

# GRC BULLETIN

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## RBI

Master Direction - Access of SEBI-registered non-bank  
brokers to NDS-OM

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# CORPORATE LAWS

## Authority

Reserve Bank of  
India

## Circular Date

Feb 07, 2024

## Circular Number

RBI/FMRD/2024-  
25/127  
FMRD.MIOD.No.12/11  
.01.051/2024-25

## Effective Date

Feb 07, 2024

# RBI NOTIFIES MASTER DIRECTION - ACCESS OF SEBI-REGISTERED NON-BANK BROKERS TO NDS-OM

### *Applicability:*

*Applicable to all banks, NBFCs, primary dealers, mutual funds, insurance companies, pension funds, provident funds, and AIFIs, granting them direct access to the platform*

The Reserve Bank of India (RBI) has taken a significant step toward enhancing retail participation in the government securities (G-Sec) market by allowing SEBI-registered non-bank brokers access to the Negotiated Dealing System – Order Matching (NDS-OM) platform. This move aligns with RBI's broader goal of deepening financial markets and was announced as part of its Developmental and Regulatory Policies (Feb 7, 2025).

By revising the Access Criteria for NDS-OM, RBI aims to make government securities trading more accessible and transparent, fostering greater investor participation. The new framework not only provides direct access to institutional players but also introduces the Stock Broker Connect mechanism, allowing retail investors to trade more efficiently.

### **Highlights:**

#### **1. Expanded Market Access:**

- SEBI-registered non-bank brokers can now access the **Negotiated Dealing System – Order Matching (NDS-OM)** platform.
- This move facilitates easier trading for retail investors in government securities.

#### **2. Regulatory Alignment:**

- The new guidelines align with the **RBI's Developmental and Regulatory Policies (Feb 7, 2025)** and the **Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025**.
- It supersedes the **2024 guidelines** issued on October 18, 2024.

#### **3. Modes of Access to NDS-OM:**

- **Direct Access:** Available to banks, NBFCs, mutual funds, pension funds, insurance companies, and select financial institutions.
- **Indirect Access:** Available via intermediaries with direct access.



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- **Stock Broker Connect:** SEBI-registered stock brokers can now facilitate access for retail investors with demat accounts.

#### 4. Eligibility & Compliance Requirements:

- Entities must have an **SGL account** and a **current account** with RBI or a designated settlement bank.
- Membership with **CCIL's securities settlement segment** is mandatory for direct access.

#### 5. Supervision & Enforcement:

- RBI retains the right to **approve, reject, or terminate access** based on compliance and market integrity considerations.
- Violations of **RBI's Prevention of Market Abuse Directions, 2019**, or other regulatory provisions could lead to suspension.

#### 6. Impact on Financial Markets:

- Enhances **liquidity and participation** in the government securities market.

Strengthens market infrastructure and promotes **wider retail participation** in government bond trading.

**SOURCE:** [Click Here for more details](#)

### Head Quarters:

Vasudha, 2nd Floor, No. 2, 38th Main Rd,  
Rose Garden, JP Nagar Phase 6, J. P. Nagar,  
Bengaluru, Karnataka 560078

Ph: 080 41673023

Email: [info@ricago.com](mailto:info@ricago.com)

Website: [www.ricago.com](http://www.ricago.com)

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