



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/FMRD/2024-25/127

FMRD.MIOD.No.12/11.01.051/2024-25

February 07, 2025

To

All participants in Government Securities market

Madam/Sir,

Access of SEBI-registered non-bank brokers to NDS-OM

Please refer to Paragraph 2 of the [Statement on Developmental and Regulatory Policies](#) announced as a part of the Bi-monthly [Monetary Policy Statement for 2024-25 dated February 07, 2025](#), on making the Negotiated Dealing System – Order Matching (NDS-OM) platform available for access by non-bank brokers registered with Securities and Exchange Board of India (SEBI) to facilitate trades of retail investors. A reference is also invited to the [Reserve Bank of India \(Access Criteria for NDS-OM\) Directions, 2024 dated October 18, 2024](#), wherein the Reserve Bank had prescribed criteria for access to the NDS-OM platform.

2. Necessary changes to the access criteria for NDS-OM have been made in this regard. The revised access criteria have been consolidated under Master Direction - Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025 and are issued herewith in supersession of [Reserve Bank of India \(Access Criteria for NDS-OM\) Directions, 2024 dated October 18, 2024](#).

3. The [Directions](#) contained in this circular have been issued in exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934, read with section 45U of the Act and of all the powers enabling it in this behalf.

4. The Directions shall be applicable with immediate effect.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager



RESERVE BANK OF INDIA
FINANCIAL MARKETS REGULATION DEPARTMENT
9th FLOOR, CENTRAL OFFICE, FORT
MUMBAI 400 001

Notification No. FMRD.MIOD.13/11.01.051/2024-25 dated February 07, 2025

Master Direction - Reserve Bank of India (Access Criteria for NDS-OM)

Directions, 2025

In exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934 (hereinafter called the Act) read with section 45U of the Act, the Reserve Bank of India (hereinafter called the Reserve Bank) hereby issues the following Directions, in supersession of [Reserve Bank of India \(Access Criteria for NDS-OM\) Directions, 2024, dated October 18, 2024](#), to all the persons eligible to participate or transact business in the Government securities market in India.

1. Short title, extent, commencement and application

- a) These Directions shall be called the Master Direction - Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025.
- b) These Directions shall come into force with immediate effect.

2. Definitions:

In these Directions, unless the context otherwise requires:

- a) **“All India Financial Institution”** shall mean Export-Import Bank of India (EXIM Bank), National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), Small Industries Development Bank of India (SIDBI) and National Bank for Financing Infrastructure and Development (NaBFID);
- b) **“Bank”** shall mean a banking company (including a Local Area Bank, a Payment Bank and a Small Finance Bank) as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 or a “regional rural bank”, a “corresponding new bank” or “State Bank of India” as defined in clauses (ja), (da) and (nc), of section 5 respectively thereof, or a “cooperative bank” as defined in clause (cci) of section 5 read with section 56 of the said Act;



- c) **“Designated Settlement Bank (DSB)”** shall mean a bank appointed by the Clearing Corporation of India Limited for the settlement of fund obligations of members of their securities settlement segment that are not maintaining a current account with the Reserve Bank;
- d) **“Direct Access”** shall mean access to NDS-OM wherein an entity that is party to a transaction directly executes/reports the transaction on/to the platform and such transactions are settled in its own Subsidiary General Ledger (SGL) account;
- e) **“Electronic Trading Platform (ETP)”** shall have the same meaning as assigned to it in Section 2(1) (iii) of [the Electronic Trading Platforms \(Reserve Bank\) Directions, 2018 dated October 05, 2018](#), as modified from time to time;
- f) **“Government Security”** shall have the same meaning as assigned to it in Section 2(f) of the Government Securities Act, 2006;
- g) **“Indirect Access”** shall mean access to NDS-OM wherein an entity undertakes its transactions through another entity that has a direct access to NDS-OM and which assumes responsibility for settlement of such transactions;
- h) **“Negotiated Dealing System-Order Matching (NDS-OM)”** shall mean the ETP authorised by the Reserve Bank under [the Electronic Trading Platforms \(Reserve Bank\) Directions, 2018 dated October 05, 2018](#), for transactions in Government securities;
- i) **“Non-Banking Financial Company”** shall have the same meaning as assigned to it in Section 45-I (f) of the Act; and
- j) **“Stock Broker Connect”** shall mean a mechanism through which a stock broker provides access to NDS-OM to its individual constituents / clients maintaining demat accounts with depositories registered with the Securities and Exchange Board of India (SEBI).

