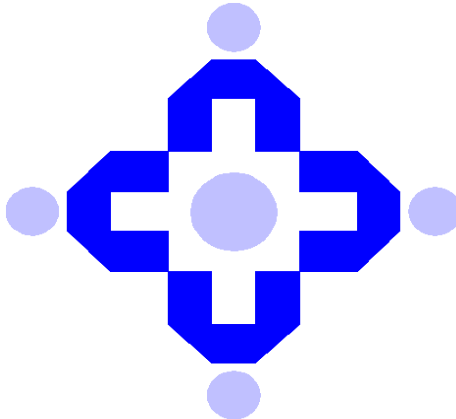


Central Depository Services (India) Limited



Compliance Manual for Depository Participants

June 2021

VERSION 40

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PREFACE

Depository Participants (DPs) are the frontline entities dealing directly with the investors. With increased activity in dematerialised mode, the volume and complexities of DP operations have increased considerably. This manual is intended to serve as a one-point reference guide for the DP about the various legalities and compliance to be adhered to in his business operations.

The Depositories Act 1996 (The Act), SEBI (Depositories and Participants) Regulations, 1996, the Bye-Laws of CDSL, Operating Instructions of CDSL, Agreement between CDSL and DPs, various circulars issued by SEBI and Communiqués issued by CDSL require the DPs to comply with certain procedures relating to functions in depository system. This manual highlights the compliance requirements by the DPs.

In terms of Regulation 58B of SEBI (Depositories and Participants) Regulations, 1996, the DP has to appoint a Compliance Officer who shall be responsible for monitoring of the compliance of the Act, rules, regulations, notifications, guidelines, instructions etc. as well as compliance with the Bye-Laws and Operating Instructions. This manual will be particularly useful for the compliance officers.

While every effort has been made to compile various relevant provisions of the Depositories Act 1996, SEBI (Depositories and Participants) Regulations, 1996, Bye-Laws of CDSL, Operating Instructions of CDSL, Agreement between CDSL and DP various Circulars issued by SEBI and Communiqués issued by CDSL up to 31.12.2018, this manual is not meant to be a substitute for the same.

CDSL does not hold out that this compliance manual is exhaustive. Compliance officers are advised to study original source for the sake of completeness on any compliance-related matters.

LIST OF ABBREVIATIONS / REFERENCES USED

Abbreviation/ Reference	Term
AOF	Account Opening Form
ACF	Account Closure Form
BO	Beneficial Owner
BSE	BSE Ltd.
Bye Law	Bye Law of CDSL
CDAS / System	Central Depository Accounting System.
CDSL	Central Depository Services (India) Limited
Clause	Clause of Agreement between CDSL & DP
CC	Clearing Corporation
CH	Clearing House
CM	Clearing Member
CM USA	Clearing Member Unified Settlement Account
Comm.	Communiqué i.e. Circulars issued by CDSL to DPs
CS	Company Secretary
CSSL	Constituents' Subsidiary General Ledger
DP	Depository Participant
DRF	Dematerialisation Request Form
DRN	Dematerialisation Request Number
FII	Foreign Institutional Investor
FN	Foreign National
FRF	Freeze Request Form
HUF	Hindu Undivided Family
ID	Identity
IRF	Invocation Request Form
ISIN	International Securities Identification Number
MD	Managing Director
NRI	Non-Resident Indian
OCB	Overseas Corporate Body
Operating Instruction(s)	Operating Instruction of DP Operating Instruction Manual
PAN	Permanent Account Number
POA	Power of Attorney
PRF	Pledge Request Form
PSN	Pledge Sequence Number
RBI	Reserve Bank of India
Regulation	Regulation of SEBI (Depositories and Participants) Regulations, 1996
RCESS	Rajiv Gandhi Equity Savings Scheme
RRF	Rematerialisation Request Form
RRN	Rematerialisation Request Number

RTA	Registrar & Transfer Agent
SEBI	Securities & Exchange Board of India
Section	Section of Depositories Act, 1996
SGL	Subsidiary General Ledger
TRF	Transmission Request Form
TRPF	Transposition Request Form
URF	Unpledge Request Form

ACCOUNT OPENING / MODIFICATION

General

Reference	Compliance Requirement	Remarks
<p>Section 5, Regulation 41, Bye law 5.4.1 & 13.1.5 & Operating Instruction 2.4.3</p> <p>Comm. 4304 Dated March 12, 2014</p> <p>Operating Instruction 2.4.3</p> <p>Comm. 4095 Dated December 04, 2013</p> <p>Comm. 4134 Dated December 23, 2013</p> <p>Comm. 6029 Dated July 18, 2016</p>	<ul style="list-style-type: none"> ➤ No participant shall conduct the business as a participant unless the Beneficial Owner has acknowledged receipt of “Rights and Obligations of the Beneficial Owners and Depository Participant” document, except for the categories of BOs as specified under Bye Law 5.4.1.1. ➤ The DP shall provide a copy of the Rights and Obligations document to the applicant and shall keep an acknowledgment of the same on record. A BSE CM, who is not a participant in CDSL, is required to enter into an agreement with the DP (when opening Settlement Accounts). Format of the agreements shall be as specified by CDSL. A BO belonging to any one of the exempted categories specified under the CDSL Bye Laws need not be provided with a copy of the Rights and Obligations document as mentioned above ➤ DPs are advised to refer SEBI Circular Dated December 04, 2013 while opening demat account. ➤ DPs are further advised to refer the FAQs as provided in the communiqué regarding clarifications on the procedure to be followed for implementation of the said SEBI circular to ensure compliance. ➤ DPs are further advised to refer SEBI Circular CIR/MIRSD/64/2016 Dated July 12, 2016 for simplification of Account opening kit. 	<p>Exception – One BO Rights and Obligation document for all accounts opened for a CM of an Exchange.</p>

Reference	Compliance Requirement	Remarks
Bye law 13.1.4 & Operating Instruction 2.4.4 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ In order to open an account, the investor needs to fill up KYC Application form (if not KRA compliant) and Additional KYC form for opening a demat account as per the format provided by CDSL (Annexures 2.1 or 2.2). The investor shall complete the standard form in all respects and submit the same to the DP along with the relevant documents as prescribed by SEBI and mentioned in Section 2.3 above. 	Separate forms are provided for individuals and for entities other than individuals.
Operating Instruction 2.4.4 Comm. 2693 Dated October 25, 2011	<ul style="list-style-type: none"> ➤ However, the DPs can obtain a single form from the CM for opening the multiple accounts of same Exchange e.g. CM Principal and CM USA accounts for BSE. 	
Regulation 42 (1), Bye Law 5.3.4 / 5.4.6/ 13.1.2 & Clause 9	<ul style="list-style-type: none"> ➤ A separate account must be opened for each BO and the DP must ensure that the securities of the BO are segregated and not mixed with its own securities. 	
Operating Instruction 2.4.1 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ An investor wishing to open an account in CDSL shall approach a DP registered with CDSL. The applicant shall fill up the KYC Application form as specified by the KYC Registration Agency for individuals or for Non-Individuals as the case may be and additional KYC Form for opening a Demat Account for Individuals (Annexure 2.1) or for Non-Individuals (Annexure 2.2) and submit the same to the DP. The applicant should submit any one of the documents as valid Proof of Identity and Proof of address as specified by SEBI from time to time. If the investor is already KRA compliant, the investor should disclose such details of KRA with whom he / she is registered. Such investor need not submit KYC documents and KYC application form again. A Power of Attorney holder cannot open a demat account on behalf of the BO. 	

Reference	Compliance Requirement	Remarks
Operating Instruction 2.4.4	<ul style="list-style-type: none"> ➤ Those sections of Application Form which are not relevant to a particular type of BO, should be marked 'Not Applicable' (N.A.). 	
Operating Instruction 2.4.6	<ul style="list-style-type: none"> ➤ The passport size photograph of each applicant should be pasted on the account opening form. The BO should sign across the photograph and in the account, opening form. 	
Operating Instruction 2.4.5 Comm. 3277 Dated October 16, 2012 Commn.6113 Dated Sept 02,2016	<p>BO accounts to hold securities cannot be opened in the name of proprietary concern / partnership firms. Such accounts shall be opened in the individual names of proprietor / partner(s) (maximum 3 partners) KYC application form / KRA details are to be obtained for proprietor / partners.</p> <ul style="list-style-type: none"> ➤ For Partnership firm, Partnership deed is also to be obtained. The pan card details of the partnership firm / proprietorship firm is to be Updated in the CDSL system. 	
Comm. 5139 Dated April 15, 2015	<ul style="list-style-type: none"> ➤ Depository Participants are advised to ensure that separate mobile number and e-mail address is uploaded for each client. However, under exceptional circumstances, the Participants may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents. 	
Operating Instruction 2.4.2 Comm. 4422 Dated May 08, 2014	<ul style="list-style-type: none"> ➤ DP must collect separate KYC application forms from sole / first holder, second holder and third holder in case of Joint Accounts. In case, if sole holder is a minor / person with mental disability, KYC application form should be collected from the guardian also. Separate KYC application form to be collected from the HUF entity, Karta, Trust 	

Reference	Compliance Requirement	Remarks
	and Trustees in case of unregistered Trust and Partnership Firms.	
Comm. 6253 Dated Nov 21, 2016	<ul style="list-style-type: none"> ➤ DPs are advised to refer to SEBI Circular no. CIR/IMD/FPIC/123/2016 Dated November 17, 2016 wherein SEBI has informed regarding the Review of requirement for copy of PAN Card to open accounts of FPIs. It is decided that the intermediaries can verify the PAN of FPIs online from website authorized by Income Tax department at the time of account-opening for FPIs. However, FPIs need to provide the copy of PAN card within 60 days of account-opening or before remitting funds out of India, whichever is earlier to their intermediaries. 	
Comm.333 Dated July 5, 2017	<ul style="list-style-type: none"> ➤ DPs are advised to refer to SEBI Circular no. SEBI/HO/IMD/FIIC/CIR/P/2017/068 Dated 30th June, 2017 wherein SEBI has informed that Central Board of Direct Taxes (CBDT) has recently introduced a facility of E-PAN (electronic PAN card) vide press release Dated April 11, 2017. Accordingly, it is clarified that E-PAN issued by CBDT can also be produced by FPI for KYC compliance. The other instructions contained in Circular CIR/IMD/FPIC/123/201 Dated November 17, 2016 remains unchanged. 	

Reference	Compliance Requirement	Remarks
<p>Comm. 3190 Dated August 28, 2012 and Comm 200 dated April 18, 2019</p>	<p>DPs shall make available facility for opening a "Basic Services Demat Account" (BSDA) with limited services for the BOs as per terms specified by SEBI vide its Circular No. CIR/MRD/DP/22/2012 Dated August 27, 2012 and SEBI Circular MRD/DoP2DSA2/CIR/P/2019/51 dated April 10, 2019, regarding separate limit for Debt Securities</p>	
<p>Comm. 3238 Dated September 25, 2012 Comm.5615 Dated Dec 12, 2015</p>	<p>DPs are advised to refer SEBI circular no. CIR/MRD/DP/20/2015 Dated December 11, 2015 instructing DPs to convert all existing eligible demat accounts into BSDA unless such Beneficial Owners (BOs) specifically opt to continue to avail the facility of a regular demat account.</p>	
<p>Comm.5865 Dated April 12, 2016</p>	<p>DPs are advised to refer to the communique where list of BOs eligible for Basic Services Demat Account (BSDA) as on March 31, 2016 is mentioned.</p>	
<p>Comm.6226 Dated Nov 02, 2016</p>	<p>Till February 2016, the list of BOs eligible for BSDA was based on checking within CDSL for the criterion of 1st holder having only one demat account. In the month of October 2016, we have obtained information about demat accounts in NSDL, if any, held by BOs who are eligible for BSDA and also by BOs which are already marked as BSDA.</p>	
<p>Comm.117 Dated Mar 03, 2017</p>	<p>DPs are advised to refer to communiqué no. CDSL/OPS/DP/POLCY/5865 Dated April 12, 2016 wherein we had provided the list of BOs eligible for Basic Services Demat Account (BSDA) as on March 31, 2016.</p>	

