



PR No.10/2026

## Ease of Doing Investment – Doing Away with Letter of Confirmation and Direct Credit of Securities to Dematerialization Accounts

SEBI has issued a circular on “Ease of Doing Investment and Ease of Doing Business – Doing away with requirement of issuance of Letter of Confirmation (“LOC”) and to effect direct credit of securities in dematerialisation account of the investor” to simplify and streamline the process of credit of securities to investors’ demat accounts pursuant to investor service requests such as issuance of duplicate securities certificates, transmission, transposition, claims from unclaimed suspense account and corporate actions etc.

At present, listed companies and Registrars to an Issue and Share Transfer Agents (RTAs) issue a Letter of Confirmation (LOC) to investors, which is submitted to the Depository Participant for credit of securities. This process typically takes around 150 days. In order to enhance investor convenience and reduce timelines and risks, SEBI has decided to do away with the requirement of issuance of LOC.

Under the revised framework, RTAs and listed companies shall directly credit securities to the demat account of the investor, after carrying out necessary due diligence. This measure is expected to reduce the timeline for credit of securities from approximately 150 days to 30 days, while also mitigating risks associated with loss or pilferage of LOC.

The provisions of this circular shall come into force with effect from April 02, 2026. Any LOC issued prior to this date may continue to be used by investors for dematerialisation within the prescribed timeline.

This initiative is aimed at improving ease of doing investment, enhancing operational efficiency and strengthening investor protection.

The circular issued today can be accessed on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) under the link Legal -> Circulars.

**Mumbai**  
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