

How to Open a Trading Account

India has been moving towards a cashless economy. It is faster, secure and more cost-efficient. Before the conversion, the stock markets operated on an open outcry system. Traders communicated verbally and through gestures to buy and sell shares. With the advent of electronic trading, a simple online command is enough to execute a trade. However, electronic trading has prerequisites like having a trading account and bank account to access the capital and commodity markets.

What is a Trading Account?

Similar to a bank account, a trading account is used to trade in different kinds of securities and commodities by the investor. Meanwhile, a trading account is required to hold or buy new securities and commodities. It is not possible to buy or sell a unit of security or commodity without a trading account.

You just have to place the order through the trading account and the request to buy/sell is forwarded to the stock exchanges. Before placing any order client has to deposited upfront required margin to his broker.

Features of Trading Account

A trading account is not limited to stocks, there are trading accounts for currencies, commodities, bonds, gold and exchange-traded funds. The biggest benefit is that you can open trading accounts online and not visit a bank or the office of the broker since trading accounts provide one-point access unlike physical trading.

Through a single trading account, you can access stock exchanges like BSE and NSE, commodity exchanges like Multi-Commodity Exchange and National Commodity and Derivatives Exchange. Opening trading accounts online gives you

flexibility to trade through multiple mediums and trade through mobile, desktop or through a call.

Step-by-Step Guide on How to Open a Trading Account

Opening a trading account opens up a host of investing possibilities. You can open a trading account in a few simple steps:



In the first step, choose a brokerage firm to open a trading account after conducting a thorough research. Take the various charges levied by brokerages, the interface of the trading platform and the value-added services into account before finalizing a brokerage.

After selecting a broker, enquire about the trading account opening procedure. The brokerage will require you to fill up an account opening form and a Know Your Customer (KYC) form. A representative from the brokerage firm will assist you with the process.

You will also have to submit identity proof, residence proof and proof of income and bank statements. A photocopy of the Aadhar card or passport, besides several other documents, can be used as proof of residence and a copy of an Aadhar card or PAN card can be used as identity proof. The PAN card is compulsory to open a trading account.

Post submission of the documents, the brokerage will conduct a manual KYC verification. A representative may visit your house to verify the documents or an online verification will be conducted. If you do not want to manually verify the documents, you can opt for the e-KYC process. For the e-KYC process, your PAN card should be linked to the Aadhar card and your bank account. The mobile number submitted in the account opening form should be the same as the Aadhar card for the e-KYC process.

It generally takes 3-4 days to activate the trading account after the completion of the verification process.

FAQ FOR ACCOUNT OPENING AND ACTIVATION

- **Which type of account that can be opened with Fortufusion stock broking services LLP?**
- Trading Account
- **In which segments I can open an account with Fortufusion stock broking services LLP?**
- Commodity
- **Who can open a Trading account with Fortufusion stock broking services LLP?**
- Individual
- **Resident Individuals**
- NRIs
- **Non-individual**
- Corporate
- Partnership firms
- Registered/Unregistered trust
- Registered/Unregistered society
- Association of Persons (AOP)
- FII/FPI (Only Trading Account)
- Bank
- Mutual funds
- LLP (Limited Liability Partnership)
- **What are the documents required for opening the account?**
- **Resident Indian Individual account**
- Proof of Identity (PAN with photograph mandatory)
- Proof of Address (Passport/ Voters Identity Card/ Ration Card/ Registered Lease or Sale Agreement of Residence/ Driving License/ Flat Maintenance bill/ Insurance Copy /Aadhaar Letter issued by Unique Identification Authority of India./ Telephone Bill (only land line)/ Electricity bill/
- Gas bill/Bank Account Statement/Passbook – (Not more than 3 months old – as on date of receipt for documents).
- Proof of Bank account
- Income Poof (Mandatory incase of derivatives/Currency Segment)
- Last 6 month bank statement

- **HUF account**
- HUF PAN copy
- HUF address proof
- HUF bank proof
- Last 6 month bank statement
- Karta's PAN card copy (individual with photo visible)
- Karta's address proof
- Itr and balance sheet last 2 year
- Last 6 month bank statement
- No Objection Certificate from all Co-Parceners, along with list of Co-Parceners
- Details of Family member and PAN no of co-parceners.
- **Partnership Firm Account**
- Partnership firm can open trading account in the name of the firm.
- PAN card of Partnership firm
- Address proof of Partnership firm
- Bank proof of Partnership firm
- PAN card copy along with address proof for all authorized partners is mandatory
- Declaration required duly signed by all partners.
- Declaration to be given by partners on letter head of the firm
- List of partners required on letter head of firm
- Profit sharing certificate required with percentage on letter head of firm
- Copy of Partnership Deed required
- Last 2 years' Annual Accounts (audited Balance sheet) (C.A. Certified)
- Latest Net worth certificate
- Last 6 month bank statement
- Firm's stamp required on all places where signatures are done on trading account agreement form and all related documents
- Registration certificate required
- **NRI Account**
- Two types - NRE and NRO
- India address proof (not required in case of NRE)
- Foreign address proof (Mandatory both cases)

- PIS Letter (issued by RBI)
- PAN card
- Bank Account Statement/ Passbook Bank proof should indicate NRE/NRO saving a/c bank details
- If NRE or NRO is not mentioned (pre printed) on cheque, then bank verification letter is required.
- All the photocopy of the KYC document should be attested by the any of the entities: Notary Public, any Court, magistrate, judge, Local banker, Indian embassy, Consulate General of the country where NRI is residing.
- **Corporate Account**
- PAN Card copy of the corporate
- Bank proof of the corporate
- Address proof of the corporate
- Last 2 year's annual reports & income tax returns
- Latest Net worth certificate
- Last 6 month bank statement
- Memorandum & Articles of Association
- Board Resolution as per the Specific Format.
- List of Authorized Signatory.
- Copy of latest share holding pattern of the Company
- Form no 32 (If changes in directors)
- List of Directors (name & signature) with their shareholding
- Stamp of the corporate required on all the signatures as well as the supporting documents
- PAN copy of all the directors
- Certified copy of the Board resolution (As per the format given in form and it should be on letter head of the Company)
- Undertaking letter is required if company is involved in share broking business or any investment made in broking business

- For Foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given
- Format of declaration of beneficial owners
- **Trust Account**
- PAN card copy of the Trust
- Last 2 years' audited annual accounts
- Copy of Income tax return
- Certified copy of the Trust-Deed
- List of trustees with signatures across their photograph as well as
- Trust stamp
- Board Resolution
- Trust Stamp required on all the signatures as well as the Supporting documents
- PAN proof along with address proof of trustees
- Copy of Trust registration certificate
- Proof of address of registered office of Trust
- List of Authorized trustees along with specimen signatures
- **How can I open an account with Fortufusion stock broking services LLP?**

Offline

You can call on ph. no. +91 9887791222 and you will connect with RM and he will assist you in account opening.

How will I come to know if the form is rejected?

Your RM will contact you in case if there is any rejection.

How will I be intimated regarding the account opening?

You will receive welcome SMS on your registered mobile number, welcome email on the registered email id and welcome letter along with welcome kit on the registered address.

I have not received the welcome letter. What should I do?

In case you do not receive the welcome letter along with welcome kit and the same is returned to us and your account will be freezed.

How can I unfreeze the account if I have not received the welcome letter?

You can call on +91 9887791222 to unfreeze the account.