Words and expressions used, but not defined in these Directions, shall have the same meaning as assigned to them in the Act or under the Government Securities Act, 2006.



Section – I: Access

3. Any person/entity eligible to invest in Government securities in terms of the applicable rules/ guidelines issued by the Government of India / State Governments / the Reserve Bank, as amended from time to time shall be eligible to access NDS-OM either through direct access or through indirect access or through Stock Broker Connect, in terms of these Directions.

Section – II: Direct access to NDS-OM

4. Eligible Entities

The following entities shall be eligible for direct access to NDS-OM subject to fulfilment of all requirements and conditions stipulated in these Directions:

- a) Banks;
- b) Standalone Primary Dealers;
- c) Non-Banking Financial Companies including Housing Finance Companies;
- d) All India Financial Institutions;
- e) Mutual Funds;
- f) Provident Funds;
- g) Pension Funds;
- h) Insurance Companies;
- i) Regulated Market Infrastructure Institutions (MIs) for investing their settlement guarantee fund in Government securities, as the Reserve Bank may specifically permit subject to such terms and conditions that it may prescribe; and
- j) Any other entity that the Reserve Bank may specifically permit.

5. Requirements for seeking direct access to NDS-OM

Entities that are eligible to seek direct access to NDS-OM shall fulfil the following requirements:

- a) SGL account with the Reserve Bank;
- b) Current account with the Reserve Bank or a Designated Settlement Bank; and
- c) Membership of securities settlement segment of Clearing Corporation of India Limited (CCIL).



6. Application for seeking direct access to NDS-OM

Entities eligible for direct access to NDS-OM in terms of paragraph (4) of these Directions and meeting the requirements stipulated in paragraph (5) of these Directions may seek direct access through an application in the format given in [Annex – 1](#) to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, 9th Floor, Central Office Building, Shahid Bhagat Singh Marg, Mumbai – 400001. Such entities may, alternatively, seek direct access through the procedure stipulated under the Master Directions on Access Criteria for Payment Systems ([Master Direction DPSS.CO.OD.No.1846/04.04.009/2016-17 dated January 17, 2017](#)) as amended from time to time.

7. Grant of direct access to NDS-OM

- a) The Reserve Bank may, after being satisfied that the applicant fulfils the eligibility criteria, grant direct access to NDS-OM subject to the terms and conditions that may be stipulated therein.
- b) While granting access the Reserve Bank may, *inter alia*,
 - i. call for any additional information or seek any clarification from the applicant which in its opinion is relevant and the applicant shall furnish such additional information and clarification; and
 - ii. obtain any additional information / recommendation from other regulators or agencies or any other authority, which in its opinion is relevant for disposal of the application.
- c) Direct access to NDS-OM granted to an entity is not transferable. The Reserve Bank may initiate such steps as may be necessary, including imposing additional conditions, if the entity is found to violate the provisions of these Directions or any other rules or regulations or conditions of access.
- d) The Reserve Bank may suspend/terminate the direct access to NDS-OM issued to an entity, after affording a reasonable opportunity to be heard, if it is satisfied that:
 - i. the entity has ceased to be eligible for direct access to NDS-OM; or
 - ii. the entity has violated a statutory provision or any rule or regulation or direction or order or instruction issued by the Reserve Bank; or



- iii. the entity has committed a market abuse as defined under the [Reserve Bank of India \(Prevention of Market Abuse\) Directions, 2019 dated March 15, 2019](#), as amended from time to time; or
 - iv. the entity has violated any of the terms or conditions stipulated by the Reserve Bank while granting access; or
 - v. the continuance of access is prejudicial to public interest or financial system of the country.
- e) The decision of the Reserve Bank, to grant or reject direct access to NDS-OM or to terminate the direct access, would be final.

