

Circular No.: NSDL/POLICY/2025/0090

July 03, 2025

**Subject: Guidelines for online closure of demat accounts**

Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2021/0075 dated July 19, 2021 and NSDL/POLICY/2024/0136 dated September 24, 2024 regarding "Guidelines for online closure of demat accounts".

In this regard, Participants are hereby informed that, the guidelines for online closure of demat accounts as prescribed under Annexure of aforesaid Circular stands modified in respect of point nos. 7 & 13. (The updated Annexure is enclosed).

Participants are requested to take note of the above and ensure compliance.

The effective date of system implementation as mentioned at point no. 7 will be informed to the Participants separately.

**For and on behalf of  
National Securities Depository Limited**

**Arockiaraj  
Manager**

Enclosure: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 <sup>th</sup> of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 27 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance report w.r.t Same Mobile number and/ or email address captured for multiple accounts. (monthly)	Before 27 <sup>th</sup> of following month	Through Email.	Para 23 of 'Miscellaneous' chapter of NSDL Master Circular for Participants.
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15 <sup>th</sup> of the following month.	Through e-PASS	Para 2.67 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance Certificate (half yearly)	July 31 <sup>st</sup>	Through e-PASS	Para 17 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants.
Reporting of details of NISM qualified Associate persons as on June 30	July 31 <sup>st</sup>	Through e-PASS	Para 16.7 of Internal control/ reporting to NSDL/ SEBI chapter of NSDL Master circular for Participants.

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**Guidelines for online closure of demat accounts**

1. Client shall be entitled to close the demat account through online mode without mandatorily giving any reasons to Participants. Clients shall not be restricted from requesting, through online or offline mode, for the closure of demat account maintained with the Participants, subject to the compliance requirements as stipulated by SEBI / Depository from time to time.
2. Online closure of demat accounts shall be made available for the clients who have opened their accounts through offline or online mode, by the Participants that provide various Depository related services in online mode. Those Participants which do not provide any services online and do not open accounts through online mode may not be required to offer online closure of demat accounts.
3. Account closure for demat account with balance shall be done only through web portal / mobile app of Participants through secured access with 2 factor authentication (in case of internet clients) and the request send through emails, SMS, other messaging apps, etc. shall not be entertained by the Participants. As the KYC process requires e-sign to be done for opening of demat account through online mode, for online closure of accounts with balance also, client shall be required to e-sign the form (using electronic / digital signature including Aadhaar eSign) to be verified by the DP in accordance with guidelines as stipulated by SEBI / Depositories from time to time.
4. The demat accounts with nil balances, can be closed by the DPs on the basis of request received from clients through web portal / mobile app of DP through secured access with 2 factor authentication (in case of internet clients) or on the basis of emails received from the registered email ID of the demat account holder.
5. Once the application for closure of demat account is received, the DP shall provide acknowledgement to the client on registered email ID and / or mobile number about the receipt of closure request.
6. The request for demat account closure shall include target account details (in case of request for closure of demat account having security balances is made) where the client intends to shift the securities.



7. In case of demat account with balance, the client shall fill the required details. Filled Account Closure form would be displayed to the client, subsequent to which, client shall then be required to e-sign the form (using electronic / digital signature including Aadhaar eSign) and submit the same for further processing. For intra depository transfer cum closure requests, transfer of securities shall be processed where the PAN of the source and target accounts is being validated in the NSDL DPM system. In case of inter- depository transfer such validation in respect of the PAN of the source and target accounts is being implemented in NSDL DPM system. The requirement of obtaining the Client Master Report (CMR) shall be exempted for intra-depository transfer-cum-closure requests. In respect of inter-depository transfer-cum-closure requests, same shall be exempted upon implementation of aforesaid validation in NSDL DPM system.
8. If the DP authorizes the request received, the account will get closed in the NSDL Depository system. If the DP rejects the client requests received, the DP shall inform the reason for such rejection to the client.
9. In case the target account of the client specified in the account closure form is not its own account i.e. not the same PAN is there in both in source and target accounts, as per the extant requirements, it will be necessary for the client to submit an off-market transfer instruction delivery instruction slip for execution of such transfers along with the requirement of entering OTP as provided by the NSDL.
10. After the closure of demat account by the DP, the same shall be intimated to the client through electronic mode enclosing the CMR & Transaction cum Holding Statement of the closed account.
11. DP shall maintain and store system logs of the closure instructions and e-signed electronic requests (uneditable) received in electronic form in a secured manner and the same shall be subject to 100% internal audit.
12. Notwithstanding any such closure of demat account, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the closure of demat account shall continue to subsist and vest in / be binding on the respective parties or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

13. The above process shall be applicable in case of individual client accounts (with single holder or joint accounts) (without pledge / freeze / pending demat requests balances) and the closure requests accepted through above mechanism shall be considered as a valid client request and DPs / Depository shall not be held liable for acting on such requests. For joint account, all holders are required to e-sign the same account closure form (if functionality permits) or e-sign the account closure form separately by joint holders.
  
14. NSDL shall put in place a complaint redressal mechanism for dealing with complaints related to online closure of demat accounts.

