

Effective 1<sup>st</sup> January 2024 ,Sebi and the stock exchanges permitted trading in the cash segment, on an optional basis, through UPI block mechanism.

UPI for Secondary market is an ASBA (Application Supported by Blocked Amount) like service, where an investor can block their amount used for buying stocks in the secondary market, in their bank accounts, instead of transferring it to the broker's account. The amount will only be debited by the Clearing Corporations upon trade confirmation during settlement. Clearing Corporations will directly process payouts to these clients on a T+1 basis.

From implementation perspective, all MII's have deliberated on standard operating procedures to be followed, and it is issued under ICCL Notice No 20231012-57, dated 12th Oct 2023.

Other Important circulars issued by ICCL in this regard are as follows:

- Circular detailing API specifications under ICCL Notice No 20231116-51, dated 16th Nov 2023.
- Member API Specification for UPI Mechanism was disseminated to member via notice no 20231116-51 on 16th Nov 2023.
- NPCI Reference Document for members to connect to UPI Block Mechanism functionality was issued via notice no. 20231116-52 on 16th Nov 2023.
- For Member API Testing purpose 'Test Environment' details were issued to members via notice no 20231130-61 on 30th Nov 2023.
- Separate guidelines on collection of 'TM Charges' from clients opting for UPI functionality have been disseminated to member via notice no 20231228- 28 on 28th Dec 2023.
- Member API PROD implementation process have been disseminated to members via notice no 20231228- 31 on 28th Dec 2023. CUSPA maintenance circular issued by both depositories are notified to member via notice no 20231229-62 on 29th Dec 2023.
- VPA (Virtual Payment Address) of ICCL for creating of UPI block have been notified to member via notice no 20231229-63 on 29th Dec 2023.

ICCL is ready with all the infrastructure and operational setup. Members are encouraged to actively participate and enjoy benefits of 'UPI Block Mechanism' functionality while trading in secondary market.