

CIRCULAR**SEBI/HO/MIRSD/DOP/CIR/P/2020/90****May 29, 2020**

To,

- 1. All Recognised Stock Exchanges**
- 2. All Recognised Clearing Corporations**
- 3. All Depositories**

Madam / Sir,

Subject: Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 – Extension.

1. SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020, specified guidelines with regard to Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. The provisions of this circular were to come into effect from June 01, 2020.
2. Vide SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020, it was reiterated that the provision as specified in paragraph 4 of the SEBI circular dated February 25, 2020 regarding holding of Power of Attorney by TM / CM not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, shall be applicable from June 01, 2020.
3. However, in view of the situation arising due to Covid-19 pandemic, lockdown imposed by the Government, representations received from stock brokers and stock broker associations regarding difficulty in implementing this provision in lockdown situation due to work in progress by Market Infrastructure Institutions, it has been decided to extend the implementation date of the aforesaid provision to August 01, 2020 and align it with the implementation of mechanism of pledge re-pledge through the Depository system.
4. Stock Exchanges, Clearing Corporations and Depositories are directed to bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.
5. This circular is issued in exercise of powers conferred under Section 11(1) of the 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 markets.

Yours faithfully

D Rajesh Kumar
General Manager
Market Intermediaries Regulation and Supervision Department