**Facility for Basic Services Demat Account (BSDA)**

As per the SEBI [Circular](https://www.sebi.gov.in/legal/circulars/jun-2024/facility-for-basic-services-demat-account-bsda-for-financial-inclusion-and-ease-of-investing_84470.html) to make it easier for retail investors to participate in the stock market, SEBI has launched the Basic Services Demat Account (BSDA). Starting 1st September 2024, as per SEBI’s guidelines, your demat account will automatically switch to a BSDA if:

 **- You have only one demat account linked to your PAN across all brokers.**

**- The total value of the holdings in your account is less than ₹10,00,000.**

 **Example-**

**1**. If the Client portfolio is up to Rs 4 lakh, no annual maintenance charge is required. For portfolios between Rs 4 lakh and Rs 10 lakh, a Rs 100 charge applies. Portfolios exceeding Rs 10 lakh will be converted to regular Demat accounts. These new rules aim to make investing in the Indian market more accessible and cost-effective.

**2**. If the Client has a BSDA account then there will be no charges applicable on electronic statements. In case the Client opts for physical statements, a charge of Rs 25 per statement will be applicable.

**3. A**. Automatic Conversion: Depository Participants (DPs) will automatically convert eligible Demat accounts to Basic Service Demat Accounts (BSDAs) starting September 1, 2024.

    **B.** Opt-Out Option: Client can choose to retain their regular Demat account by notifying their DP via email.

    **C.** BSDA Benefits: These accounts offer lower maintenance charges, making them suitable for small investors.

    **D.** If only 1 demat is registered with that PAN across brokers.

 **The AMC for BSDA is determined by the value of your holdings. The table below outlines the maximum holding values under both the old and new BSDA guidelines for comparison:**

|  |  |  |  |
| --- | --- | --- | --- |
| **SLAB** | **Before 1st September 2024** | **After 1st September 2024** | **AMC** |
| 1 | Up to ₹50,000 | Up to ₹4,00,000 | ₹ 0 |
| 2 | ₹50,001 to ₹2,00,000 | ₹4,00,000 to ₹10,00,000 | ₹100 + 18% GST |
| 3 | Above ₹2,00,000 | Above ₹10,00,000 | Normal AMC (₹ 250 + 18% GST) |