

Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account

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Circular Ref. No: 38/2024

Dear Clients,

SEBI has issued Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024, on the subject "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 1 for reference.

Members are advised to take note of the contents of the circular. Under the said regulations, all clearing corporations are required to follow that the securities for pay-out shall be credited directly to the respective client's demat account.

SEBI proposes the following which is to be practiced strictly by each trading member:

With regard to funded stocks under the margin trading facility, paragraph 41.9 of SEBI "Master Circular for Stock Brokers" dated May 22, 2024, is amended as follows. "41.9. Funded stocks held by the Trading Members/ Clearing Members (TM / CM) under the margin trading facility shall be held by the TM / CM only by way of pledge.

In view of the SEBI circular SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024, it is essential that all the eligible UCCs (across all segments) have the indication of Primary/Secondary in the demat accounts as the payouts shall be directly transferred to the demat accounts identified as Primary. The provisions of this circular shall come into force with effect from October 14, 2024.

Clients are requested to take note of the above guidelines and reach out to us at our customer support portal to ensure all the requisite information is understood.

In case of any query kindly contact us at 011-43444609/617 or email us at help@ezwealth.in .

Regards,

Wealth Discovery Securities Pvt. Ltd.

New Delhi.