



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DP/ 22 /2010

July 29, 2010

To,

The Depositories

Dear Sir/Madam,

**Sub: Mandatory requirement of Permanent Account Number (PAN)**

1. Please refer to SEBI circular No.MRD/DoP/Cir-05/2007 dated April 27, 2007 making PAN mandatory for all transactions in the securities market.
2. As you are aware, the demat accounts for which PAN details have not been verified are "suspended for debit" until the same is verified with the Depository Participant (DP). However, it has come to our notice that despite follow up, investors are not furnishing the PAN details.
3. In order to ensure better compliance with the Know Your Client (KYC) norms it has been decided that with effect from August 16, 2010 such PAN non-compliant demat accounts shall also be "suspended for credit" other than the credits arising out of automatic corporate actions. It is clarified that other credits including credits from IPO/FPO/Rights issue, off-market transactions or any secondary market transactions shall not be allowed into such accounts.
4. The Depositories are advised to:-
  - a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
  - b) bring the provisions of this circular to the notice of their DPs and advising them to also communicate the same to all the Beneficial Owners (BOs); and
  - c) disseminate the same on the website.
5. This circular is being issued in exercise of the powers conferred by Section 11(1) of Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market.

Harini Balaji  
Deputy General Manager  
022-26449372  
email: [harinib@sebi.gov.in](mailto:harinib@sebi.gov.in)