Reference	Compliance Requirement	Remarks														
Comm. 5202 Dated May 19, 2015	DPs are advised to ensure that all facilities including online facilities are offered to visually challenged persons without any discrimination and all possible assistance is provided to visually challenged persons for opening and operating demat accounts. DPs should accordingly note that there are no special restrictions for visually challenged person for opening and operating a demat account subject to compliance with requirements as applicable to any other investor.															
Operating Instruction 2.4.8.1 Comm. 3417 Dated January 7, 2013 SEBI Circular CIR/MIRSD/01 /2013 Dated January 04, 2013	<p>PAN Obtaining PAN Card details of all holders is compulsory for all categories of demat account holder (s).</p> <p>The DPs may verify the PAN of their BOs online at the Income Tax website without insisting on the original PAN card, provided that the BO has presented a document for Proof of Identity other than the PAN card.</p>															
Operating Instruction 2.4.9 Comm. 3277 Dated October 16, 2012	<p>In some cases, the PAN is not required to be entered. Such cases are to be handled by entering appropriate exemption code. The exemption codes provided are as follows:</p> <table border="1" data-bbox="429 1263 912 1674"> <thead> <tr> <th data-bbox="429 1263 654 1399">Exemption Code</th> <th data-bbox="654 1263 912 1399">Exemption Description for the account holder</th> </tr> </thead> <tbody> <tr> <td data-bbox="429 1399 654 1434">D</td> <td data-bbox="654 1399 912 1434">Custodian</td> </tr> <tr> <td data-bbox="429 1434 654 1468">G</td> <td data-bbox="654 1434 912 1468">Governor</td> </tr> <tr> <td data-bbox="429 1468 654 1503">P</td> <td data-bbox="654 1468 912 1503">President of India</td> </tr> <tr> <td data-bbox="429 1503 654 1537">S</td> <td data-bbox="654 1503 912 1537">Sikkim Resident</td> </tr> <tr> <td data-bbox="429 1537 654 1645">U</td> <td data-bbox="654 1537 912 1645">UN entities / Multilateral Agencies</td> </tr> <tr> <td data-bbox="429 1645 654 1674">H</td> <td data-bbox="654 1645 912 1674">Holder Deceased</td> </tr> </tbody> </table>	Exemption Code	Exemption Description for the account holder	D	Custodian	G	Governor	P	President of India	S	Sikkim Resident	U	UN entities / Multilateral Agencies	H	Holder Deceased	
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G	Governor															
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Reference	Compliance Requirement	Remarks
<p>Operating Instruction 2.4.10</p> <p>Comm. 3277 Dated October 16, 2012</p>	<p>2.4.10. Bank Details : DPs shall collect proof of bank details.</p> <p>a) Any one of the following documents can be collected: -</p> <p>i. Photocopy of the cheque/ cancelled cheque having the name of the account holder where the cheque book is issued.</p> <p>ii. Photocopy of the Bank Statement having name and address of the BO.</p> <p>iii. Photocopy of the Passbook having name and address of the BO.</p> <p>iv. Letter from the Bank</p> <p>In case of option (ii), (iii) and (iv) above, MICR code of the branch shall be present/mentioned on the document and it shall be self-certified by the BO.</p> <p>MICR code starting with 000 will not be eligible for ECS.</p> <p>b) In case of Bank DPs, where a BO is having banking relation with the Bank and has also provided the same Bank details for the demat account, then the Bank DP need not obtain proof of such bank details as mentioned above.</p>	
<p>Operating Instruction 2.4.11</p> <p>Comm. 3277 Dated October 16, 2012</p>	<p>➤ Special care shall be taken to check genuineness of the client if disproportionately large number of accounts (say, above 20) are opened with the same or similar names and/or same address and/or with the same bank account details.</p>	
<p>Operating Instruction 2.4.12</p> <p>Comm. 3277 Dated October 16, 2012</p>	<p>➤ Photocopies of documents submitted by a BO should be obtained and maintained on regular paper and not on thermal paper.</p>	

Reference	Compliance Requirement	Remarks
Operating Instruction 2.4.13 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ The DP shall accept the duly completed KYC application form and additional KYC form along with relevant documents and give an acknowledgement to the BO after signing and stamping the acknowledgement slip. 	
Operating Instruction 2.4.14 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ The DP shall enter the account opening information in the CDSL system from the KYC application form filled by the BO(s). The DP shall accurately capture the BO details accurately. 	
Operating Instruction 2.4.15 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ If a client is already KRA compliant, the DP shall fetch / obtain the details from KRA system for KYC compliance and proceed further with other formalities for account opening. 	
Operating Instruction 2.4.16 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ A BO shall be classified with a BO status. These Status are system-defined. The BO status identifies the BO as an Individual, NRI, Corporate body, Bank, etc.). The DP shall ensure that a separate BO Account is opened for each BO sub-status (sub-type), e.g. – A BO being an Individual (BO Status) may be a Resident BO for a particular ISIN, but may be a Resident Individual Director (sub-status) for another ISIN. In such a case, the BO shall open two BO accounts, one for each sub-status. A BO will be classified with a BO status. The information to be captured for each BO status will be different. The system will allow the DP to capture only the relevant fields as per the BO status. By defining different BO status codes, relevant fields for each type of BO can be entered (e.g. sex code will not be relevant to a Corporate BO). The DP will first select which Product code to use for the 	

Reference	Compliance Requirement	Remarks
	set-up of a BO account. Only those fields that are pre-defined for the Product code will come up on the screen for the user to enter.	
Operating Instruction 2.4.17 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ The DP shall scan the signature (s) of the BO(s), authorized signatory (ies) and Power of Attorney holder(s), if any, at the time of account opening or immediately thereafter. 	In case of authorized signatories and POA holders, the mode of operations should also be recorded in CDAS.
Operating Instruction 2.4.18 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ Once the transaction is committed, the data is captured and stored at CDSL. A unique BO account number (ID) is generated by the system. The DP shall record the BO ID on the original application form. 	
Operating Instruction 2.4.19 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ The BO account number is unique within the system and will serve as a reference number for the BO in all his future dealings with his DP or with CDSL. 	
Operating Instruction 2.4.20 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ The account number is a combination of the CDSL Code (1), DP Type (1), DP Code (4), Sub DP Code (2), serial number (7) and the Check Digit (1). {Figures in brackets indicate number of characters}. The first 8 digits form the DP ID and the remaining 8 digits form the Client ID. 	
Operating Instruction 2.4.21 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ The DP shall send the BO a system-generated confirmation letter for having opened the account mentioning the account number along with the formats of necessary forms and instruction slips. This letter shall be given to the BO and the DP shall maintain proof of such dispatch. The letter along with other documents mentioned 	

Reference	Compliance Requirement	Remarks
<p>Comm. 3918 Dated September October 31, 2012</p>	<p>earlier may also be given to the BO if the BO wants to collect the same in person. Proof of such delivery shall be maintained by the DP.</p> <p>Alternatively, the client master report may be provided by the DP to the BO at the email address recorded in the CDSL system or through its website, provided the same can be accessed by the BO through secured access-e.g. Login ID-Password / three factor authentication. In case the DP is not able to provide the same by email / the BO cannot access the same through its website due to any reason (including bounced emails), the DP should ensure that the same is provided to the BO in paper form. The DP should maintain record of delivery/ non-delivery of the emails to the BO or accessing of the information by the BO through its website. The BO should be informed at the time of account opening that such information will be made available through email /website, as the case may be. In case DIS booklet is required to be sent to BO, it must be separately issued to the BO.</p>	
<p>Comm. 3303 Dated October 31, 2012</p>	<p>➤ A BO may have an on-line trading account and give /execute a power of attorney (POA) in favour of the CM for executing delivery instructions for settling stock exchange trades effected through such CM or a BO may be a PMS client of a PMS manager and give / execute a power of attorney (POA) in favour of the PMS manager or execute a PMS agreement with an authority to PMS manager to manage the portfolio of securities. In such a case, the BO may be given an option to receive the Delivery Instruction Slip Booklet (DIS) on the DP completing the account opening procedure or at any later date on request by the BO. The BO can exercise such option</p>	

Reference	Compliance Requirement	Remarks
	<p>by submitting an 'Option Form for issue of DIS booklet', as given in Annexure 2.5, which shall be given to the intending-BO along with the Account Opening Form. A written consent shall be obtained from BO in case BO agrees to waive off the right to receive DIS at the time of account opening and opts to receive it at a later date. If the BO requires the DIS booklet at a later date then the DP shall issue the DIS booklet on receiving a request letter signed by all accountholders. The procedure for verifying the request/signatures, dispatch of DIS booklet or hand-delivery thereof, and maintenance of dispatch record / acknowledgement record by the DP would remain the same as mentioned under Item 6.5.1 (Issue of Instruction Slips) of CDSL's DP Operating Instructions.</p>	
<p>Operating Instruction 2.4.22 Comm. 3277 Dated October 16, 2012</p>	<p>➤ All correspondence/queries relating to BO Account are sent to the First Holder only at the correspondence address recorded in the system.</p>	
<p>Operating Instruction 2.4.23 Comm. 3277 Dated October 16, 2012 Comm 38 dated January 18, 2019</p>	<p>Information to KYC Registration Agency (KRA):</p> <p>a. After doing the initial KYC/due diligence of the new clients, DP shall forthwith upload the KYC information with proper authentication on the system of the KRA and furnish the scanned images of the KYC documents to the KRA, within the prescribed time limit and retain the physical documents. .</p> <p>b. For existing clients, the KYC data may be uploaded by the DP provided it is in conformity with the details as per SEBI circular No. MIRSD/SE/Cir-21/2011 Dated October 05, 2011.</p>	

Reference	Compliance Requirement	Remarks
	<p>c. In case of those existing clients, who deal with the DP for execution of any transaction like dematerialisation / rematerialisation requests, change of address/ demographic details, debit instruction on client request, transmission (surviving holder on the demat account), freeze / unfreeze request, pledge / unpledge / confiscation (invocation) request etc., the DP should forthwith upload their KYC details in the KRA system. Further the DP should also send original KYC documents to the KRA on continuous basis and complete the process within the prescribed time limits.</p> <p>d. The DP shall maintain electronic records of basic KYCs of Clients and keeping physical records would not be necessary.</p> <p>e. The DP shall highlight the KYC details about the existing client which is missing/not available, as per the KYC requirements specified vide circular Dated October 5, 2011, only if it was not man Dated earlier, when the client's account was opened.</p>	
Comm. 1931 Dated March 22, 2010	<ul style="list-style-type: none"> ➤ DPs should note that bank account details of PMS should not be captured in place of bank account details of clients in depository system, in case of PMS accounts. 	
Operating Instruction 2.3	The documents / information to be submitted by various categories of BOs while opening BO account :-	
Operating Instruction 2.3.1 Comm. 3277 Dated October 16,2012	<p>KYC related documents:</p> <ul style="list-style-type: none"> ➤ DPs are required to comply with SEBI Circular no. MIRSD/SE/Cir-21/2011 Dated October 5, 2011 regarding KYC documents admissible as Proof of Identity and Proof of Address and additional documents to be obtained from individuals and non-individuals, over and above the 	

Reference	Compliance Requirement	Remarks
<p>Comm. 3578 Dated March 25, 2013.</p> <p>Comm.5088 Dated March 25, 2015</p> <p>Comm.3969 Dated October 09, 2013</p>	<p>proof of identity and proof of address. DPs are also required to comply with SEBI Circular No. MIRSD/Cir-26/2011 Dated December 23, 2011 providing the guidelines for intermediaries, in-person verification and subsequent circulars issued by SEBI from time to time in this regard.</p> <ul style="list-style-type: none"> ➤ DPs should take note of the amendments to the KYC (Know Your Client) Registration Agency (KRA) Regulations, 2011, issued by SEBI vide notification no. LAD-NRO/GN/2012-13/35/6998 Dated March 22, 2013. ➤ The documents as prescribed by SEBI are the minimum requirements for opening a demat account. ➤ DPs to take note of SEBI circular no. CIR.MIRSD/1/2015 Dated March 4, 2015 while accepting the documents relating to proof of address. Some of the highlights are mentioned below : <ul style="list-style-type: none"> • Individual can submit only one documentary proof of address while opening a trading account and / or demat account or while undergoing updation. • Declaration may be taken from the investor in case the proof of address submitted is not the address where the investor is currently residing. • No proof is required to be submitted of such correspondence / residence address. • In case of change in such correspondence / residence address the investor may intimate the same within two weeks of such a change. • Such change may be verified through 'Positive Confirmation'. ➤ The DPs should exercise Customer due diligence while establishing the identity of 	

