



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/A,I&C/DP/POLCY/2023/256

April 26, 2023

FRAMEWORK FOR FREEZING OF CLIENT'S DEMAT ACCOUNT ON NON-DELIVERY OF SCN-ORDER

This is with reference to the Communique no. CDSL/A,I&C/DP/POLCY/2022/515 dated September 08, 2022 on "Framework for freezing of client's demat account on non-delivery of SCN-Order", wherein SEBI instructs MIs to serve any Show Cause Notice ("SCN") or order issued by SEBI, the MIs shall arrange to physically deliver the same to the entity. The MIs shall forward the signed acknowledgement of its receipt by the concerned addressee or its authorized representative to SEBI within a period of 30 working days from the date of receipt of such instructions from SEBI.

Further to SEBI communication, the period of 30 working days is now being revised to 15 working days from the date of instructions from SEBI. In case the show cause notice / order is not delivered within 15 days, the client account will be frozen (For Debit and Credit, except for corporate actions) based on the Permanent Account Number (PAN) within 5 working days from the last unsuccessful delivery report submitted by the Depository Participant/s (DPs).

The above framework is effective from April 01, 2023. DPs are advised to take note and comply with the above framework.

Queries, if any, regarding this communiqué may be addressed to CDSL-Audit on (022) 2305 8519.

sd/-

Latha Nair
Asst. Vice President – Audit, Inspection & Compliance