

Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/1612

June 10, 2009

SETTLEMENT POCKET MANDATORY REGISTRATION FOR CLEARING MEMBERS [CMs]

DPs are advised to refer to communiqué no. **CDSL/OPS/DP/1480** dated February 21, 2009 wherein DPs were informed about the mandatory registration for Settlement Pocket for DPs, with the deadline date set at Saturday, April 04, 2009.

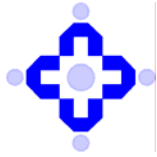
The "Settlement Pocket" [SP] facility has been released for the benefit of CMs. This functionality facilitates holding of balances in CM settlement accounts "settlement-ID" wise. It provides improved control over settlement-related activities such as pay-in / pay-out and proper reconciliation of balances present in CM settlement accounts.

DPs are advised to intimate all their CM account holders that all back office related releases should be carried out latest by **Saturday, July 04, 2009** as the SP facility will, thereafter, be made mandatory for all CMs. As this facility is meant for CMs, DPs not having CM accounts may ignore this communiqué. DPs having CM accounts are instructed to disseminate the following information to their CM clients:

- Settlement Pocket registration for CMs of all stock exchanges would be mandatory with effect from Saturday, July 04, 2009.
- All the CM accounts would be registered for SP during the EOD of **Friday, July 03, 2009**.
- The following accounts will be identified as CM accounts –
 1. CM Principal Account [BSE Pay-in Account]
 2. CM Unified Settlement Account [BSE Pool Account]
 3. Clearing Member Account [NSE Pool Account]
 4. Clearing Member Investor's Securities Account [CISA Account]

[Note: CM Beneficiary accounts/Margin accounts will not be considered as CM accounts].

- This is not mandatory for CMs belonging to commodity exchanges i.e. NCDEX, MCX or NSEL.
- Balances lying in the abovementioned CM accounts as at EOD of July 03, 2009 would be transferred to the dummy settlement pocket.
- From July 04, 2009 onwards, balances in dummy settlement pockets, if any, would be required to be transferred to the correct Settlement number.
- CMs need not send any documents to CDSL for registration, as communicated earlier.
- From July 04, 2009, CMs would be required to keep sufficient balances in the respective



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settlement pockets to ensure successful pay-in as CDSL would be taking securities only from the said settlement pocket.

- Securities lying in Dummy Settlement Pocket i.e. Settlement number starting with "99" or "98" would **not** be considered for pay-in.
- BSE-CMs who have not opted for Auto Pay-in would be required to give on-market instructions to their DPs for the purpose of pay-in.
- BSE-CMs who have opted for Auto Pay-in may not give any on-market instructions to their DPs. They would be required to keep sufficient balances in the respective settlement pockets.
- NSE-CMs would be required to keep adequate balances in the respective settlement pockets.
- CMs may refer to communiqué no. **CDSL/OPS/DP/1388** dated December 13, 2008 - Annexure-B [CM checklist] attached therewith, to identify the changes in the existing settlement system. The said annexure is, once again, attached with this communiqué for ready reference [see **Annexure-1**].
- CMs are also advised to refer to communiqué no. **CDSL/OPS/DP/1438** dated January 27, 2009 – "**FAQs on "Settlement Pocket"**" for any clarifications / explanations required on the varied aspects and benefits of the "Settlement Pocket" facility in the CDSL system.

Queries regarding this communiqué may be addressed to **CDSL – Settlement Department** on telephone no. (022) 2272-3333 Prashant Kokate (extn. 8421) or Chandrashekhar Poojary (extn. 8637) or direct telephone no. (022) 2272-2008. Emails may be sent to: prashantk@cdslindia.com or chandrap@cdslindia.com.

sd/-

Ramkumar K.
Vice President – Operations

CM NAME : _____

CM ID : _____

**NAME OF
BACK OFFICE
SOFTWARE
VENDOR** } : _____

No.	Description	Remarks [Yes / No]
1	Whether CDSL's FAQ regarding the Settlement Pocket [SP] has been read and understood [ref: communiqué no. CDSL/OPS/DP/1387]	
2	Whether the concept of [SP] is understood	
3	Whether any pledge is open in the CM account – if so, registration is not possible – get it closed / unpledged.	
4	Whether any pending demat is present in CM account – if so, registration is not possible – get it closed	
5	Whether any pending remat is present in CM account – if so, registration is not possible – get it closed	
6	Whether any "earmarked" balance is present in the CM account. If so, contact CDSL.	
7	Whether any "inactive ISIN" balance is present in the CM account. If so, contact CDSL.	
8	Whether the concept of the 13-digit settlement ID is understood	
9	Whether the concept of Special Purpose Settlement - 1 [SPS1] is understood	
10	Whether the concept of Special Purpose Settlement - 2 [SPS2] is understood	
11	Whether the concept of new CISA transfer is understood	
12	Whether the concept of transfer of securities from NSDL account to CDSL CM account (opted for SP) transfer is understood	
13	Whether the fact that cross exchange BO confirmations / early pay-in instructions will not be allowed is understood	
14	Whether the fact that cross exchange pay-out breakup instructions will not be allowed for settlement account of another exchange is understood	

No.	Description	Remarks [Yes / No]
15	Whether DP with whom the CM accounts are held has opted for SP	
16	If the DP (with whom the CM accounts are held) has not opted for SP:	
	<ul style="list-style-type: none"> • Whether a CM is registered for easiest 	
	<ul style="list-style-type: none"> • Whether the method of executing the instructions of the type inter settlement or account transfer within CDSL [CM (opted) to CM (opted)] or inter-depository transfer [CM (opted) to NSDL pool account], is understood 	
17	Whether the fact that the reports viz. DPC9, DPC7, DP89, DP75, DPD4 would be available, in the second phase, through CM's easiest login is understood	
18	Whether the format of delivery instruction slip is changed and is known to the CM	
19	Whether back office (in-house or purchased from back office vendor) is compatible for the following changes:	
	<ul style="list-style-type: none"> • Revised Upload Formats – BO confirmation, inter-depository, transaction and early pay-in 	
	<ul style="list-style-type: none"> • Revised formats of Upload Response Reports – DP96, DPA6, DPB1 and DPD6 	
	<ul style="list-style-type: none"> • Revised formats of Transaction Summary Reports – DP83, DP49, DPE1, DP99, DP89, DP75 and DPD4 	
	<ul style="list-style-type: none"> • Revised formats of Transaction and Holdings Reports – DP05, DP50, DPC7, DPC9, DPE2, DPC5 and DPG5 	
<ul style="list-style-type: none"> • Revised Master File Reports – CD04, CD07 and CD11 		
20	Whether support from back office software vendor is ensured on the day of migration.	
21	Whether support from hardware vendor is ensured on the day of migration.	

Certified that the above is true to the best of my knowledge.

Name of Authorized Signatory



Signature of Authorized Signatory

Seal of CM

Place: _____

Date: _____