Reference	Compliance Requirement	Remarks
<p>SEBI Circular CIR/MIRSD/09/ 2013 October 08, 2013</p>	<p>the persons as given in SEBI Circular No. ISD/AML/CIR-1/2008 Dated December 19, 2008 to ensure the safety and integrity of the depository system.</p> <ul style="list-style-type: none"> ➤ The information containing relevant client details and photograph made available from UIDAI as a result of e-KYC process shall be treated as sufficient proof of Identity and Address of the client. However, the client shall have to authorize the intermediary to access his data through UIDAI system. 	
<p>Operating Instruction 2.3.2 Comm. 3277 Dated October 16, 2012</p>	<p>Documents required to be obtained over and above the KYC documents as prescribed by SEBI / KYC Registration Agency (KRA).</p> <p><u>Correspondence Address:</u></p> <ul style="list-style-type: none"> ➤ A BO has the option of indicating address of correspondence in the AOF. ➤ This is applicable to all types of investors. ➤ If correspondence address of the BO is not the same as permanent address, then the DP shall obtain proof of correspondence permanent address and enter the same as well as correspondence address and both must be entered in the system, in case the BO is not registered with KRA. ➤ If the BO is registered with KRA and wants to use the same correspondence address mentioned in the KRA system, the BO will inform the DP accordingly. ➤ If the BO is registered with KRA and does not want to use the correspondence address mentioned in the KRA system, the BO will inform the DP and submit SEBI specified proof of address document for the address to be entered on CDSL system. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ If BO authorizes the capture of an address of third party as a correspondence address, the same may be accepted provided that the DP ensures that all prescribed 'Know Your Client' norms are fulfilled for the third party also. The DP shall obtain proof of identity and proof of address for the third party. The DP shall also ensure that customer due diligence norms as specified in Rule 9 of Prevention of Money Laundering Rules, 2005 are complied with in respect of the third party. ➤ Where third party address is accepted as correspondence address, the DP shall ensure that proof of permanent address for the BO has been obtained and the same has been entered in the system. DPs should ensure that the statement of transactions and holdings are sent to the BO's permanent address atleast once in a year. ➤ The above provision shall not apply in case of PMS (Portfolio Management Services) clients as informed earlier vide SEBI letter no. IMD/ MT/ 165502/ 2009 Dated June 05, 2009. (Refer communiqué no. 1622 Dated 22nd June, 2009). 	
Operating Instruction 2.3.3 Comm. 3277 Dated October 16, 2012	Minor <ul style="list-style-type: none"> ➤ The minor should be the first and sole holder in the account i. e. there should not be any joint account where a minor is a first/second/third holder. PAN card details of minor have to be entered in CDSL system. <p>In case of death of Guardian of existing Minor account holder :</p> <ul style="list-style-type: none"> ➤ In the case of death of the guardian of an existing minor account holder, the following procedure shall be followed: 	

Reference	Compliance Requirement	Remarks
<p>Comm.563 Dated November 27, 2017</p> <p>Comm. 4305 Dated March 12, 2014</p>	<ul style="list-style-type: none"> <li data-bbox="454 229 1033 771">i. Original Death Certificate of the deceased Guardian or a copy of the same, duly notarized or attested by a Gazetted Officer or Death certificate downloaded from the online portal of Government carrying digital/facsimile signature of the issuing authority may be submitted to the DP. In case death certificate is downloaded from the online portal of Government, the authorised official of the DP should verify the details from the Governments website or from the office of the concerned registrar (birth/death) and keep a record of the same with his signature and stamp of DP. <li data-bbox="454 802 1033 935">ii. The minor's account shall be frozen under the appropriate reason code till the new guardian has completed all formalities. <li data-bbox="454 966 1033 1099">iii. Original or copy of the Court Order (duly notarized or attested by a Gazetted Officer), if the new guardian has been appointed by the Court. <li data-bbox="454 1130 1033 1263">iv. The new guardian shall submit a new account opening form duly complete in all respects along with KYC application form or details of KRA registered with <li data-bbox="454 1294 1033 1463">v. DP has to provide a copy of Rights and Obligations document to the new guardian and keep an acknowledgement of the same on record. <li data-bbox="454 1494 1033 1590">vi. The new guardian shall submit a fresh Nomination Form for the minor's account. <li data-bbox="454 1621 1033 1705">vii. After verification of the AOF and documentation, details of the Guardian 	

Reference	Compliance Requirement	Remarks
<p>Comm. 6049 Dated Jul 29, 2016</p> <p>Comm. 6244 Dated November 11, 2016</p>	<p>of the Minor account holder shall be suitably modified in the CDSL system.</p> <p>viii. The signature of the deceased guardian shall be deleted and the signature of the new guardian shall be recorded in the CDSL system.</p> <p>ix. POA documents/details, if any, recorded with the signature of the deceased guardian shall be deleted.</p> <p>After the minor has attained majority following procedure has to be followed :</p> <ul style="list-style-type: none"> ➤ The account holder shall submit proof of identity and proof of address as mentioned earlier new KYC application form or details of KRA registered with. ➤ The account holder should submit a new accounting opening form duly complete in all respects. The DP shall provide a copy of the Rights and Obligations document to the account holder and shall keep an acknowledgment of the same on record. ➤ The guardian's details should be deleted and guardian's signature should be replaced by account holder's signature. <p>This procedure is to be followed only when the word 'minor' is not appearing in the field in CDAS for account holder's name. In case the word 'minor' is appearing in the name of the account then the existing account has to be closed and a new account will have to be opened.</p> <p>DPs are advised to refer SEBI circular no. CIR.MIRSD/66/2016 Dated July 21, 2016 regarding operationalization of Central KYC records Registry (CKYCR).</p>	

Reference	Compliance Requirement	Remarks
	<p>DPs are advised to refer SEBI circular no. CIR/MIRSD/120/2016 Dated November 10, 2016 regarding Uploading of the existing clients' KYC details with Central KYC Records Registry (CKYCR) System by the registered intermediaries</p>	
<p>Operating Instruction 2.3.4 Comm. 3277 Dated October 16, 2012</p> <p>Instruction 2.3.4.1 Comm. 92 Dated February 23, 2018</p> <p>Comm 38 dated January 18, 2019</p>	<p>HUF:</p> <p>a) The PAN details of the HUF entity would have to be entered in the CDSL system.</p> <p>b) Declaration by Karta giving details of the family members of the HUF with their names, sex (male/ female), date of birth and relationship with the Karta.</p> <p>c) DPs shall note the following while opening a HUF account:</p> <ul style="list-style-type: none"> · HUF accounts cannot be opened with joint holder(s). · HUF accounts cannot appoint a nominee. · In the account opening form, the Karta shall sign under the HUF stamp. · Account can shall be opened in the name of HUF entity- · PAN details of both the HUF entity and Karta of the HUF shall be obtained from the Beneficial Owner. · The name shall be as it appears in the PAN card, e.g. A H Doshi & Sons, Bal Govind Zangle (HUF). · In case POA is to be given by the karta to some other entity to operate the HUF Account, the POA shall be signed by all the members of the HUF account <u>in addition to the karta</u> <p>Procedure to be adopted in the event of death of Karta is as follows:</p> <p>a. HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta,</p>	

Reference	Compliance Requirement	Remarks
2.3.4.2	<p>b. HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta.</p> <p>c. In the event of death of the Karta of HUF, the name of the deceased Karta in the Beneficial Owner (BO) account shall be replaced by the new Karta appointed by the members of the HUF who in such a case shall be the senior most member of the family.</p> <p>d. The new karta shall submit the new list of members, signed by all the members along with the declaration</p> <p>e. Original or a copy of the death certificate of the deceased Karta duly notarized / attested by Gazetted Officer and a no objection from the surviving members of the HUF for him / her to act as Karta of the HUF.</p> <p>f. The existing BO account need not be closed and the same account may continue.</p> <p>g. The death of the Karta shall not mean that the securities lying in the BO account of the HUF is deemed to have divided among the coparceners as if the partition has taken place. The new Karta will submit to the DP the account modification form and record change in signature of the new Karta to operate the account. DP will make necessary modifications in the name of Karta after verifying all the documents and record change in signature of the new Karta to operate the account. The previous account need not be closed and the same account can continue.</p> <p>Procedure to be followed in case of partition of HUF:</p> <p>a) A total or partial partition shall be recognized only if a claim to that effect is made by one or more coparceners</p> <p>b) An intimation of a total or partial partition shall be accompanied by a signed letter mentioning the names of the other members</p>	

Reference	Compliance Requirement	Remarks
2.3.4.3	<p>and their confirmation of a partition having taken place.</p> <p>c) In case of partial partition of the HUF, if desired by one or two more members coparceners the new Karta shall transfer shares to the said coparceners who seek partition and the BO account of the HUF of the HUF have left, the others can still continue the HUF in the existing name. In case of full partition, the entire HUF is dissolved. The account of such coparceners shall be treated as their individual accounts.</p> <p>d) In case of full partition of the HUF, the shares shall be divided amongst all the coparceners in the manner specified by the applicant subject to fulfillment of clause 2.3.4.3.b. above and the HUF account shall cease to exist.</p> <p>In both the above cases, the Karta can transfer shares to the members who seek partition. If the issue of transfer cannot be amicably settled, the family members can go to court and transfer of shares can then be based on the Court directions.</p>	
Operating Instruction 2.3.5	<p>Foreign Corporate</p> <p>a. A duly signed declaration that the corporate has complied with and will</p>	

Reference	Compliance Requirement	Remarks
Comm. 3277 Dated October 16, 2012	continue to comply with, FEMA Regulations and other applicable laws.	
Operating Instruction 2.3.6 Comm. 3277 Dated October 16, 2012 Commn.467 Dated September 26, 2017	<u>NRIs</u> <ul style="list-style-type: none"> ➤ In case of foreign address, if address with P.O. Box No. has been submitted as Permanent and/or Correspondence address, additionally the DPs shall obtain the complete residential address of the NRI BO, under declaration at the time of opening of the account. Such BO shall give an undertaking that whenever there is a change in the residential address, the BO shall inform the DP. ➤ A declaration duly signed by the NRI that he/she has complied with, and will continue to comply with, FEMA regulations and other applicable laws. 	
Operating Instruction 2.3.7 Comm. 3277 Dated October 16, 2012	<u>CMs</u> <u>(a) If the CM is a Corporate Body</u> <ul style="list-style-type: none"> ➤ Certified true copy of certificate of registration with SEBI, duly certified by the Managing Director / Company Secretary / notarized. <u>(b) If CM is not a Corporate Body:</u> <ul style="list-style-type: none"> ➤ The CM account (CM Pool / CM Principal / Early Pay-in) to be opened: <ul style="list-style-type: none"> ➤ either in the name of the partnership firm/entity as mentioned on the Certificate of Registration with SEBI, or ➤ in the name of proprietor or partners (Maximum three partners) ➤ Copy of Certificate of Registration with SEBI duly notarized. <u>c) Asset Management Company (AMC) Pool Account:</u>	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ This account is linked with a stock exchange. <p>Following documents are to be submitted by the AMC for opening the pool account with any DP of CDSL for the purpose of settlement of mutual fund units</p> <ul style="list-style-type: none"> ➤ Letter / circular / instructions issued by the concerned Stock Exchange indicating the CM ID. <p>AMC Pool accounts should be opened in the same name that is mentioned by the Stock Exchanges in their correspondence intimating the CMID.</p>	
<p>Operating Instruction 2.3.8 Comm. 3277 Dated October 16, 2012</p>	<p><u>OCBs</u></p> <ul style="list-style-type: none"> ➤ Copy of RBI Registration Certificate. ➤ Certified true copy of the Board Resolution, certified by Managing Director / Company Secretary, authorizing persons to open and operate the account and specifying the manner of operation of the account. ➤ Names of the authorised signatories, designation, photograph and their specimen signatures duly verified by the Managing Director / Company Secretary. ➤ Memorandum and Articles of Association of the Company. ➤ Declaration from the OCB that it meets with guidelines issued by RBI / Ministry of finance ➤ Certificate from overseas auditors in form OAC or OAC – 1, as may be applicable. ➤ Statement of A/C from the bank. 	
<p>Operating Instruction 2.3.9.1 Comm. 3277 Dated October 16, 2012</p> <p>Operating Instruction 2.3.9.2</p>	<p><u>Registered Societies</u></p> <ul style="list-style-type: none"> ➤ The account shall be opened in the name of the society. <p><u>Unregistered Society</u></p> <ul style="list-style-type: none"> ➤ The account should be opened in the names of the members under “Individual” category (maximum three persons). ➤ All the documents as applicable for account opening under individual category should be obtained. 	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 2.3.10.1 Comm. 3277 Dated October 16, 2012</p> <p>Comm.5774 Dated Feb 25, 2016</p> <p>Comm.5774 Dated Feb 25, 2016</p> <p>Operating Instruction 2.3.10.2</p>	<p><u>Public Trust / Charitable Trust and Trust capable of holding property in its name (Registered Trust / Public Trust):</u></p> <ul style="list-style-type: none"> ➤ Account to be opened in the name of the Trust. ➤ Certificate of Registration of Trust under the Societies Registration Act, 1860 / Bombay Public Trust Act, 1950 / Public Trust Act, of relevant State and BO may be allowed to open a demat account in the name of the trust on submission of the Certificate obtained by the BO as per Section 12AA of Income Tax Act, 1961 along with the Latest Income Tax Returns filed by the Trust. ➤ c) \$ In case if BO informs the non-applicability of the relevant Public Trusts Act or the Indian Societies Registration act, in its specific case, then the BO may be allowed to open a demat account in the name of the trust on submission of the Certificate obtained by the BO as per Section 12AA of Income Tax Act, 1961 along with the Latest Income Tax Returns filed by the Trust. ➤ Certified true copy of Board Resolution to open the Demat account and specifying the persons authorised by the Board of Trustees to act as Authorised Signatory(ies) to operate the demat account. ➤ Names of the Authorised Signatories, Designation, and their specimen signatures duly verified by the Managing Trustee. <p><u>Private Trust</u></p>	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ Account should be opened in the names of individual trustees (maximum three), under “Individual” category. ➤ The board of trustees shall specify the names of the trustees who shall hold / operate the demat account. 	
<p>Operating Instruction 2.3.10.3 Comm. 3277 Dated October 16, 2012</p>	<p>“Recognised” Funds/ Trusts/ Other Similar Entities:</p> <p>(i) The Funds/ Trusts/ Entities presently included under this category are as follows:</p> <ul style="list-style-type: none"> (a) Employees Provident Fund, which have been recognized by the Provident Fund Commissioner under Employee’s Provident Funds & Miscellaneous Provisions Act, 1952. (b) Employees Gratuity Fund, which are formed under Payment of Gratuity Act, 1972. (c) Superannuation Fund which are formed under the guidelines issued by Income Tax Department. (d) Venture Capital Funds which are registered by SEBI. (e) ESOP Trust formed pursuant to the guidelines issued by SEBI). <p>(ii) Accounts of the above Funds/ Trusts/ Entities should be opened in the name of above Funds/ Trusts/ Entities as they are recognized either under the Income Tax Act or Securities & Exchange Board of India, etc.</p> <p>(iii) Documents to be furnished by the above Funds/ Trusts/ Entities and other Funds/ Trusts/ Entities which are similarly placed are:</p> <ul style="list-style-type: none"> 1) Certificate of Registration, if any, issued by the authority recognizing the Fund/ Trust/ Entity as such; 	

