

National Stock Exchange Of India Limited**Department: INVESTOR SERVICES CELL**

Download Ref No: NSE/ISC/64509

Date: October 11, 2024

Circular Ref. No: 54/2024

To All Members,

Sub: Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account

This is with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024, Exchange Circular No. NSE/INSP/62420 dated June 11, 2024, Exchange Circular No. NSE/ISC/62810 dated July 05, 2024, Exchange Circular No. NSE/ISC/63535 dated August 23, 2024 and Exchange Circular No. NSE/ISC/64423 dated October 08, 2024 on “Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account”.

We draw your attention to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/136 dated Oct 10, 2024, regarding “**Extension of timeline for implementation of SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024**”. The copy of the circular issued by SEBI is enclosed as Annexure.

The revised implementation schedule shall be informed separately.

Trading Members are advised to take note of the above guidelines.

In case of any query kindly contact uci@nse.co.in

**For and on behalf of
National Stock Exchange of India Limited**

**Shanti Idnani
Associate Vice President**

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CIRCULAR

SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/136

October 10, 2024

To,

All recognized Stock Exchanges and Clearing Corporations

All Depositories

Madam / Sir,

Sub: Extension of timeline for implementation of SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024

1. In order to protect client's securities as part of enhancement of operational efficiency and risk reduction, SEBI vide circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024 mandated pay-out of securities directly to the client's demat account. The circular was to come in to effect from October 14, 2024.
2. In this regard, the final operational guidelines/implementation standards were to be issued by CCs to the market by August 05, 2024. However, the said guidelines were issued by CCs at the end of August 2024 on account of extensive consultation in Brokers' Industry Standards Forum (Brokers' ISF). Further, based on the review meeting held by SEBI with MIs and based on representation received from Brokers' ISF, it has been decided that the circular shall come into effect from November 11, 2024, in order to ensure smooth implementation of pay-out of securities directly to the client's demat account, without any disruption to the markets players and investors.
3. Stock Exchanges, Depositories and CCs are directed to:
 - 3.1. bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites;

- 3.2. put in place appropriate systems and procedures to ensure compliance of the provisions of this circular;
- 3.3. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above decision;
4. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, and Section 19 of Chapter IV of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
5. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

Yours faithfully,

Aradhana Verma
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