

Circular No.: NSDL/POLICY/2023/0183

December 27, 2023

Subject: Amendments to Bye Laws and Business Rules of NSDL w.r.t Trading supported by Blocked Amount in Secondary Market.

Attention of Participants is invited to SEBI Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/99 dated June 23, 2023 (Ref. NSDL Circular No. NSDL/POLICY/2023/0074 dated June 27, 2023), regarding "Trading supported by Blocked Amount in Secondary Market".

In abovementioned circular, SEBI stated as below:

In para 4.4.3:

"The CCs shall provide instructions to depositories for securities pay-out to the clients, which shall be directly delivered to client's account without the need of handling of such securities pay-out by TM/CM."

In para 4.7.1.1:

"CC shall provide pay-out of securities to the client's demat account and instruct the depository to auto-pledge such securities to the TM's 'client unpaid securities pledgee account'."

In this regard, Participants are hereby informed that the following amendments have been made to the Bye Laws and Business Rules of NSDL.

1. Insertion of new Bye Law 9.18 (enclosed as Annexure A)
2. Insertion of new Business Rule 12.20 (enclosed as Annexure B)

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

**For and on behalf of
National Securities Depository Limited**

**Rakesh Mehta
Vice President**

Enclosures: Two



FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month	Through e-PASS	<ol style="list-style-type: none">1. Para 20 of NSDL Master Circular for Participants on 'Grievance Redressal' chapter.2. Circular No.: NSDL/POLICY/2023/0161 dated November 13, 2023



Insertion in Byelaws:

9.18 PAY-OUT BY CLEARING CORPORATION

9.18.1 Based on the instructions received from the Clearing Corporation, the Depository shall transfer the securities from Clearing Corporation's pool account to the respective client's accounts.

19.18.2 In case of unpaid securities, upon receipt of instructions from the Clearing Corporation, to auto-pledge the securities in the client's account(s) in favour of the Trading Member's / Clearing Member's "Client Unpaid Securities Pledgee Account (CUSPA)", the Depository shall do so without any specific instructions from the client.



Insertion in Business Rules:

12.20 PAY-OUT BY CLEARING CORPORATION

12.20.1 Based on the instructions received from the Clearing Corporation, the Depository shall credit the securities in the client's account(s).

12.20.2 In case of unpaid securities, upon receipt of instructions from the Clearing Corporation to auto-pledge such securities in the client's account(s) in favour of the Trading Member's / Clearing Member's "Client Unpaid Securities Pledge Account (CUSPA)", the Depository shall do so without any specific instructions from the client.