Reference	Compliance Requirement	Remarks
	2) Trust Deed and Rules and/or any document or charter defining their constitution and providing for management thereof; 3) List of Members on the Board of Trustees/Governing Body; 4) Certified true copy of the Resolution passed by the Board of Trustees/Governing Body to open the demat account and specifying the persons authorized by the Board to act as Authorized signatory(ies) to operate the demat account; 5) Names of the authorized signatories, designation, and their specimen signatures duly verified by the Managing Trustee;	
Operating Instruction 2.3.11 Comm. 3277 Dated October 16, 2012	<u>Banks</u> ➤ Certified true copy of Board Resolution. OR ➤ Letter on the letterhead of the bank, signed by the Chairman / Managing Director authorizing opening of account and authority given to authorized signatories to to open and operate the account.	
Operating Instruction 2.3.12 Comm. 3277 Dated October 16, 2012	<u>Foreign Nationals</u> ➤ Documents – Same as NRI ➤ If the foreign address with P.O. Box No. is given as Permanent and/or Correspondence address, additionally, the DPs should obtain the complete residential address of the Foreign National BO, under declaration at the time of opening of the account. ➤ Such BO shall give an undertaking that whenever there is a change in the residential address, the BO shall inform the DP.	
Comm.2808 Dated January 16, 2012 Comm.2824 Dated January 27, 2012	<u>Qualified Foreign Investors (QFI)</u> DPs are advised to comply with the guidelines issued by SEBI vide circular no. CIR/IMD/DF/14/2011 Dated August 9, 2011, CIR/IMD/FII&C/3/2012 Dated January 13, 2012 and CIR/IMD/FII&C/4/2012 Dated January 25, 2012.	

Reference	Compliance Requirement	Remarks
<p>Comm.3051 Dated June 08, 2012</p> <p>Comm.3129 Dated July 26, 2012</p>	<p>DPs are advised to note the amendments issued by SEBI vide circular no. CIR/ IMD/ FII&C/ 13/ 2012 Dated June 7, 2012 in respect of investment by QFI in equity shares & mutual fund schemes.</p> <p>DPs are further advised to note the amendments issued by SEBI vide Circular nos. CIR/IMD/FII&C/17/2012 Dated July 18, 2012 regarding investment by Qualified Foreign Investors (QFI) in Indian corporate debt securities and debt schemes of Indian Mutual Funds and Circular No. CIR/IMD/FII&C/18/2012 Dated July 20, 2012 regarding amendment to definition of Qualified Foreign Investor (QFI) and QFI investment in debt mutual fund schemes which invest in infrastructure.</p>	
<p>Operating Instruction 2.3.13 Comm. 3277 Dated October 16, 2012</p>	<p><u>Association of Persons (AOP)</u></p> <ul style="list-style-type: none"> ➤ Objects of the association ➤ Powers of the Managing Committee ➤ Copy of Bye-Laws of the AOP. 	
<p>Operating Instruction 2.3.14 Comm. 3277 Dated October 16, 2012</p>	<p><u>Mutual Funds</u></p> <ul style="list-style-type: none"> ➤ SEBI Registration Certificate clearly indicating the address of the mutual fund. 	
<p>Operating Instruction 2.3.15 Comm. 3277 Dated October 16, 2012</p>	<p><u>Escrow Accounts</u></p> <ul style="list-style-type: none"> ➤ DPs are advised to consider following points while opening Escrow Accounts: <ul style="list-style-type: none"> • The escrow account should be opened in the name and form of Issuer name. • Reasoning for opening the escrow account. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> • Operated by. • Operator name. ➤ KYC form / KRA details of entity that is opening the account (RTA / Clearing Member / Manager to the Issue). ➤ Name, designation along with the photographs of authorized signatories who will be opening the account as well as who will be operating the account should be obtained. ➤ PAN card of both the parties i. e. Corporate entity and Escrow Agent should be obtained. The PAN details of the Corporate entity should be captured in the CDSL system ➤ Copy of the Escrow Agreement duly signed by the parties should be obtained. <p>Validity of escrow account</p> <ul style="list-style-type: none"> ➤ The escrow account shall be active for the limited period of the activity for which it has been opened. ➤ Such period shall be as specified by SEBI / CDSL or any such regulating authority from time to time. ➤ After the specified period is over the account should be closed by the DP irrespective of whether the closure instruction is received from the account holder or not. 	
<p>Operating Instruction 2.3.16 Comm. 3277 Dated October 16, 2012</p>	<p><u>Demat Account for Unclaimed Shares of a Listed Company</u></p> <ul style="list-style-type: none"> ➤ If a listed company wishes to open a demat account for dealing with "unclaimed shares", such an account shall be opened as "<Issuer Name> - Unclaimed Securities Suspense Account." ➤ The suspense account shall be held by the Issuer purely on behalf of the allottees who are entitled for the shares and the shares held in such suspense 	

Reference	Compliance Requirement	Remarks
	<p>account shall not be transferred in any manner whatsoever except for the purpose of allotting the shares to the allottee as and when he/she approaches the Issuer.</p> <ul style="list-style-type: none"> ➤ The Board Resolution and all other documents as prescribed by SEBI and CDSL for opening a Corporate Account shall be obtained. ➤ The Issuer shall furnish a declaration on its letterhead, signed by the authorized signatories, stating that: "We hereby undertake that we will ensure compliance with the provisions of SEBI Circular no. SEBI/CFD/DIL/LA/1 /2009/24/04 Dated April 24, 2009 related to the procedure for dealing with unclaimed shares. We further undertake that the said suspense account will only be used for the purpose as specified in the said SEBI circular." ➤ Credits to the demat account: Any corporate benefits in terms of securities accruing on such unclaimed shares, shall be credited to such demat suspense account. ➤ Debits to the demat account: The Issuer shall debit the shares lying in the suspense account and credit the same to the demat account of the allottee to the extent of the allottee's entitlement, after proper verification of the identity/bonafides of the allottee. 138 	
Operating Instruction 2.3.17 Comm. 3277 Dated October 16, 2012	Limited Liability Partnership Firm (registered under the Limited Liability Partnership Act (2008)) <ul style="list-style-type: none"> ➤ Such an account shall be opened as <"Company Name" Limited Liability Partnership> or <"Company Name" 	

Reference	Compliance Requirement	Remarks
	<p>LLP>.</p> <ul style="list-style-type: none"> ➤ The DP should obtain following documents : <ul style="list-style-type: none"> • Registration Certificate granted by the Registrar to the LLP under the LLP Act 2008. • Declaration, on the letterhead of the LLP signed by all the designated partner/s clearly stating that the within named persons, who are designated partners of the LLP, have been nominated as authorized signatories to open and operate the said demat account on behalf of the LLP. • The declaration shall specify the manner in which the account will be operated, that is: jointly or severally and shall give details of the names, addresses and DPIN [Designated Partner Identification Number allotted by the Registrar for each designated partner] / DIN (Directors Identification Number along with their signatures and photographs. • The bank details in the name of the LLP, as sole / first holder in the bank account. • PAN Card details of the LLP are to be entered in the CDSL system. PAN card of the authorized signatories to be kept on record. • In case of change in registered office address of the LLP, the DP should take on record the notice of change of address filed by the LLP with the Registrar. ➤ Joint holders in the demat account is allowed. ➤ Nomination in such demat accounts shall not be allowed. ➤ Such demat accounts shall be opened 	

Reference	Compliance Requirement	Remarks
	<p>under “Corporate” status in the CDSL system with the sub-status “Limited Liability Partnership”.</p>	
<p>Comm. 2516 Dated 24 June, 2011</p>	<p>➤ If BO has added landmark details in the address column of the Account Opening / Modification Form / Letter, then DP can capture the same in CDAS, even though the same is not appearing in the proof of address documents, preceded by words such as:</p> <ul style="list-style-type: none"> • above • adjacent to • behind • near • next to • off • opposite 	
<p>Comm. 662 Dated February 25, 2006.</p>	<p><u>Refunds through ECS and bank details</u></p> <p>➤ DP should compulsorily obtain the bank details from investors when fresh accounts are being opened. In the case of existing accounts, the bank details have to be obtained from the BO and Updated in the CDSL system to ensure credit of refunds to the correct bank accounts of the applicants.</p> <p>➤ BOs should be advised not to change the bank details given in the share application till the record date declared for the corporate action.</p>	
<p>Operating Instruction 2.4.6 & 2.4.24</p>	<p>➤ A demat account can be opened with maximum three joint holders.</p> <p>➤ All correspondence/queries relating to BO accounts shall be made to the First Holder only at the correspondence address recorded in the system.</p>	<p>For exception please refer – “Account Opening by more than three Holders”</p>

Reference	Compliance Requirement	Remarks
Comm.5311 Dated July 13, 2015	<p>DPs are advised to note that amendments have been effected in Chapter-2 and Chapter - 3 of CDSL's DP Operating Instructions to incorporate regulatory and operational changes.</p> <p>SEBI vide its circular no. CIR/MIRSD/1/2015 Dated March 04, 2015, has specified a simplified Account Opening Form (AOF) termed as SARAL AOF which can be used by only resident individuals for opening demat accounts.</p> <p>If an applicant submits SARAL AOF then the DP should obtain additional KYC form as per annexure 2.8 (instead of annexure 2.1)</p>	

Uniform KYC requirements

Reference	Compliance Requirement	Remarks
Comm. 4150 Dated December 30, 2013.	<p>DPs are advised to note that formats attached with the SEBI circular Dated December 26, 2013 enclosed with the communiqué are to be used for collecting and recording information related to KYC and obtaining additional details for demat account such as bank details, nomination details etc. for individuals and non-individuals</p>	
Comm. 2675 Dated October 07, 2011.	<p>DPs are advised to note the contents of SEBI Circular No. MIRSD/SE/CIR-21/2011 Dated October 05, 2011 regarding uniform KYC requirements for the Securities Markets.</p>	
Comm. 2748 Dated	<p>DPs should comply with the guidelines issued by SEBI vide notification no. LAD-</p>	

Reference	Compliance Requirement	Remarks
<p>December 08, 2011</p> <p>Comm. 2774 Dated December 27, 2011</p> <p>Comm. 2806 Dated January 12, 2012</p> <p>Comm. 2976 Dated April 13, 2012</p> <p>Comm. 4327 Dated March 21, 2014</p> <p>Comm. 3203 Dated September 06, 2012</p> <p>Comm. 3921 Dated September 16, 2013</p>	<p>NRO/GN/2011-12/29/36772 Dated December 02, 2011 regarding, functions and responsibilities of intermediaries, code of conduct, data security, etc</p> <p>DPs are advised to comply with the guidelines issued by SEBI vide circular No. MIRSD/Cir-26/2011 Dated December 23, 2011 to implement the regulations effectively and streamline the in-person verification requirements to have uniform KYC procedure across intermediaries, etc.</p> <p>DPs are further advised to note that persons who can carry out IPV as per para 3 of the SEBI Circular SEBI Circular MIRSD/Cir-26/2011 Dated December 23, 2011 may also carry out verification of documents with the originals.</p> <p>DPs are advised to comply with the guidelines issued by SEBI vide circular No. MIRSD/Cir-5/2012 Dated April 13, 2012 in respect of uploading of the 'existing clients' KYC details in the KYC Registration Agency (KRA) system</p> <p>DPs are advised to comply with the guidelines issued by SEBI vide circular No. MIRSD/Cir-5/2012 Dated April 13, 2012 in respect of uploading of the 'existing clients' KYC details in the KYC Registration Agency (KRA) system</p> <p>DPs are advised to note the contents of SEBI Circular No. CIR/MIRSD/ 11 /2012 Dated September 05, 2012 and Circular no. CIR/MIRSD/07/2013 Dated September 12, 2013 regarding Clarifications for Foreign Investors viz. FIIs, Sub Accounts and QFIs in respect of Know Your Client Requirements</p> <p>DPs are advised to note the contents of SEBI Circular regarding KYC requirements for Eligible Foreign Investors and Foreign Portfolio Investors.</p>	

