



# Central Depository Services (India) Limited

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## COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/AI&C/DP/POLCY/2022/683

November 29, 2022

### FRAMEWORK FOR FREEZING OF CLIENT'S DEMAT ACCOUNT ON NON-DELIVERY OF SHOW CAUSE NOTICE (SCN) / ORDER ISSUED BY SEBI

This is in continuation of SEBI circular no. SEBI/HO/EFD1/EFD1\_DRA4/P/CIR/2022/104 dated July 29, 2022, and CDSL communicate no. CDSL/A, I&C/DP/POLCY/2022/515 dated September 08, 2022, regarding framework for freezing of client's demat account on non-delivery of Show Cause Notice (SCN) / Order issued by SEBI.

DPs are required to take note of the following:

1. CDSL shall be forwarding the Show Cause Notice (SCN) / Order issued by SEBI to the respective DPs for onward delivery to their demat account holder(s).
2. Duly signed physical acknowledgment shall be obtained by the DP in the format provided by CDSL.
3. The DP shall submit the physical copy of duly signed acknowledgment obtained by them from their demat account holder(s) to CDSL.
4. In partial modification of the above communicate, in case of failure to obtain physical acknowledgement of delivery of show cause notice / Order from the demat account holder(s) by the DP and submission of the same, CDSL shall freeze (For Debit and Credit, except for corporate actions) such demat account holder(s) under freeze reason 'SEBI SCN / Order Not Delivered/Acknowledged'. If the demat account holder(s) is a joint account holder relating to a joint demat account, then CDSL shall freeze such joint demat account also. Further, no new demat accounts can be opened under the said PAN.
5. For information regarding the list of Frozen demat account holder(s), DPs are requested to refer the following link:  
<https://www.cdslindia.com/downloads/investors/SCNPANList/List%20of%20PAN%20Frozen%20on%20account%20of%20non-delivery%20of%20SCN-Orders.pdf>
6. Steps for re-activation of the demat account of Noticee / Addressee is mentioned in CDSL communicate no. CDSL/A, I&C/DP/POLCY/2022/515 dated September 08, 2022.



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7. In an event, where the client wishes to open a new demat account with the DP, the DP would be required to write to CDSL at [cdsl.ews@cdslindia.com](mailto:cdsl.ews@cdslindia.com), to seek the show cause / order copy and provide an acknowledgement. The concerned DP shall then obtain relevant KYC details and update the same with KRA and intimate to CDSL.

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

Queries, if any, regarding this communiqué may be addressed to CDSL-Audit on (022) 2305 8519/ 2305 8515 / 2305 8679 or 2305 8678.

**sd/-**

**Latha Nair**  
**Asst. Vice President – Audit, Inspection & Compliance**