

Circular No.: NSDL/POLICY/2023/0056

May 04, 2023

Subject: Framework for deactivation of demat accounts in cases of inadequate KYCs

Attention of Participants is invited to SEBI circular no. SEBI/HO/EFD1/EFD1_DRA4/P/CIR/2022/104 dated July 29, 2022, and NSDL Circular Nos.: NSDL/POLICY/2022/126 dated September 09, 2022 & NSDL/POLICY/2022/170 dated December 01, 2022 regarding framework for automated deactivation of demat accounts in cases of inadequate KYCs. SEBI, vide its aforesaid circular, had issued guidelines regarding physical delivery of Show Cause Notice (SCN)/ Orders to the noticees by the MIIs and it was stated in said Circular that *“MIIs shall arrange to physically deliver the same to the entity. The MIIs 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”*.

In this regard, SEBI, through its communication to MIIs, has revised the duration of completion of the process of delivery of SCN/ Order from 30 working days to 15 working days from the date of receipt of Notices/Orders from SEBI. In case the SCN/ Order is not delivered within 15 days, such clients demat account(s) will be suspended 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.

Participants are requested to take note of the above and ensure compliance.

For and on behalf of
National Securities Depository Limited

Arockiaraj
Manager

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Internal/ Concurrent Audit Report (Half yearly)	May 15	Through e-PASS	Circular No.: NSDL/POLICY/2023/0048 dated April 01, 2023