Section – III: Indirect access to NDS-OM

8. Any person/entity eligible to invest in Government securities may avail indirect access to NDS-OM if:
- a) it is not an entity eligible for direct access to NDS-OM in terms of paragraph 4 of these Directions; or
 - b) it does not satisfy the requirements to seek direct access to NDS-OM in terms of paragraph 5 of these Directions; or
 - c) it is not granted direct access to NDS-OM.
9. Indirect access to NDS-OM shall be through an entity which has a direct access to NDS-OM, and which agrees to assume responsibility to settle the transactions undertaken by the entity seeking indirect access.
10. Any entity that is permitted to maintain both a SGL and a constituent account in terms of the SGL Account: Eligibility Criteria and Operational Guidelines ([Notification no. IDMD.CDD.S788/11.22.001/2021-22 dated September 22, 2021](#)), as amended from time to time, may at its discretion, choose to avail indirect access to NDS-OM, instead of direct access.

Section – IV: Stock Broker Connect

11. **Eligible investors:** Any individual investor who maintains a demat account with a SEBI-registered depository.



12. Eligible stock broker

- a) A stock broker registered with SEBI, subject to the general / specific approval of SEBI; and
- b) The stock broker has an agreement with an entity that is member of the securities settlement segment of CCIL (hereinafter “clearing member”) in terms of which the clearing member agrees to assume responsibility for the settlement of transactions undertaken by the constituents/clients of the stock broker.

13. An eligible stock broker desirous of providing access to its individual constituents/clients maintaining demat accounts with depositories registered with SEBI to NDS-OM may make an application in the format given in [Annex – 2](#) to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, 9th Floor, Central Office Building, Shahid Bhagat Singh Marg, Mumbai – 400001.

14. The Reserve Bank may, after being satisfied that the applicant fulfils the eligibility criteria, permit the applicant to provide access to NDS-OM to its constituents/clients, subject to any terms and conditions that may be stipulated therein.

15. While granting such permission the Reserve Bank may, *inter alia*,

- a) call for any additional information or seek any clarification from the applicant which in its opinion is relevant and the applicant shall furnish such additional information and clarification; and
- b) obtain any additional information / recommendation from other regulators or agencies or any other authority, which in its opinion is relevant for disposal of the application.

16. The approval given to a stock broker is not transferable. The Reserve Bank may initiate such steps as may be necessary, including imposing additional conditions, if the entity is found to violate the provisions of these Directions or any other rules or regulations or conditions for using the facility.

17. The Reserve Bank may suspend/terminate the approval provided to a stock broker after affording a reasonable opportunity to be heard, if it is satisfied that:

- a) the entity has ceased to be eligible for providing access to its constituents/clients to NDS-OM; or



- b) the entity has violated a statutory provision or any rule or regulation or direction or order or instruction issued by the Reserve Bank; or
- c) the entity has committed a market abuse as defined under the Reserve Bank of India (Prevention of Market Abuse) Directions, 2019 dated March 15, 2019, as amended from time to time; or
- d) the entity has violated any of the terms or conditions stipulated by the Reserve Bank while approving the facility of Stock Broker Connect; or
- e) the continuance of access is prejudicial to public interest or financial system of the country.

18. While providing the access to NDS-OM to its constituents/clients, the stock broker shall ensure compliance with all regulatory instructions issued by the Reserve Bank in this regard, as also any other terms and conditions that may be specified by the Reserve Bank. The provision of such facility shall be in terms of the operational guidelines issued by CCIL in this regard.

19. The Reserve Bank shall have discretion in approving / rejecting / terminating the facility to a stock broker considering the need to ensure robustness of the market infrastructure and development of financial markets or in public interest or to regulate the financial system of the country to its advantage. The decision of the Reserve Bank, to approve or reject the application of the stock broker or to terminate the facility would be final.

(Dimple Bhandia)
Chief General Manager