

## 2004-0721 SEBI Circular on stipulated time for transfer of securities from CM Pool Account & Penalty

Circular No. NSDL/PI/2004/0721

Date: April 22, 2004

Attention of Participants is invited to SEBI Circular No. SEBI/MRD/Policy/AT/Cir-19/2004 dated April 21, 2004, which states as follows:

"SEBI vide circular no. SMDRP/Policy/Cir-05/2001 dated February 01, 2001, had stipulated a time limit of 4 calendar days or 2 working days, whichever is later, for transferring the securities from the member's pool account to the beneficiary accounts of clients. Also, SEBI vide circular No. SMD/Policy/Cir-6/2003 dated February 6, 2003 has stipulated the brokers to distribute the pay-out of securities and funds within 24 hours to their clients. Hence, with a view to harmonize the time limit for the pay-out from the pool account of the member to the client account, it is now clarified that, in partial modification of SEBI circular no. SMDRP/Policy/Cir-05/2001 dated February 01, 2001, the stock brokers/clearing members shall be required to transfer the securities from their respective CM Pool account to the respective beneficiary account of their clients **within 1 working day after the pay-out day**. The securities lying in the pool account beyond the stipulated 1 day shall attract a penalty at the rate of 6 basis point per week on the value of securities."

Participants are requested to note that this will be effective from May 1, 2004.

For and on behalf of

**National Securities Depository Limited**

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**Khilona Behera**  
**Manager**