

# National Stock Exchange of India Limited

## Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/64522	Date: October 11, 2024
Circular Ref. No: 79/2024	

To All Trading Members,

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

SEBI has issued circular vide reference no. **SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/136** dated October 10, 2024 for extension of timeline for implementation of SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024 “**Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account**”.

A copy of the said SEBI circular is enclosed as **Annexure – A** for reference.

Members are requested to take note of the contents of the circular and ensure compliance.

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

**Naresh Sawana  
Chief Manager**

In case of any clarifications, Members may contact our below offices:

Regional Office	CONTACT NO.	E MAIL ID
Ahmedabad (ARO)	079-49008632	inspectionahm@nse.co.in
Chennai (CRO)	044- 66309915/17	inspection_cro@nse.co.in
Delhi (DRO)	011-23459127 / 38 / 46	delhi_inspection@nse.co.in
Kolkata (KRO)	033-40400412 / 459	inspection_kolkata@nse.co.in
Mumbai (WRO)	022-26598200 / 022-61928200	compliance_wro@nse.co.in
Central Help Desk	compliance_assistance@nse.co.in	

**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/MIRSDPoD1/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](http://www.sebi.gov.in) under the category: 'Legal → Circulars'.

Yours faithfully,

**Aradhana Verma**  
**General Manager**  
**Tel. No: 022 26449633**  
[aradhanad@sebi.gov.in](mailto:aradhanad@sebi.gov.in)