Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2026/745 **October 23, 2026**

IMPLEMENTATION OF REVISED PROVISIONS FOR HANDLING OF CLIENTS' UNPAID SECURITIES BY TRADING MEMBERS

1. Depository Participants (DPs) and their Trading Member (TM) clients are advised to refer to CDSL Communiqué No. CDSL/OPS/DP/POLCY/2026/449 dated July 06, 2026, enclosing SEBI Circular No. HO/38/11/(9)2026-MIRSDPOD/I/15382/2026 dated July 03, 2026, on "Handling of Client's Unpaid Securities by Trading Members".

2. In terms of Clause 5 of the aforesaid SEBI Circular, Stock Exchanges were advised to issue operational guidelines for implementation of the provisions of the Circular, in consultation with the Depositories, within 30 days from the date of issuance of the Circular.

3. Accordingly, the Stock Exchanges have issued the Operational Guidelines in consultation with SEBI, Depositories and the Brokers' Industry Standards Forum ("Brokers' ISF"). DPs / TMs may refer following circulars issued by NSE and BSE for the Operational Guidelines:

Sr. No.	Stock Exchange / Circular	Link
1	NSE Circular Ref. No. 41/2026 dated July 31, 2026	https://nsearchives.nseindia.com/content/circulars/INSP75508.pdf
2	BSE Circular Ref. No. 20260731-12 dated July 31, 2026	https://www.bseindia.com/downloads/UploadDocs/Notices/20260731-12/20260731-12.pdf

4. Further, in terms of Clause 6 of the aforesaid SEBI Circular, the amended provisions of Paragraphs 46.1 to 46.11 of the SEBI Master Circular for Stock Brokers, shall come into force with effect from three months from the date of issuance of the Operational Guidelines by the Stock Exchanges.

5. Accordingly, to facilitate compliance with the aforesaid amended provisions, CDSL shall implement the system changes in the following manner:

   a) Pay-outs processed up to October 30, 2026

   For pay-outs processed by Clearing Corporations (CCs) up to October 30, 2026, in respect of unpaid clients, the CUSPA pledge expiry date shall continue to be Pay-out Day plus seven Trading Days.

In such cases, where the pledge on unpaid securities is NEITHER – invoked till End of the Day (EOD) of the fifth Trading Day after the Pay-out Day, NOR – released till EOD of the seventh Trading Day after the Pay-out Day, the pledge shall be automatically released at the EOD of the seventh Trading Day after the Pay-out Day, whereupon the securities shall become available as free balance in the client's demat account without any encumbrance.

b) Pay-outs processed effective from October 31, 2026

For pay-outs processed by CCs effective October 31, 2026, in respect of unpaid clients, the CUSPA pledge expiry date shall be Pay-out Day plus sixth Trading Day, instead of Pay-out Day plus seventh Trading Day under the extant provisions.

Accordingly, where the pledge on unpaid securities is NEITHER – invoked till EOD of the fifth Trading Day after the Pay-out Day, NOR – released till EOD of the sixth Trading Day after the Pay-out Day, the pledge shall be automatically released at the EOD of the sixth Trading Day after the Pay-out Day, whereupon the securities shall become available as free balance in the client's demat account without any encumbrance.

c) Release of CUSPA pledge at the request of TM

DPs / TMs are further advised to note that, with effect from October 31, 2026, the TM may request release of the CUSPA pledge at any time prior to its auto-release by CDSL, instead of the extant provision permitting the TM to request release till EOD of the fifth Trading Day from the Pay-out Day.

d) Amended provisions of Paragraphs 46.12 to 46.14

The amended provisions of Paragraphs 46.12 to 46.14 of the SEBI Master Circular for Stock Brokers are specified to come into effect six months from the date of issuance of the aforesaid SEBI Circular.

CDSL operational modalities for implementation of the aforesaid provisions shall be communicated separately.

6. DPs / TMs are advised to take note of the above and carry out necessary changes in their back-office systems and processes, wherever applicable, to ensure compliance with the revised provisions.

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Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent **to:** dprtasupport@cdslindia.com and connect through our IVR Number **022-62343333.**

For and on behalf of
Central Depository Services (India) Limited

sd/-

Shelton Joseph
Asst. Vice President – Operations