Reference	Compliance Requirement	Remarks
Comm 193 Dated April 11, 2018	DPs are advised to refer to SEBI Circular no. CIR/IMD/FPIC/CIR/P/2018/64 Dated April 10, 2018 regarding Know Your Client Requirements for Foreign Portfolio Investors (FPIs)	
Comm 507 Dated Sept 24, 2018	DPs are advised to refer to SEBI Circular no. CIR/IMD/FPIC/CIR/P/2018/131 Dated September 21, 2018 regarding Know Your Client requirements for Foreign Portfolio Investors (FPIs)	
Comm 368 Dated July 13, 2018	DPs are advised to refer to SEBI Circular no. IMD/FPIC/CIR/P/2018/114 Dated July 13, 2018 regarding Investment by Foreign Portfolio Investors (FPI) through primary market issuances	
Comm. 4457 Dated May 26, 2014	DPs are advised to refer to SEBI circular no. CIR/MRD/DP/20/2014 Dated June 20, 2014 regarding Participation of FPIs in the Currency Derivatives Segment and Position Limits For Currency Derivatives Contracts,	
Comm. 4506 Dated June 17, 2014		
Comm. 4524 Dated June 24, 2014		
Comm.5487 Dated Oct 8, 2015	DPs are advised to refer to SEBI circular no. CIR/IMD/FPIC/8/2015 Dated October 06, 2015 regarding Investments by FPIs in Government Securities	
Comm. 4671 Dated September 01, 2014		

Reference	Compliance Requirement	Remarks
Comm. 4677 Dated September 02, 2014		
Comm. 6170 Dated October 04, 2016		
Comm. 487 Dated October 05, 2017	<p>DPs are advised to refer to SEBI Circular no. IMD/FPIC/CIR/P/2016/107 Dated October 03, 2016 wherein SEBI has informed regarding enhancement in the limit for Investments by FPIs in Government securities.</p>	
Comm. 608 Dated December 21, 2017	<p>DPs are advised to refer to IMD/FPIC/CIR/P/2017/113 Dated October 04, 2017 regarding Investments by FPIs in Government Securities.</p>	
Comm. 5547 Dated November 06, 2015	<p>DPs are advised to refer to SEBI Circular no. IMD/FPIC/CIR/P/2017/129 Dated December 20, 2017 regarding Investments by FPIs in Government Securities</p> <p>DPs which have their own website should display on their website information as per the communique as static or in the form of ticker.</p>	
Comm. 3153 Dated August 06, 2012	<p>Concurrent Audit Concurrent Auditors may check the entries in CDAS system after documents are made available by KRA for downloading by the DPs. However, if the DP has failed to dispatch KYC documents to KRA within 10 working days from the date of execution of documents/account opening, the Concurrent Auditors shall make an observation to that effect.</p>	
Operating Instruction 2.4.20	<p>➤ The DP should record the unique BO-ID generated by the system on the original AOF.</p>	

Reference	Compliance Requirement	Remarks
Bye Law 13.1.6 & Operating Instruction 2.4.23	<ul style="list-style-type: none"> ➤ Once the account is activated, the DP should inform the BO of the BO account number through a system generated confirmation letter. ➤ Necessary forms (such as DRF, TRPF, PRF etc) and instructions slips booklet shall be forwarded to BO along with the letter. ➤ The DP should maintain proof of dispatch of such letter alongwith the forms and instruction slips. ➤ The letter along with other documents mentioned above may also be given to the BO if the BO wants to collect the same in person. Proof of such delivery should be maintained by the DP. 	
Bye Law 9.1 & 9.2 Comm. 1031 Dated January 25, 2008. Bye Law 15 Comm. 2693 Dated October 10, 2011. Operating Instruction 1.4.2	<p><u>Account opening by CMs</u></p> <ul style="list-style-type: none"> ➤ A CM who is a participant in CDSL shall open such accounts as may be specified in the Operating Instructions for the purpose of settlement of trades with the Clearing Corporation. ➤ A CM who is not a participant in CDSL may open such accounts (as may be specified in the Operating Instructions) for the purpose of settlement of trades with the clearing corporation after entering into an agreement with the participant in prescribed format. <p><u>Account opening for Securities Lending and Borrowing</u></p> <ul style="list-style-type: none"> ➤ Any beneficial owner intending to lend or borrow securities, may do so in the manner laid down under SEBI (Securities Lending Scheme), 1997 or any amendments made thereto from time to time. ➤ BSE Clearing Member will be required to open two accounts with any DP of CDSL namely a) Principal Account b) Unified Settlement Account. ➤ NSE Clearing Member will be required to open one account with any DP of CDSL 	

Reference	Compliance Requirement	Remarks
	<p>provide the mobile number of the 1st holder of the new account for availing the "SMART" facility.</p> <ul style="list-style-type: none"> ➤ Nomination: a fresh Nomination form, duly signed by the surviving holders will have to be obtained for the new account and duly updated in the CDSL system and Nomination Register. ➤ The DP should ensure that any original documents removed from the old account opening records (and used for KYC purposes in the new account), are replaced with photocopies of the same, for future co-relation / reference. 	
<p>Operating Instruction 2.6.4 Comm 4305 Dated March 12, 2014</p> <p>Operating Instruction 2.6.5</p> <p>Operating Instruction 2.6.6</p> <p>Operating Instruction 2.6.2</p> <p>Operating Instruction 2.4.5</p>	<ul style="list-style-type: none"> ➤ CMs of BSE shall execute a DP-CM agreement whereas CMs of exchanges other than BSE shall be given a copy of the Rights and Obligations document. The DP shall keep an acknowledgment of the same on record. ➤ CMs of exchanges other than BSE shall give an undertaking on their letterhead authorizing CDSL to debit/credit the CM account based on the instructions received from the exchange. The undertaking should be stamped and signed by the authorized signatories/account holder (s) ➤ DP should collect the original and two copies of the undertaking from the CM. The original should be forwarded to CDSL; one of the copies should be retained by the DP and the remaining copy should be forwarded to CC / CH. ➤ AOF meant for opening account of a Corporate Body should be used for opening accounts of a CM even though the CM may be an individual / a partnership firm. ➤ In the case of Partnership / Proprietorship Firms, the account should be opened in the 	

Reference	Compliance Requirement	Remarks
	individual name(s) of the partner(s) / proprietor.	
Operating Instruction 1.4.2	<p><u>MANTRA</u> (Margin Trading) accounts</p> <ul style="list-style-type: none"> ➤ Corporate Brokers with the prescribed network who offer margin trading facilities to their clients can open Margin Trading Account in the names of such clients for holding securities purchased through margin trading. ➤ The account will be operated by the corporate broker under POA issued by the clients. ➤ Such accounts should be opened under separate sub-status codes provided for this purpose. 	
<p>Comm. 3402 Dated December 31, 2012</p> <p>Comm. 3430 Dated January 4, 2013</p> <p>Comm. 3472 Dated February 1, 2013</p> <p>Comm. 4145 Dated December 27, 2013</p>	<p>Rajiv Gandhi Equity Savings Scheme (RGESS)</p> <p>DPs can open new accounts or designate existing demat accounts as RGESS. DPs are advised to follow the guidelines as mentioned in the Comm. 3402 Dated 31st December, 2012 and inform their BO \ CMs accordingly.</p> <p>DPs can refer the details regarding the benefits, eligibility and process of RGESS available at following link on CDSL Website :</p> <p>http://www.cdslindia.com/investors/rgessbenefits.html.</p> <p>DPs can further refer FAQs circulated by Ministry of Finance which clarifies / addresses the operational modalities of the scheme.</p> <p>DPs are advised to take note of the notification Dated December 18, 2013 issued by Government of India, Ministry of Finance, Department of Revenue and ensure compliance as directed.</p>	

Reference	Compliance Requirement	Remarks
<p>Comm. 4375 Dated April 10, 2014</p> <p>Comm. 4498 Dated June 12, 2014</p>	<p>DPs are advised to refer the Communique explaining certain salient features to guide the investors.</p> <p>DPs are advised to take note of the facility provided for making General Application released on Browser based CDAS system. DPs are also advised to exercise utmost care before entering such application.</p>	
<p>Operating Instruction 3.4.2 Comm. 3277 Dated October 16, 2012 Communique 260 dated June 11, 2020</p>	<p><u>Nomination</u></p> <ul style="list-style-type: none"> ➤ The DP should mandatorily obtain a nomination form from the BO (Individual, NRI, FN) duly filled and signed by all the holders. Non-individuals including society, trust, corporate body, partnership firm, HUF, AOP, holder of POA, cannot appoint a nominee. A minor can nominate through a guardian. ➤ Only one individual can be appointed as a Nominee by submitting the Nomination Form signed by all joint holders. ➤ Only individuals can appoint a Nominee and be appointed as a Nominee. ➤ Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Hindu Undivided Family and AOP and holder of the POA cannot be appointed as a nominee. ➤ A minor, who is represented by guardian, can be appointed as a nominee. ➤ An NRI can be appointed as a nominee, subject to Foreign Exchange Control Regulations in force and also can appoint a nominee. ➤ The DP should maintain a record of the nominees registered in a nomination register. Serial Number as appearing in the Nomination Register should be noted on the Nomination Form together with the date of registering it in the nomination register. 	

Reference	Compliance Requirement	Remarks
<p data-bbox="187 815 325 911">Operating Instruction 3.4.2.1</p> <p data-bbox="187 1093 365 1190">Comm. 6250 Dated Nov 18, 2016</p>	<ul style="list-style-type: none"> <li data-bbox="429 238 1033 433">➤ If a BO does not wish to nominate, the option: “I/WE DO NOT WISH TO NOMINATE” in the Nomination Form should be selected. The DP should ensure that the nomination form is duly signed by all the account holders. <li data-bbox="429 438 1033 502">➤ Two witnesses are required to sign the Nomination Form. <li data-bbox="429 507 1033 611">➤ Nomination details should be captured in CDAS after verification of Nomination Form and entry in the nomination register . <li data-bbox="429 616 1033 775">➤ If the details of nomination are not entered in CDAS or the same has not been entered in the Nomination Register, the BO account should be considered as “without nomination”. <li data-bbox="429 780 1033 911">➤ The DP should at all times, irrespective of subsequent variations and cancellations, maintain an Updated “Register of Nominations” in the prescribed format. <p data-bbox="429 957 1033 1021">BO can appoint multiple nominees (upto three) in a demat account.</p> <ul style="list-style-type: none"> <li data-bbox="429 1026 1033 1193">• If a BO chooses to appoint multiple nominees, the BO has to specify the share of securities in terms of percentage which will be distributed ISIN wise equally and the same should total to 100%. <li data-bbox="429 1199 1033 1503">• In case of multiple nominations, if the no of securities are not exactly divisible in the specified proportion in respect of a particular ISIN, the same shall be divided at ISIN level to the extent the securities are divisible and for the remaining securities which are in odd nos. BO has to choose one nominee who will be credited with balance securities if any, remaining after the distribution of securities. <li data-bbox="429 1508 1033 1639">• If the BO fails to mention such nominee entitled for residual shares, the same will be credited to the first named nominee in the nomination form. 	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 3.4.4.4</p> <p>Operating Instruction 3.4.5</p>	<ul style="list-style-type: none"> ➤ A beneficial owner may revoke the Power of Attorney executed in favour of the Stock Broker / DP / any other entity at any time. Such revocation shall become applicable from the date and time the letter, communicating such revocation, is received by the DP. However, such revocation shall not be applicable to any outstanding settlement obligation arising out of the trades carried out prior to receiving the request for modification / revocation of the POA. <p>The BO should submit request for revocation of POA at a DP branch / centre which is servicing him. The revocation letter shall be Dated and stamped by the DP branch / centre to ensure proper audit trail.</p> <ul style="list-style-type: none"> ➤ The DP shall ensure that the POA is signed by all joint holders, if the POA is granted by all of them. ➤ In the case of a request for change in POA, additional care should be taken by the DP to verify the authenticity of the BO authorizing the change. ➤ The DP should comply with the provisions of SEBI circular no.CIR/MRD/DMS/13/2010 Dated April 23, 2010 and SEBI/HO/MIRSD/DOP/ CIR/P/2020/158 dated August 27, 2020 regarding execution of Power of Attorney (POA) by the client in favour of Depository Participants to the extent applicable alongwith clarification issued by SEBI vide circular no. CIR/MRD/DMS/28/2010 Dated August 31, 2010 and communique 371 dated August 28, 2020. 	
<p>Comm. 505 Dated December 16, 2004</p>	<p><u>Power of Attorney in favour of CMs / entities other than DPs.</u></p> <ul style="list-style-type: none"> ➤ The DP should ensure that : <ol style="list-style-type: none"> a. Details of such POAs are entered on the System. b. The POA holder provides to DP names and signatures of the authorized 	

