

Circular No.: NSDL/POLICY/2025/0089

July 03, 2025

Subject: Guidelines for Transfer cum closure of demat account.

SEBI has vide its letter dated January 20, 2025 has advised depositories, regarding the procedure for closure and shifting of demat accounts. In this regard, Participants are advised to take note of the procedure outlined below for processing transfer cum closure of demat accounts:

1. Upon receipt of a duly completed and signed Form 34 for closure of a demat account from the Client, if there are no outstanding dues, Participants shall process the closure/transfer cum closure requests in the DPM system within **two working days** from the date of receipt of the request.

*For example, if a duly completed request is received on **June 3, 2025**, and no dues are pending, the Participant shall process the request by EOD of **June 5, 2025**.*

2. If the Client has outstanding dues at the time of submitting the request, the Participant shall, within two working days from the receipt of the request, send a communication to the client on the lines “*your account closure form cannot be processed due to pending demat dues of x. Kindly clear the same in y days after which the account closure request will be treated as withdrawn*”. The Client shall be given a maximum of 30 calendar days to clear the outstanding dues.

For example, if a request is received on June 3, 2025, and dues are pending, the Participant shall communicate the pending dues to the Client by EOD of June 5, 2025, and set a deadline of July 4, 2025, for client to pay the dues.

3. Participant shall process the transfer cum closure request in the DPM system within two working days from the date of clearance of its outstanding dues from the client.

For example, if the Client clears its dues on June 18, 2025, the Participant shall process the request by EOD of June 20, 2025

4. If the Client fails to clear the dues within the prescribed timeline, the Participant shall reject the request and inform the Client within two working days, along with the details of the outstanding dues.

For example, if the prescribed timeline to pay the dues is on June 3, 2025, and still dues are pending, the Participant shall reject the request and inform the Client by EOD of June 5, 2025.



5. After successful processing of transfer cum closure request, the Participant shall send the communication of the status of the account closure to the Client enclosing the Client Master Report (CMR) & Transaction cum Holding Statement of the closed/to be closed account within two working days.
6. Participant shall process the transfer of pledged balances only after the closure/invocation of pledged instruction(s).
7. In case of lock-in securities, transfer of balances within NSDL will be processed through account closure cum transfer module. In case of transfer of lock-in securities to demat account maintained with other depository, the same will be transferred through Corporate Action (CA) mechanism based on Client request as per the process specified vide para 21 under 'Instructions Processing' chapter of NSDL Master Circular for Participants.
8. In case of securities held under suspended ISINs, such securities will be transferred to the Client's own account (with an identical PAN holding pattern) within the NSDL depository system. In case of transfer of securities held under suspended ISINs to demat account maintained with other depository, the same will be transferred through Corporate Action (CA) mechanism based on Client request as per the process specified vide para 21 under 'Instructions Processing' chapter of NSDL Master Circular for Participants.
9. For intra depository transfer cum closure requests, transfer of securities shall be processed where the PAN of the source and target accounts is being validated in the NSDL depository system. The requirement of obtaining the Client Master Report (CMR) shall be exempted.
10. For inter depository transfer cum closure requests, validation in respect of the matching the PAN of the source and target accounts for transfer of securities is being implemented by NSDL. The Client Master Report (CMR) shall be required to be obtained from the client till the implementation of aforesaid feature in NSDL depository system.
11. Logs and audit trails of all transactions processed, and communications sent to the Clients shall be maintained by the Participant and included within the scope of internal audit of the Participant.

12. In case of request for closure is pending due to pending balances viz., pending demat/remat/conversion requests, pledgor/pledgee balances, etc., the account status shall be changed to **"To Be Closed"** in the NSDL depository system.

The necessary system changes and effective date of implementation of aforesaid guidelines specified in Point Nos. 10 and 12 will be communicated separately. All other changes outlined in the guidelines between 1 to 9 and 11 will come into effect from **July 14, 2025**.

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

**For and on behalf of
National Securities Depository Limited**

**Arockiaraj
Manager**

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 27 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance report w.r.t Same Mobile number and/ or email address captured for multiple accounts. (monthly)	Before 27 th of following month	Through Email.	Para 23 of 'Miscellaneous' chapter of NSDL Master Circular for Participants.
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15 th of the following month.	Through e-PASS	Para 2.67 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance Certificate (half yearly)	July 31 st	Through e-PASS	Para 17 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants.
Reporting of details of NISM qualified Associate persons as on June 30	July 31 st	Through e-PASS	Para 16.7 of Internal control/ reporting to NSDL/ SEBI chapter of NSDL Master circular for Participants.

