

<b>Department: Investigation</b>	<b>Segment: All</b>
<b>Circular No: MSE/ID/16243/2024</b>	<b>Date : October 29, 2024</b>

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

To All Members,

This is with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/75 dated June 05, 2024, Exchange Circular No. MSE/INSP/15473/2024 dated June 06, 2024, Exchange Circular No. MSE/INSP/15963/2024 dated September 12, 2024, and Exchange Circular No. MSE/INSP/16117/2024 dated October 07, 2024, on “Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account”

In continuation to the above circulars, Trading Members are requested to update (DP Name 1, DP Id 1, Beneficial Owner A/c No.1) in the Unique Client Code (UCC) database. The same shall be considered as the primary demat account by the Exchange. The other demat accounts if any, shall be considered as secondary demat account. Exchange has marked demat account 1 as primary demat account.

Members may note that, the demat account details of clients categorized as NRIs shall not be sent to the CCs until January 13, 2025. Hence, payouts of NRIs shall continue to be credited as per the current process till January 13, 2025. Post January 13, 2025, validated demat account details of NRI clients shall also be shared with the CCs for the direct payout of securities.

**Important Points to be noted vide NCL circular No. NCL/CMPT/63669 dated August 30, 2024 and ICCL Notice No. 20240902-8 dated September 02, 2024:**

- Direct payout will be implemented in the equity cash segment (including netted cash and F&O physical settlement) w.e.f. October 14, 2024, in 2 phases. Phase 1 shall be for a period of three months from October 14, 2024, to January 13, 2025 and phase 2 shall start from January 13, 2025, onwards.
- Payouts shall be transferred to the demat accounts identified with Primary flag in the UCC database of the Exchanges and are validated by depositories.
- In case there is no validated primary demat account available in Exchange UCC, the payout will be released to the clearing member pool account in phase 1.

**Metropolitan Stock Exchange of India Limited**

- In phase 2, UCCs which do not have validated primary demat account (except proprietary UCC) shall not be Permitted to trade by the Exchange. On updation of demat account of such UCCs' by trading members and further validation by the respective Depositories, the said UCC shall become eligible for being considered as Permitted to Trade.

Members of the Exchange are advised to take note of the above and ensure compliance.

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

**Vipul Vaishnav**  
**Assistant Vice President**