

**CIRCULAR**

**SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2025/1**

**January 06, 2025**

**To,  
All recognized Stock Exchanges**

Madam / Sir,

**Sub: Measure for ease of doing business - Settlement of Account of Clients who have not traded in the last 30 days**

1. SEBI, vide Circular no. SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021 (hereinafter mentioned as 'Circular') and Clause 47 of Master Circular for Stock Brokers dated August 09, 2024 (hereinafter mentioned as 'Master Circular'), issued guidelines regarding settlement of running account of client's funds by stock brokers.
2. Currently, in terms of clause 5.4 of the Circular dated June 16, 2021 and clause 47.4 of the Master Circular, the account of clients who have not done any transaction in the last 30 days are required to be settled by the Trading Member (TM) within next three working days. It has been represented by Brokers' Industry Standards Forum (ISF) that this requirement necessitates TM to identify such clients daily, potentially leading to the daily settlement of client funds and resulting in procedural inefficiencies. It has further been represented that since the client funds are anyway upstreamed to the clearing corporation, there is a need to revisit the time for settling such client's funds.
3. Based on the above coupled with the recommendations received from Brokers' ISF and with a view to facilitate ease of doing business as well as to safeguard the investors' interest, it has been decided to revise the requirement of mandatory settlement of such clients' funds. Accordingly, it has been decided that the funds of such clients who have not traded in last 30 calendar days shall be settled on the

upcoming settlement dates of monthly running account settlement cycle as notified by Exchanges in the annual calendar issued by them from time to time.

4. In view of the same, Clause 5.4 of the Circular dated June 16, 2021 and Clause 47.4 of the Master Circular stands modified as under:

*For the clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction and any amount of such client's funds is lying with member for more than such 30 calendar days, the entire credit balance of client shall be returned to the client by TM, on the upcoming settlement dates of monthly running account settlement cycle (irrespective of settlement cycle preferred by the client) as stipulated by stock exchanges.*

*However, if the client trades after 30 calendar days and before aforesaid upcoming settlement dates of monthly running account settlement cycle, the settlement of account of client shall continue to be done by the Trading member as per the preference of quarterly/monthly as indicated by the client for running account settlement.*

5. The provisions of this circular shall come into force with immediate effect.
6. Stock Exchanges shall:
  - 6.1. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites;
  - 6.2. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above direction;
7. 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 read with Regulation 30 of Chapter VII of SEBI (Stock Brokers) Regulations, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

8. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category: 'Legal → Circulars'.

**Yours faithfully,**  
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