

DRAFT CIRCULAR FOR PUBLIC COMMENTS

Ease of doing business measures- Relaxations in the reporting requirements for Stock Brokers

1. As part of enhanced supervision for Stock Brokers ("brokers")/depository participants (DPs), SEBI Master Circular for Stock Brokers dated June 17, 2025 specifies that bank accounts and demat accounts maintained by all brokers shall have appropriate nomenclature to reflect the purpose for which those bank/demat accounts are being maintained. Further, it has been specified that brokers shall inform Stock Exchanges regarding opening / closure of demat / bank accounts to the Stock Exchanges. However, certain exemptions have been provided to brokers which are banks.

2. In order to enhance the ease of doing business, certain relaxations in the reporting requirement for brokers have been proposed. A draft circular containing proposed relaxations is placed at **Annexure** for public comments. The comments/ suggestions should be submitted latest by March 06, 2026, through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

3. In case of any technical issue in submitting your comment through web based public comments form, you may write to consultationMIRSD@sebi.gov.in with the subject: " Ease of doing business measures – Relaxations in the reporting requirements for Stock Brokers".

DRAFT CIRCULAR

SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2026/

MM DD, 2026

To,

All recognized Stock Exchanges

All Depositories

Madam / Sir,

Sub: Ease of doing business measures – Relaxations in the reporting requirements for Stock Brokers

1. SEBI has specified provisions pertaining to enhanced supervision of Stock Brokers (“brokers”)/Depository Participants (“DPs”) under para 15 of Master Circular for Stock Brokers dated June 17, 2025 (hereinafter mentioned as “Master Circular”).
2. In terms of para 15.3 of Master Circular, all demat accounts maintained by brokers should be appropriately tagged. However, the said requirement is not applicable for the demat accounts which are used exclusively for banking activities by brokers which are also banks.
3. Further, as per para 15.4 of Master Circular, brokers are required to inform Stock Exchanges of their existing and new bank accounts. However, broker which is also bank may be required to report to Stock Exchange only those bank accounts that are used for their stock broking activities. Further, brokers are required to inform Stock Exchange of existing and new demat accounts.
4. In this regard, representation has been received from exchanges to relax the reporting requirement of demat account for brokers and to align the reporting framework of brokers which are primary dealers with the exemptions provided to brokers which are banks. In view of the same and to enhance regulatory efficiency as well as to promote ease of doing business for brokers by harmonizing and

relaxing the reporting obligations, it has been decided to modify the relevant paras in Master Circular as under:

15.3. Naming/Tagging of Bank and Demat Accounts by Stock Broker

15.3.4. All demat accounts maintained by stock brokers should be appropriately tagged. Further, it is prescribed that:

15.3.4.1

15.3.4.2

15.3.4.3

15.3.4.4

15.3.4.5. The provisions at 15.3.4 shall not be applicable for the demat account which are used exclusively for activities other than stock broking activities by stock brokers which are also primary dealers.

15.4. Reporting of Bank and Demat accounts maintained by Stock Broker

15.4.1

15.4.1.1. Stock broker which is also bank or primary dealer, shall be required to report to the stock exchanges only those bank accounts that are used for their stock broking activities.

15.4.2. Deleted

15.4.3. Stock Exchanges and/or depositories, as the case may be, shall ensure the following:

15.4.3.1. *All new bank and demat accounts opened by the stock brokers shall be named as per the above given nomenclature and the details regarding bank accounts shall be communicated by stock broker to the stock exchanges within one week of the opening of the account.*

15.4.3.2. *In case of closure of any of the reported bank accounts, the same shall be communicated to the stock exchanges within one week of its closure.*

15.4.3.3.....

15.4.3.4.....

15.4.3.5. *Depositories shall provide details of all demat accounts opened/closed by a stock broker to the concerned stock exchanges. The periodicity and mechanism of sharing the said details shall be jointly determined by stock exchanges and depositories.*

5. Accordingly, Paras 15.3 and 15.4 of Master Circular for Stock Brokers dated June 17, 2025 stand amended to the extent of para 4 as detailed above. All other provisions specified in Master Circular for Stock Brokers dated June 17, 2025 shall continue to remain applicable.
6. The provisions of this circular shall come into force with effect from DD-MM-YYYY.
7. Stock Exchanges/Depositories are directed to:
 - 7.1. bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites;
 - 7.2. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above decision;
8. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, and Section 19 of Chapter IV of the Depositories Act, 1996 read with Regulation 51 of Securities

Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

9. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.