Reference	Compliance Requirement	Remarks
	<p>persons who would sign the consolidated instruction slips.</p> <p>c. Signatures of the authorized persons are captured in the System.</p> <p>d. The authorization by BOs by any mode other than through POA should not be accepted by DPs.</p> <p>e. The DPs should issue a separate instruction slip book to the holders of such power of attorney.</p>	
<p>Comm. 631 Dated December 22, 2005</p>	<ul style="list-style-type: none"> ➤ In case of Power of Attorney in favour of a DP or a single entity such as CMs, the DP should ensure that incorporation of clauses in the power of attorney document detrimental to the interest of the beneficial owners are avoided. ➤ In case powers of attorney with detrimental clauses are already obtained, they should be replaced with fresh POAs after deleting such clauses. ➤ DPs shall not act or purport to act in exercise of any powers/authority contained in the aforesaid objectionable clauses pending substitution of the existing Power of Attorney with fresh Power of Attorney as aforesaid. 	
<p>Comm. 2671 Dated October 5, 2011</p> <p>Comm. 3121 Dated July 23, 2012</p>	<p><u>Constituents' Subsidiary General Ledger (CSGL) account :</u></p> <p>DPs should comply with the guidelines issued by Reserve Bank of India vide notification no. 183 Dated September 05, 2011 and further amendment issued vide notification no. 135 Dated May 22, 2012 regarding conditions applicable for opening and maintenance of a Constituents' Subsidiary General Ledger (CSGL) account, as also the records to be maintained and procedures to be adopted by the CSGL account holders for safeguarding the interests of their constituents.</p>	

Account Opening by Temporarily Disabled / Illiterate BO / person with mental disability.

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 2.5</p> <p>Comm. 4422 Dated May 08, 2014</p>	<ul style="list-style-type: none"> ➤ The DP has to ensure that the BO, if he is illiterate or temporarily disabled at the time of opening an account, must affix the thumb impression (Left hand thumb in case of male BO and right hand thumb in case of female), on the agreement as well as on the account opening form in the presence of an authorized officer of the DP, who should certify that the thumb impression was affixed in his presence. ➤ In case of disabled persons, the DP must ensure that the BO has produced a medical certificate about his disability ➤ A person suffering from conditions relating to Autism, Cerebral Palsy, Mental Retardation and Multiple disabilities, can open a demat account in his/her own name through a guardian. The guardian may be appointed by Local Level Committee under the National Trust for the Welfare of persons with Autism, Cerebral Palsy, Mental retardation and multiple disabilities Act, 1999 or District Court under Mental Health Act, 1987. Based on Guardianship Certificate issued by the aforesaid authorities for the purpose of opening and operating the demat accounts, the demat account can be opened. ➤ If the person is a “mentally ill person” (person who is in need of a treatment) by reason of any mental disorder other than mental retardation, the account can be opened in his/her own name through a guardian appointed by the District court and collectors of districts under the Mental Health Act 1987. ➤ DP should identify the BO by verifying the photograph submitted by the BO. If the BO is illiterate / blind the DP should read out / 	

Reference	Compliance Requirement	Remarks
	explain to him the contents of the AOF / DP-BO Agreement in presence of a witness who should sign the AOF / DP-BO Agreement as a witness. The DP official should put his signature and the remarks – “Details explained to the BO” on the corresponding AOF.	

Account Opening by more than three Holders

Reference	Compliance Requirement	Remarks
Operating Instruction 2.4.7	<ul style="list-style-type: none"> ➤ The DP should open a separate account if there are more than three joint holders for the security. ➤ An undertaking has to be obtained by the DP from the account holders that there would not be any credit instruction to this account except for dematerialisation of securities held and corporate action benefits. ➤ The DP should capture the names of the four or more joint holders by numbering them and enter the first holder's name in the first holder's field and accommodate the rest of the names in the fields for second and the third holder. ➤ The purchase confirmation waiver flag should not be enabled. ➤ After the balances in such account become nil, the account should be closed. 	It may be noted that accounts opened in the names of trustees who hold shares on behalf of a trust will not have restrictions on receipt of credits.

Account Opening by more than three Holders

Reference	Compliance Requirement	Remarks
Operating Instruction 2.4.7	<ul style="list-style-type: none"> ➤ The DP should open a separate account if there are more than three joint holders for the security. ➤ An undertaking has to be obtained by the DP from the account holders that there would not be any credit instruction to this 	It may be noted that accounts opened in the names of trustees who hold shares on

Reference	Compliance Requirement	Remarks
	<p>account except for dematerialisation of securities held and corporate action benefits.</p> <ul style="list-style-type: none"> ➤ The DP should capture the names of the four or more joint holders by numbering them and enter the first holder's name in the first holder's field and accommodate the rest of the names in the fields for second and the third holder. ➤ The purchase confirmation waiver flag should not be enabled. ➤ After the balances in such account become nil, the account should be closed. 	<p>behalf of a trust will not have restrictions on receipt of credits.</p>

Reference	Compliance Requirement	Remarks
<p>Online Account opening Comm 2020-203, 342 & 444</p>	<ul style="list-style-type: none"> ➤ SEBI registered intermediary shall continue to ensure to obtain the express consent of the investor before undertaking online KYC. ➤ RI shall collect and verify the Proof of Identity (PoI) and Proof of Address (PoA) from the investor. ➤ eSign mechanism of Aadhaar shall be accepted in lieu of wet signature on the documents provided by the investor. Even the cropped signature affixed on the online KYC form under eSign shall also be accepted as valid signature. ➤ Investor's KYC can be completed through online / App based KYC, in-person verification through video, online submission of Officially Valid Document (OVD) / other documents under eSign, in the following manner. <ul style="list-style-type: none"> a. Through website/ app/ digital platform of RI b. The name, photograph, address, mobile, bank details, email shall be captured online and OVD/PAN/ signed cancelled cheque provided as scan/ photograph under esign 	

Reference	Compliance Requirement	Remarks
	<p>c. OTP authentication shall be performed for mobile and email id verification.</p> <p>d. DP shall ensure to obtain Aadhaar number in redact/ blackout form and shall not store/save the Aadhaar number of the investors in their system.</p> <p>e. PAN is compulsory and should be verified from IT Database.</p> <p>f. Bank account can be verified through Penny drop facilities.</p> <p>g. OVD other than Aadhaar shall be submitted though Digilocker though esign mechanism.</p> <ul style="list-style-type: none"> ➤ In case of online account opening, client wet signature should be on the filled KYC form under e-Sign ➤ The DP shall forward the KYC completion intimation letter through registered post/ speed post or courier, to the address of the investor in cases where the investor has given address other than as given in the OVD. In such cases of return of the intimation letter for wrong / incorrect address, addressee not available etc, no transactions shall be allowed in such account and intimation shall also sent to Depository. ➤ Requirement of verification with original vide SEBI circular no. MIRSD/SE/Cir-21/2011 dated October, 5 2011 would be meet where clear photograph or scanned copy of the original OVD, through the eSign mechanism and As digitally signed document of the OVD, issued to the DigiLocker by the issuing authority ➤ IPV/ VIPV would not be required when the KYC of the investor is completed using the Aadhaar authentication / verification of UIDAI. ➤ IPV / VIPV shall not be required by the RI when the KYC form has been submitted online, documents have been 	

Reference	Compliance Requirement	Remarks
	<p>provided through digiocker or any other source which could be verified online.</p> <ul style="list-style-type: none"> ➤ Application (App) for undertaking online KYC of investors shall facilitate taking photograph, scanning, acceptance of OVD through Digilocker, video capturing in live environment, usage of the App only by authorized person of the DP. ➤ The App shall also have features of random action initiation for investor response to establish that the interactions not pre-recorded, time stamping, geo-location tagging to ensure physical location in India etc is also implemented. ➤ DP shall ensure that the process is a seamless, real-time, secured, end-to-end encrypted audiovisual interaction with the customer ➤ The DP shall before rolling out and periodically, carry out software and security audit and validation of their App. ➤ DP through their authorised official, may undertake live VIPV of an individual customer, after obtaining his/her informed consent. The activity log along with the credentials of the person performing the VIPV shall be stored for easy retrieval. ➤ The VIPV shall be in a live environment VIPV shall be clear and still, the investor in the video shall be easily recognisable and shall not be covering their face in any manner. The VIPV process shall include random question and response from the investor including displaying the OVD, DP shall ensure that photograph of customer downloaded through Aadhaar authentication verification process matches with the Investor in VIPV. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ The VIPV shall be digitally saved in a safe, secure and tamper-proof, easily ➤ retrievable manner and shall bear date and time stamping. 	
<p>Opening of Margin Pledge & Repledge account vide SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2020/28 Dated February 25, 2020</p>	<ul style="list-style-type: none"> ➤ To comply with clause 5 of the SEBI circular and to enable clients to pledge their securities as collateral / margin to a TM / CM, CDSL has introduced following account types / sub-types titled 'TM – Client Securities Margin Pledge Account (TM-CMPA)' and 'CM – Client Securities Margin Pledge Account (CM-CMPA)' so that clients can pledge securities in favour of these accounts as a collateral / margin and TM / CM can further re-pledge these securities in favour of a CM / CC, respectively. In view of the above, DP are advised to inform their TM/CM clients and ensure to open said accounts as per status and sub-status given in communique 234 dated May, 22 2020. 309 dated July 16, 2020 	
<p>SEBI Circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 Communique 304 dated June 21, 2019 and 421 dated Aug 23, 2019</p>	<p>As per the clause 4.2 of the SEBI circular with regard to securities which have not been paid in full by the clients (unpaid securities), a separate client account titled "Client Unpaid Securities Account" (CUSA) shall be opened by the TM/CM. The unpaid securities would be transferred to such CUSA from the pool account of the respective TM/CM or from the Clearing Corporation as direct payout.</p> <p>In case a TM/CM's existing pool account is maintained with a DP and the CUSA is being opened with the same DP then fresh account opening form would not be required to be submitted by the TM/CM to the DP for opening the CUSA. DP shall obtain a consent from TM/CM in the format enclosed as 'Annexure-A' vide comm 421, Aug 23, 2019 along with a copy of the board resolution for the same. However, if the CUSA is being opened with another DP where the pool accounts are not maintained then the documents as applicable for opening</p>	

Reference	Compliance Requirement	Remarks
	of demat accounts mentioned in the Operating Instructions 2.3.7 would have to be furnished. The TM/CM should mention the type of Account as CUSA in the AOF provided in Annexure 2.2 of the Operating Instructions.	
Mapping of UCC (Unique Client Code) Communiqués 2019-580, 2020-141	<ul style="list-style-type: none"> ➤ Provision of obtaining UCC ID along with respective exchange ID should be incorporated in AOF. 	Mapping of UCC (Unique Client Code) Communiqués 2019-580, 2020-141

Account Modification

Reference	Compliance Requirement	Remarks
Operating Instruction 3.4 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ In case of any change in details of the BO except change in address or signature, DP should carry out modifications in the BO accounts only on receiving written instructions duly signed by all the holders of the BO account on the Account Modification Form or letter containing all details as specified in the Account Modification Form. ➤ In case of change in correspondence address or signature, the BO should inform the DP as to whether the change should be effected in KRA and CDSL system or only in CDSL system. If the change is to be effected in KRA, the procedure as prescribed by KRA should be followed by the BO. ➤ DP should verify signature of BOs on the Account Modification Form with their specimen signatures captured in CDAS. ➤ DP should exercise sufficient control in its internal working to ensure that no unauthorized persons can have access to 	

Reference	Compliance Requirement	Remarks
	<p>the system for adding / modifying / deleting / viewing any data in CDAS.</p> <ul style="list-style-type: none"> ➤ Implementation of variable Access Rights Scheme is one of the tools for achieving such control. ➤ In case of change only in CDSL system, the DP should maintain proper records of all documents verified with original. ➤ On receipt of information on change in KYC details except in case of change in address to be effected only in CDSL system / status of the clients, the DP shall be responsible to upload the Updated information on the KRA system and send the physical documents to KRA. ➤ In case of any change in KYC details downloaded from KRA system, the DPs can update CDAS without obtaining account modification form from the BO, ➤ The DP should send letters to BOs confirming modifications done and should maintain the copies of such letters along with proof of dispatch. 	
<p>Operating Instruction 3.4.10.1 Comm. 3918 Dated September 13, 2013</p>	<p>Change in name</p> <ul style="list-style-type: none"> ➤ The DP can modify the name of the BO in the CDSL system on receipt of a request letter for change in name / account modification form duly signed by the holder whose name is being changed along with the self attested copies of the following documents: <p>A. Change in name on account of marriage:</p> <ol style="list-style-type: none"> i. Copy of Marriage Certificate or ii. Copy of Passport showing husband's name or iii. Publication of name change in official gazette. <p>B. Change in name on account of reasons other than marriage:</p> <ol style="list-style-type: none"> i. Publication of name change in official gazette 	

