

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/54365	Date: November 10, 2022
Circular Ref. No: 81/2022	

To All Members,

Sub: Validation of Instructions for Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations

This has reference to SEBI Circular ref no: SEBI/HO/MIRSD/DoP/P/CIR/2022/119 dated September 19, 2022 and Exchange circular ref No: NSE/INSP/53756 dated September 20, 2022 regarding “Validation of Instructions for Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations.”

As per the said circular, “Depositories, prior to executing actual transfer of the securities for Pay-In from client demat account to TM Pool account, shall validate the transfer instruction for the purpose of Pay-in. The Depositories shall validate the depository transfer instruction details with CC obligation details based on UCC, TM ID, CM ID, Exchange ID, ISIN, quantity, settlement details etc. In case of matching of all details like UCC, TM ID, CM ID, ISIN, quantity, settlement details etc. of the transfer instruction with the obligation data, the instruction shall be carried out by the Depositories and such securities will be debited from client’s demat account and credited to linked TM Pool account on or before the settlement day.”

Member’s attention is drawn to Clause 4.5 of aforesaid circular, which states that, “*In case of discrepancies in details like UCC, TM ID, CM ID, ISIN etc., between instruction and obligation, such transfer instructions will be rejected by the depositories.*” Further, the rejection of such instructions might result in default of Pay-In obligation.

In view of the above, members shall adhere to operating guidelines issued in respect of Pay-in validations by the Depositories (NSDL/CDSL) and are advised to ensure that correct UCC details are provided along with the instruction, to avoid rejection of such instructions. Further, the members are advised to create awareness amongst their clients/investors on the implementation of Pay-in validations and the relevant operating guidelines issued by the Depositories.

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

National Stock Exchange of India Limited

For and on behalf of
National Stock Exchange of India Limited

Harinatha Reddy M
Chief Manager

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

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