

## NOTICES

<b>Notice No.</b>	20221128-41	<b>Notice Date</b>	28 Nov 2022
<b>Category</b>	Compliance	<b>Segment</b>	General
<b>Subject</b>	Framework for automated deactivation of trading and demat accounts in cases of inadequate KYCs		

### Content

This is in continuation to SEBI circular no. SEBI/HO/EFD1/EFD1\_DRA4/P/CIR/2022/104 dated July 29, 2022 and Exchange Notice No. 20220830-56 dated August 30, 2022 regarding framework for automated deactivation of trading and demat accounts with inadequate Know Your Customer (KYC) details.

Members are required to take note of the following:

1. Exchange forwards the show cause notice / Order issued by SEBI to the respective Trading Member/s, for onward delivery to their clients.
2. The physical acknowledgment is required to be obtained by the Trading Member in the format provided by the Exchange. In addition to the physical copy of the acknowledgement obtained from the client, Trading Member is required to share a soft copy of the same, vide email to the Exchange.
3. In partial modification of the above circular, failure to obtain a physical acknowledgement of delivery of Show cause notice / Order within specified timelines, such clients' UCCs shall be deactivated from trading at PAN level i.e. all UCCs registered under the said PAN, across trading members shall not be permitted to trade. Further, onboarding of new UCCs shall not be permitted at the Exchange, for such PANs.
4. For information with regard to the list of deactivated clients, Members are requested to refer the following link: [https://www.bseindia.com/static/investors/list\\_PAN\\_deactivated.aspx](https://www.bseindia.com/static/investors/list_PAN_deactivated.aspx), under the header "Deactivated Non-Compliant Entities"
5. Process of reactivating such PAN/s is as provided in the Exchange Notice No. 20220830-56 dated August 30, 2022.

The pending pay-in and pay-out obligations and open positions shall be permitted to be settled / squared off / closed out, as the case may be. However, the client shall not be allowed to take any fresh positions at the Exchange.

In an event, where the client wishes to open a new account with another Trading Member, the client would require to write to the Exchange at [bse.inspection@bseindia.com](mailto:bse.inspection@bseindia.com) to seek the show cause / order copy and provide an acknowledgement. The concerned Trading Member shall then obtain relevant KYC details and update the same with KRA and intimate the Exchange.

Trading Members are advised to take note and comply with the above guidelines.

In case of any queries/clarifications, you may reach us on the following contact details.

Contact Nos.	Email ID
022- 2272 8435/5785	<a href="mailto:bse.inspection@bseindia.com">bse.inspection@bseindia.com</a>

For and on behalf of BSE Ltd.

**Shaila Menon**  
Sr. Manager  
Brokers' Supervision

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