Reference	Compliance Requirement	Remarks
<p>Comm. 5141 Dated April 16, 2015</p> <p>Comm.5311 Dated July 13, 2015</p> <p>Commn.142 Dated Mar 17, 2017</p>	<p>C. Change in father's name. i. Publication of name change in official gazette.</p> <p>The DP shall retain the originals of the documents received from the BO.</p> <p>DPs based on representations received from BO can carry out rectification in the name of the BO (individuals and non individuals) on account of typographical error at DP end.</p> <p>II. Rectification of name due to typographical error at DPs end</p> <p>The DP can modify the name of the BO in CDSL system, if it is observed that the name as given by the BO in the account opening form has been wrongly entered by the DP in CDSL system. The DP should keep following documents on record for name change.</p> <p>i. Copy of the demat account opening form showing details of the name as filled by the BO.</p> <p>ii. Copy of the PAN card, checked and verified for the name of the BO.</p> <p>iii. Extract of the PAN details from income tax website duly verified by DP official.</p> <p>i.iv. Authorisation by the compliance officer/ authorized signatory of the DP for rectification/modification in the name.</p> <p>Updation of change in name of Beneficial Owner</p> <p>The DP can modify the name of the BO in the CDSL system on receipt of a request letter for change in name / account modification form duly signed by the holder whose name is being</p>	<p>In the case of</p>

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 3.4.10.2 Comm. 3918 Dated September 13, 2013</p>	<p>changed along with the self-attested copies of the following documents: A. Change in name on account of marriage/Divorce: I. Copy of Marriage Certificate /Divorce Certificate or II. Copy of Passport showing husband's name/Father's name or III. Publication of name change in official gazette.</p> <p>➤ If Corporate / FIIs desire a name change, the DP need not open a new account. The same can be modified by CDSL. DP shall update the change in name of the corporate / FII in the CDSL system on receipt of following documents from Corporate / FII :</p> <ol style="list-style-type: none"> i. Letter from Corporate / FIIs requesting change of name. ii. Certified copy of Board Resolution where the change of name has been approved. iii. Certified copy of: <ol style="list-style-type: none"> a) fresh Certificate of Incorporation issued by Registrar of Companies (ROC) OR b) Registration Certificate from SEBI in case of FIIs iv. List of authorized signatory (ies) along with their specimen signature(s) and photograph(s) duly verified by Managing Director / Company Secretary. <p>In case of amalgamation / scheme of arrangement of the entity registered under the Companies Act, 1956, the DP shall obtain the following documents and update the change in name in the CDSL system:</p> <ul style="list-style-type: none"> • Letter from Corporate / FII requesting for change in name. 	<p>CM settlement related accounts, if SEBI registration number / CMID / Trading ID undergoes a change, new account has to be opened. Name change should not be carried out on the existing account</p>

Reference	Compliance Requirement	Remarks
<p>Comm.5311 Dated July 13, 2015</p> <p>Operating Instruction 3.4.11</p>	<ul style="list-style-type: none"> • Certified true copy of court order sanctioning the amalgamation / scheme of arrangement. • Form no. 21 filed with the Registrar of Companies along with ROC receipt showing the payment of fees as generated from the website of Ministry of Corporate Affairs. <p>The DP shall retain the originals of the documents received from the BO.</p> <ul style="list-style-type: none"> • On receipt of information from CDSL of the rejection / updation of change in name, DP shall inform BO accordingly. <p>II. Rectification of name due to typographical error at DPs end.</p> <p>The DP can modify the name of the BO in CDSL system, if it is observed that the name as given by the BO in the account opening form has been wrongly entered by the DP in CDSL system. The DP should keep following documents on record for name change.</p> <ol style="list-style-type: none"> i. Copy of the demat account opening form showing details of the name as filled by the BO. ii. Copy of the PAN card, checked and verified for the name of the BO. iii. Extract of the PAN details from income tax website duly verified by DP official. iv. Authorisation by the compliance officer/ authorized signatory of the DP for rectification/modification in the name. <p>➤ The DP shall update the change in name of the Clearing Member in the CDSL system on receipt of the following documents from the Clearing Member:</p>	

Reference	Compliance Requirement	Remarks
<p>Comm. 3918 Dated September 13, 2013</p> <p>Communique no. DP2019-17 Dated January 9th,2019</p>	<ul style="list-style-type: none"> • Letter from clearing member requesting for change in name. • Certified copy of the Board resolution where the change in name was approved, if applicable. • Certified copy of SEBI Registration Certificate with the change in name. • Copy of the letter received from the Stock Exchange, where the clearing member is a member acknowledging change in name. • List of authorized signatories along with specimen signature with due verification from Company Secretary/Whole-time Director. • The DP shall retain the originals of the documents received from the BO. The above procedure is applicable only if CM ID remains unchanged. <p>MINOR CORRECTION IN NAME OF THE BENEFICIAL OWNER</p> <p>A. Change in Name:</p> <p>One of the documents required for change of name in Beneficial Owner's (BO) account on account of reasons other than marriage is publication of name change in official gazette.</p> <p>Investors residing in the State of Karnataka and Punjab, the name change is published by the State Government in the Official Gazette only for Government employees and not for private persons in case of change of name of an individual".</p> <p>Accordingly, it has been decided that in case of change of name of an individual in these states for reasons other than marriage, the same may be allowed for the individual in the BO account</p>	

Reference	Compliance Requirement	Remarks
	<p>subject to the submission of following documents:</p> <ol style="list-style-type: none"> i. Request letter for change of name; ii. Sworn affidavit executed before the Notary Public/ Magistrate of First Class/ Executive Magistrate mentioning the reason for change of name and his complete address; iii. Paper publication in one local newspaper and one national newspaper; and iv. KYC in changed name. <p>DPs should obtain self-attested copies of above documents and verify with originals.</p> <p>B. Minor correction in name</p> <p>DP shall ensure that the demat account holder whose name is to be corrected submits a duly filled and signed modification form as per Annexure B for correction in the name of individual demat account holder or a request letter having all the details of the modification form, along with one of the proof of identity documents as mentioned in DP Operating Instructions 2.3.1 with respect to KYC related documents and having the correct name.</p> <p>In case of joint holders in a demat account the request should be signed by the holder in whose name the correction is required to be carried out. The minor correction in name will include following types of cases:</p> <ul style="list-style-type: none"> • Correction of spelling mistakes, if any. • Expansion of the name by incorporating the fully expanded name and/or addition of middle name. • Abbreviation of name. <p>DP should ensure to obtain a confirmation from the demat account holder that it is not a change in name of the individual demat account holder</p>	

Reference	Compliance Requirement	Remarks
	<p>[s] for any any reason such as marriage, divorce, court order.</p> <p>If the individual demat account holder changes the spelling of his/her name for any reason including for numerology, etc., it will be considered name change of the BO and will not a be treated as correction in name.</p> <p>DPs are advised to carry out the necessary due diligence while processing such requests and verify that the request for correction in name is received from the same person and ensure that there is no change in name of the BO.</p> <p>DPs can make such correction through on-line as well as upload mode</p>	
<p>Operating Instruction 3.4.15 Comm. 3277 Dated October 16, 2012</p> <p>Comm. 1746 Dated October 20, 2009</p>	<p><u>Modification of Bank details</u></p> <ul style="list-style-type: none"> • DPs should collect proof of bank details. Any one of the following documents may be collected :- <ol style="list-style-type: none"> (i) Photocopy of the cheque / cancelled cheque having the name of the account holder where the cheque book is issued. (ii) Photocopy of the Bank Statement having name and address of the BO. (iii) Photocopy of the Passbook having name and address of the BO. (iv) Letter from the Bank. <p>In case of option (ii), (iii) and (iv) above MICR code of the branch should be present/mentioned on the document and it should be self certified by the BO.</p> <p>Updation of New Bank Account Numbers</p> <ul style="list-style-type: none"> ➤ DPs are advised to inform their BOs / clients to <u>update the new bank account numbers in their demat accounts</u> at the earliest, failing which, electronic transfers 	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 3.4.12</p>	<ul style="list-style-type: none"> • DP can modify the address of BO on receipt of request letter for change of address / account modification form duly signed by the holder whose address is being changed. • An authorized official of the DP shall put the “verified with original” stamp on the copy after verification with the original documents and sign the same under stamp of the DP. . • After effecting modification of address in CDSL system, the DP should send the system-generated letter to the BO, confirming change of address at the old as well as the new addresses. <p>ii. <u>For Corporates / Clearing Member / Bank</u> :</p> <p><u>Modification of address to be effected in KRA and CDSL system</u></p> <ul style="list-style-type: none"> ➤ The DP has to follow the procedure prescribed by the KRA for modification in address and also effect the change in address in CDSL system. <p><u>Modification of correspondence address to be effected only in CDSL system</u></p> <ul style="list-style-type: none"> i. The DP shall take documents prescribed by SEBI as proof of address for modification of address ii. DP can modify the address on receipt of request letter for change of address / account modification form duly signed by the authorized signatory. iii. An authorized official of the DP shall put the ‘verified with original’ stamp on the copy after verification with the original 	

Reference	Compliance Requirement	Remarks
<p data-bbox="187 560 401 657">Operating Instruction Point No.-3.4.2</p> <p data-bbox="187 1135 379 1266">Comm. DP2020-260 Dated June 11 2020.</p>	<p data-bbox="519 234 1033 365">documents and sign the same. DPs are also requested to note that the proof of address of all the account holders must be obtained.</p> <p data-bbox="472 411 1033 507">iv. A letter intimating the change of address shall be sent at both old and new addresses.</p> <p data-bbox="472 553 762 584">Addition of nomination</p> <p data-bbox="515 629 1033 793">DP should mandatorily obtain a nomination form from the BO (Individual/NRI/Foreign National categories), duly filled and signed by all the holders. •</p> <p data-bbox="515 839 1033 1066">DP shall ensure that the nomination is given by individuals only. Nonindividuals including society, trust, corporate body, partnership firm, HUF, AOP, holder of POA, cannot appoint a nominee. A minor can nominate through a guardian. An NRI can nominate.</p> <p data-bbox="472 1112 1033 1448">The DP shall also ensure that the nominees appointed by the BO(s) are individuals. A body corporate, trust, society, partnership firm, HUF and AOP cannot be appointed as a nominee. An NRI can be appointed as a nominee subject to the Foreign Exchange Control Regulations in force from time to time. A minor can be appointed as a nominee represented by a guardian. •</p> <p data-bbox="472 1494 1033 1687">The DPs should maintain a record of the nominees registered in a nomination register. The register can be in physical form or in electronic form. Each nomination entered in the register should be given a serial number. This</p>	

Reference	Compliance Requirement	Remarks
	<p>serial number should be written on the nomination form along with date of entry of the nominations in the nomination register.</p> <p>If a BO does not wish to nominate, the option: "I/WE DO NOT WISH TO NOMINATE" in the Nomination Form should be selected. The DP should ensure that the nomination form is duly signed by all the account holders. •</p> <p>A BO can appoint multiple nominees (upto three) in a demat account. •</p> <p>If a BO chooses to appoint multiple nominees, the BO has to specify the share of securities in terms of percentage which will be distributed ISIN wise equally and the same should total to 100%.</p>	
<p>Operating Instruction 3.4.8, 3.4.13, Comm. 3277 Dated October 16, 2012</p>	<p><u>Change of signature Individuals:</u></p> <p><u>Change in signature to be effected in KRA and CDSL system</u></p> <p><u>The DP has to follow the procedure prescribed by the KRA for change in signature and also effect the same in CDSL system.</u></p> <p><u>Change in signature to be effected only in CDSL system</u></p> <p>i) The DP can modify the signature of BO on receipt of account modification form or letter from the BO duly signed by the holder whose signature is being changed and stating the reason for change of signature.</p>	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 3.4.14</p>	<p>ii) The BO should visit the DP personally with a valid proof of identity.</p> <p>iii) The BO should affix his new signature in the presence of a DP official.</p> <p>iv) If the BO cannot come in person, the letter or account modification form containing the old and new signatures must be attested by the BO's Banker</p> <p>b. <u>Corporates:</u></p> <p><u>Change in signature to be effected in KRA and CDSL system</u></p> <p>➤ The DP has to follow the procedure prescribed by the KRA for change in signature and also effect the same in CDSL system.</p> <p><u>Change in signature to be effected only in CDSL system</u></p> <p>i) The DP can modify the signature of BO on receipt of account modification form or letter from the BO duly signed by the authorized signatory and stating the reason for change of signature.</p> <p>ii) The DP should obtain certified true copy of the Board Resolution specifying persons authorized to act as authorized signatories.</p> <p>iii) Fresh list of authorized signatories together with their photographs and specimen signatures.</p> <p>iv) In the case of a Bank, a letter on the letter head of the bank giving list of authorized signatories and their specimen signatures duly verified by the General Manager or higher authority.</p>	

