SEBI relaxes reporting norms for stock brokers

The **Securities and Exchange Board of India (SEBI)** vide its **Circular No. HO/38/11/(1)2026-MIRSD-POD//7656/2026 dated March 23, 2026**, has introduced ease of doing business measures by relaxing reporting requirements for stock brokers, including doing away with the requirement for brokers to report their own demat accounts to stock exchanges.

The circular amends provisions relating to enhanced supervision of stock brokers and depository participants under para 15 of the Master Circular for Stock Brokers dated June 17, 2025. Under the existing framework, stock brokers were required to tag all demat accounts and report details of their existing and new bank and demat accounts to stock exchanges, including reporting the opening and closure of such accounts.

Under the revised framework, stock brokers will no longer be required to report demat accounts to stock exchanges. Instead, depositories will provide details of all demat accounts opened or closed by a stock broker to the concerned stock exchanges, with the periodicity and mechanism to be jointly decided by stock exchanges and depositories.

SEBI has also clarified that where a stock broker is also a bank or a primary dealer, it will be required to report only those bank accounts that are used for stock broking activities. Details of such bank accounts must be reported within seven working days of opening or closure. Further, the requirement of tagging of demat accounts will not apply to stockbrokers that are also primary dealers, for demat accounts used exclusively for activities other than stock broking.

The regulator has mandated uniform nomenclature for naming or tagging of bank and demat accounts and clarified that once the nomenclature for a demat account is assigned, it cannot be modified. SEBI added that any non-compliance relating to nomenclature or reporting of accounts will attract penal action as per the rules of stock exchanges or depositories. The circular states that the revised reporting framework will come into force with effect from April 17, 2026.

Click here to read/ download the original circular