JPMIPL shall refund any excess margin to you as per mutual agreement.

To the extent any fees, fines, penalties or other charges are imposed by NSE, NCL or any regulatory authority ("**Charges**") on JPMIPL because you maintaining insufficient margin as prescribed by NSE/NCL with JPMIPL, all such Charges will be borne by you.

**Trade Confirmation at the Exchange:** In the case of give-up trades, acceptance by your CM will be required to be completed prior to the exchange prescribed deadline for trade confirmation. Any dispute will be dealt with in our discretion and may require resolution in conjunction between our settlements/dealing desk, your designated CM and you.

**Trade and Account Confirmation:** A copy of the trade confirmation/contract note will be delivered to you / your local custodian after the transaction has been accepted by the designated CM for clearing. As your designated CM clears the relevant trade you will not receive any statement of positions/cash from JPMIPL.

**Commission:** Commission shall be charged at mutually agreed rates, and shall be paid by you to JPMIPL on a monthly basis.

**Securities Transaction Tax:** In addition to the commission mentioned above, JPMIPL may be required to pay Securities Transaction Tax, in transactions effected by JPMIPL on your account. JPMIPL shall have the right to be reimbursed in full for the Securities Transaction Tax including any consequential interest, and penalties and you shall have obligation to reimburse JPMIPL in full forthwith in respect of all such payments made by JPMIPL.

**Failure of Acceptance of Give-up trade:** In any circumstance in which a trade is not accepted or is rejected by your designated CM within the time frame noted above, **JPMIPL will liquidate the trade at the first available opportunity.**

Contract notes for both sides of any relevant liquidated transaction will be delivered to you and will identify that the transactions are failed give-up trades.

**Settlement of Liquidation of Failed Give-up Trades:** Any loss on account of the liquidation of any failed give-up trades, or any option premium to be paid by us for you on account of the liquidation of any failed give-up trades, will be a debt due, owing and payable by you to JPMIPL immediately without set-off, counterclaim or reduction. JPMIPL shall be under no obligation to pay the whole or any part of any profits or option premiums received by us on account of failed give-up trades until any loss or any option premiums to be paid by us on account of any liquidation of any failed Give-Up trades has been completely and unconditionally paid, satisfied and discharged in full.

**Failed Give-up Trade Reporting:** Please note that JPMIPL may be required to report failed give-up trades to the relevant exchange to ensure that the failure, subsequent non collection of margin and liquidation is documented.

**Indemnity:** You will indemnify JPMIPL and keep JPMIPL fully and effectually indemnified, and held harmless in respect of any damage, charge, liability, loss, cost or expense sustained or incurred by JPMIPL in connection with (a) you maintaining insufficient margin with JPMIPL as prescribed by NSE/NCL; and (b) any omission or failure by your CM to notify JPMIPL of your designated CM's actual, intended or purported non-acceptance or rejection of any trade.

**U.S. based client:** If you are located in the United States of America then notwithstanding anything stated above or in any other agreement, letter or document accepted, acknowledged or agreed by you or executed between you and JPMIPL, you are hereby notified on the availability of the National Futures Association ("NFA") arbitration program to resolve your disputes with respect to trade orders placed at the National Stock Exchange Limited ("NSE") pursuant to the order of the U.S. Commodity Futures Trading Commission dated May 17, 2018 ("Part 30 Order"); and you hereby consent and agree to exhaust all mediation or conciliation procedures made available by the NSE prior to bringing an NFA arbitration proceeding in relation to such disputes.


Please also provide us with the following documents:

- a) Certified true copy of your PAN Card
- b) List of authorized traders
- c) Copy of SEBI Registration Certificate

Should you need any clarifications regarding the above, please feel free to get in touch with us.

For J.P. Morgan India Private Ltd.

  
Devasis Sharma  
Business Manager

  
Hoshi Bharucha  
Vice President (Operations)

**Agreed by, for CLIENT NAME**

Signature :

Name :

Designation :

Date :