FAQs FOR POST TRADE ALLOCATION

1. What is Post Trade Allocation?
   Post-Trade Allocation is the process of re-allocating securities traded (purchased) into a pool account en-bloc or in tranches by a licensed stock broking firm on behalf of clients domiciled with a local Custodian, daily.

2. How would this work?
   The post-trade allocation concise process flow include amongst others;
   - Open pool account under the custodian position
   - CSCS grants remote trading access to the Broker
   - Broker buys into the pool account
   - At the end of trade, Broker instructs CSCS to allocate into the final destination account

3. Who is it meant for?
   Post trade allocation is meant for Brokers who trade for investors whose stock accounts are:
   a. hosted by local custodians.
   b. Pension Fund Custodians that have pool accounts

4. What is the basis of allocation?
   Allocation of the executed trades is per Custodian, on a first in first out basis OR pro-rated on the basis of clients’ instructions

5. What is the duration for post trade allocation?
   2 1/2 (two and half) hours window after each trading session (2.30 to 5pm).

6. What happens to trades that remain unallocated at the end of trade day T+0?
   At End of Day on (T+0) unallocated trades shall default to the Broker’s proprietary position under the custodian. The brokers will be required to fund the unallocated volume through the custodian latest by (T+2)

7. Treatment of default trades as in 6 above.
Any trade that defaults to a Broker’s account shall no longer be allocated to client account. This shall henceforth be carried as a proprietary position by the Broker.

8. **Failure to fund custodian by the Broker.**
   Such Broker shall be penalized/sanctioned on receipt of the Custodian’s complaint.

9. **Are Brokers allowed to make profit from their operation of the Brokerage Allocation Account?**
   This is prohibited. Brokers that violates this provision shall be liable to pay a fine, in addition to any other sanction which the Exchange may impose.