



TREATMENT OF INACTIVE TRADING ACCOUNT

Background

Pursuant to SEBI circular dated **October 25, 2025**, and NSE circular no. **NSE/INSP/64718** dated the same in the subject matter, clients are requested to note revised guidelines on Treatment of Inactive Trading Account.

Definition of Inactive Trading Account

In case of trading account, the term inactive account refers to such account wherein any of below mentioned activities has not been carried out by client since last 24 (Twenty-Four) months.

- Trading or participation in OFS/ buy-back/ Open Offer across any of the exchanges/segments* of the exchanges through the same Member or

*Cash/Equity Derivative/ Currency Derivative/ Commodities Derivative/EGR /Debt/Online Bond Platform/ Execution Only Platform /Any other segment as may be allowed by SEBI/stock exchanges from time to time.

- Transaction in nature of applying/ subscribing IPOs (where the IPO bid is successful & not cancelled)/ SGBs/ Mutual Funds (lumpsum investment or investments through successful SIP instalment payments) on the Mutual Fund platform of the stock exchanges through the same Member or
- Modification/ updation of e-mail Id/ Mobile Number/ Address in KYC record of client through the same Member and the same has been uploaded to KRA to ensure Validated/ Registered status.

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' by the Trading Member in UCC database of all the respective Exchanges.

Process for Reactivation of Inactive Accounts

The process of reactivation of an inactive/ dormant account shall include

- Mandatory In-Person Verification/Video In-Person Verification (IPV/VIPV) as specified in the SEBI Master Circular on KYC dated October 12, 2023.
- Client Detail confirmation, which will include
 - ✓ Address
 - ✓ Mobile number
 - ✓ Email ID
 - ✓ Bank Account
 - ✓ Demat Account
 - ✓ Income Details

In case of changes in any of the said details, the client must submit updated details along with supporting documents for updating in broker's records as well in the UCC records of across Exchanges & KRA system (as applicable)





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KRA Record-Based Validation

In case of KRA Validated status or Registered status through same intermediary cases, the details may be fetched from the KRA records, along with the necessary documents and displayed to the client for confirmation. After client's confirmation that there is no change, the same shall be updated in the UCC records of Exchanges as well as KRA. Verifiable logs of the same shall be maintained.

Notwithstanding anything contained above, in case a client seeks re-activation then member shall verify client status as per KRA and if the client status as per KRA is not validated (i.e. "On hold"/"Rejected"/"Registered" through other intermediary, etc.) then the Client must submit updated KYC details with necessary documents as required by KRA and the same has to be uploaded to KRA to ensure validated/registered status as per KRA before permitting client to trade on the Exchanges.

Reset of Inactivity Period

Once an inactive trading account is re-activated as per the procedure prescribed above, the computation of next 24 months for the purpose of identifying client as inactive in the subsequent period shall be considered from the date of last reactivation of trading account.

Intimation to Clients

Clients may be sent the communication/ notification to the clients prior to flagging their trading account as inactive however such communication/ notification should not ask the clients to trade in order to prevent their accounts from being flagged as inactive.