Reference	Compliance Requirement	Remarks
Comm. DP2020-141 Dated March 16,2020.	<p data-bbox="425 238 1029 296">MAPPING OF UNIQUE CLIENT CODE WITH DEMAT ACCOUNTS OF THE CLIENTS</p> <p data-bbox="425 338 1029 469">In case of active demat accounts, DP can Add/Delete the UCC details of sole / first Account holder based on the request received from the BO as per the prescribed format.</p> <p data-bbox="425 505 1029 637">BO can also opt to map the UCC details to all his demat accounts based on the first holder PAN or he can specify the BOID to which the UCC details is required to be mapped</p>	

DEMATERIALIZATION

General

Reference	Compliance requirement	Remarks
Bye law 13.2.2.1 & Operating Instruction 4.4.6 Operating Instruction 4.4.8 Operating Instruction 4.4.11	<ul style="list-style-type: none"> ➤ DRF duly complete in all respects, alongwith the certificate of securities to be dematerialized should be submitted by the BO to DP. ➤ If the DRF is complete in all respect, the DP shall give an acknowledgement to the BO indicating the date of receipt on DP's as well as BO's copies. The authorized official of the DP should sign it. ➤ The "System generated acknowledgement "of the demat request should be given to the BO after the authorized official of the DP has signed and stamped the same. 	
Operating Instruction 4.4.	<ul style="list-style-type: none"> ➤ The Participant shall capture the details from the DRF and certificate in CDSL system and shall generate Demat Request Number (DRN). DP shall write DRN on DRF. Participant should ensure that the correct ISIN is selected where the Issuer has more than one ISIN. 	
Comm. 3227 Dated September 18, 2012	The DP shall enter the distinctive numbers on the Depository System to check the validity of the distinctive numbers before accepting the demat request.	
Operating Instruction 4.4.7	Before accepting the securities for dematerialisation the DP shall ensure that : <ul style="list-style-type: none"> ➤ The securities submitted for dematerialisation have been admitted in CDSL. ➤ In case the securities are not admitted in CDSL, the DP shall inform the same to BO and return the documents. 	
Operating Instruction 4.4.7	<ul style="list-style-type: none"> ➤ The DP shall ensure that all the holders have signed the DRF and their signatures tally with those recorded by the DP. 	Signature in RTA signature column may be different.

<p>Operating Instruction 4.4.7 Comm. 3371 Dated December 14, 2012</p>	<p>➤ The Participants shall check the Distinctive Numbers of certificates of securities submitted by its clients for dematerialisation with the records of Distinctive Numbers made available by the depository and ensure that the appropriate International Securities Identification Number [ISIN] is filled in DRF, as applicable.</p>	
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Reference	Compliance requirement	Remarks
<p>Bye law 13.2.2.3 & Operating Instruction 4.4.12</p>	<p>➤ The DP shall deface the certificates by affixing a rubber stamp “Surrendered for Dematerialisation” along with DP name, DPID and BOID (except for Government securities).</p> <p>➤ The stamp should be put in such a way that the important details do not get smudged or become illegible.</p>	
<p>Operating instruction 4.4.13</p>	<p>➤ The certificates should be mutilated by punching two holes at the top of the certificate.</p>	
<p>Operating Instruction 4.4.14</p>	<p>➤ The DRF shall be authorized by the DP by putting his seal and signature on DRF.</p>	
<p>Operating Instruction 4.4.4</p>	<p>➤ Separate DRF should be filled up for lock-in securities and free securities.</p> <p>➤ If certificates with different lock-in reasons / lock-in release dates exist, then a separate DRF should be filled for each lock-in reason / expiry date combination</p>	
<p>Operating Instruction 4.4.15</p>	<p>➤ DP shall capture the dispatch details on CDAS.</p>	
<p>Regulation 54(4) Operating Instruction 4.4.15</p>	<p>➤ DRF along with the security certificates must be forwarded to the Issuer/RTA within 7 days from the date of receiving physical documents from the BO.</p>	

<p>Operating Instruction 4.4.16</p>	<ul style="list-style-type: none"> ➤ After receiving physical documents, RTA shall compare the physical documents with electronic data. ➤ If details do not tally, inform to DP and DRF and physical certificates shall be sent back to the DP under rejection memo, specifying the reason for rejection. 	
<p>Operating Instruction 4.4.17</p>	<ul style="list-style-type: none"> ➤ The RTA / Issuer should complete the processing of demat request within 15 days of receiving the physical documents. 	
<p>Operating Instruction 4.4.20</p>	<ul style="list-style-type: none"> ➤ If the demat request is not processed by the Issuer / RTA within 21 days after it has been set up on the system, then the DP should follow up with the Issuer / RTA. 	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 4.4.19 & 4.4.21,4.5 & Bye law 13.2.2.10</p> <p>Comm. 857 Dated March 02, 2007</p>	<p><u>Rejection of demat request</u></p> <p>a. In case of rejection of Dematerialisation request, the DP should return the certificates along with the rejection letter from Issuer/RTA to the BO within 7 days from receipt of rejected certificates.</p> <p>b. If the request has been rejected for a reason which can not be rectified by the BO/DP, the Issuer / RTA will retain the certificates. In such cases, the DP should obtain the rejection letter from the Issuer/ RTA and hand over the same to the BO in order to enable the BO to take up the matter with the Issuer.</p> <p>c. If the DP does not get the documents within 30 days from the date of rejection by Issuer/ RTA, then the DP should follow up with the Issuer / RTA.</p> <p>Review of rejection of demat requests</p> <ul style="list-style-type: none"> ➤ DPs are advised to exercise care while processing Demat Requests with regard to set-up details of the DRN and subsequent dispatch of documents to Issuers/RTAs. ➤ Rejections of demat requests causes hardship and inconvenience to investors. Therefore DPs are advised to put in place proper mechanisms for processing of Demat Requests, so as to avoid rejections 	
<p>SEBI Circular No SEBI/HO/MIRS D/DOS3/CIR/P/ 2018/139 vide Communique No 2018-605 dated November 14, 2018</p>	<ul style="list-style-type: none"> ➤ In case of major mismatch / non availability of transferor's signature and non-cooperation by / inability of the transferor to provide the required details to the transferee, Company / RTA shall register the transfer after following the specified procedure. Securities so transferred will bear the stamp affixed by Issuer/RTA stating these securities shall be under lock-in period for a period of six months from the date of 	

	<p>registration of transfer and should not be transferred / demetallized during the said period.</p> <p>DP are advised to ensure before the same before processing request for dematerialization.</p>	
<p>SEBI Circular No SEBI/HO/MIRS D/RTAMB/CIR/P/2020/236 dated December 2, 2020 vide communique no 2020/537 dated December 7, 2020</p>	<ul style="list-style-type: none"> ➤ Processing of re-lodged transfer request, RTA shall retain the physical shares and intimate the investor about the execution of transfer through letter of confirmation. ➤ Investor shall submit demat request withing 90 days of issue of confirmation to DP along with confirmation letter. <p>Depository Participant will process the demat request on the basis of letter of confirmation.</p>	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 4.4.7</p> <p>Comm. 606 Dated November 17, 2005</p>	<p><u>Demat request - Name matching</u></p> <ul style="list-style-type: none"> ➤ In case the BO's name on the DRF is not matching with that on the certificate, (for eg., the holder of the securities may have opened the depository account in the name of Sushil Ramesh Shah but his name on the certificate may appear as Sushil R. Shah or S.R. Shah, etc.) the Dematerialisation request could be accepted by the DP and processed by the Issuer/RTA, if the BO's signature on the DRF matches with his specimen signatures available on records with the DP. ➤ <u>Demat Request - Change in the name of the Company</u> CDSL provides data of old and new company names on CDAS. In case share certificates with the old name of companies are received for dematerialisation, the DPs need not reject such requests. 	<p>This is not applicable for companies that have merged or amalgamated with other companies.</p>

Dematerialisation of Government Securities

Reference	Compliance Requirement	Remarks
<p>Bye law 13.3</p>	<ul style="list-style-type: none"> ➤ The DP has to ensure that the request has been made by the registered holder, in the DRF-Government Securities (DRF-GS) along with relevant security certificate(s) and Form of transfer as prescribed by RBI or the Central or State Government. ➤ The DP should forward the DRF-GS and other documents along with the security certificate(s) to CDSL within seven days of its receipt. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ The Memorandum for Transfer column on the reverse of the certificate should be inscribed with “Tendered for Cancellation and credit to SGL A/c No BYSL 0885 of CDSL, Mumbai”. ➤ The DP should not punch holes on the face of the G-Sec certificate or deface the certificate by affixing the rubber stamp “Surrendered for dematerialisation”. 	

Transposition cum Dematerialisation

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 4.6</p> <p>Commn.6113 Dated Sept 02, 2016 & Operating Instruction 4.6.2</p>	<ul style="list-style-type: none"> ➤ In case names on the certificates are matching with the names in the BO account but the order of the names on the certificates is not matching with the pattern of holding in the BO account, such certificates can be dematerialized by filling up DRF and Transposition Request Form. ➤ The DP should ensure and verify that : <ul style="list-style-type: none"> i) All the holders have signed the TRPF which is complete in all respect ii) The TRPF contains only those names (in any order) that are the holders of the BO account. iii) TRPF is complete in all respects ➤ The DP should maintain a copy of the TRPF along with copy of the DRF. 	

Transmission cum Dematerialization

Reference	Compliance Requirement	Remarks
Operating Instruction 4.7.1	<ul style="list-style-type: none"> ➤ In case of death of one or more joint holders, the surviving joint holder(s) can get the name(s) of the deceased deleted from the certificate(s) and get them dematerialised. 	
Operating Instruction no. 4.7.1 Commn.6113 Dated Sept 02, 2016	<ul style="list-style-type: none"> ➤ The DP shall collect following documents from the surviving holder: <ul style="list-style-type: none"> • Duly filled DRF with selection of the option “Transmission-cum-Dematerialization” • Original or copy of the death certificate of the deceased holder(s). if the copy of death certificate is submitted the same should be duly notarized or attested by Gazetted Officer. • “Transmission-cum-Demat” in the column of “from BOID” in the transmission form.) 	
Operating Instruction 4.7.2	<ul style="list-style-type: none"> ➤ DP should ensure that demat account is in the name of surviving holder(s) only. 	

Physical Securities Lost in Transit

Reference	Compliance Requirement	Remarks
Operating Instruction 4.5	<ul style="list-style-type: none"> ➤ In cases where the Issuer / RTA has received information about dematerialization electronically from CDSL but physical certificates have not been received, the procedure to be followed is as under : <ul style="list-style-type: none"> ➤ The DP should execute an Indemnity Bond in favor of Issuer/RTA as per the prescribed format. ➤ The DP should provide the Issuer/RTA proof of dispatch and also confirm that the certificates are not returned undelivered at their end. ➤ The DP should setup a fresh demat request with the CDSL system in case the Issuer / RTA has already rejected the original demat request. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ In case the Securities are lost in transit while being sent by RTA to DP, wherein the dematerialization request has been rejected for the reasons which can be rectified by the BO/DP, the DP has to give the Indemnity bond with prior consent of the Issuer and a fresh demat request be setup with the CDSL system. 	

Procedure for Dematerialization of Shares, which are held in more than three names

Reference	Compliance Requirement	Remarks
Operating Instruction 4.8	<ul style="list-style-type: none"> ➤ In case the number of joint holders are more than three, the DP has to process the dematerialization request as per usual procedure ensuring that the main BO's name is mentioned as 1st Account Holder and the balance joint holders are accommodated in the two joint holders Name but ensuring that the pattern of holding as per the certificate tallies with the pattern of holding as per the account. ➤ Such an account should be used only for the purpose of dematerialization and once all the certificates have been dematerialised, such account should be closed and shares transferred to a new account opened in the name of maximum three holders. 	

INSTRUCTION PROCESSING

Reference	Compliance Requirement	Remarks
Operating Instruction 6.5.1.13	<u>Inventory of DIS Booklets</u> <ul style="list-style-type: none"> ➤ Register for inventory of DIS booklets should be kept in either electronic or manual form. Register should be Updated as and when new stock is received / stock issued for delivery to BOs. ➤ Custody of the books as well as register should be with a senior officer of the DP. ➤ Periodically the physical inventory should be checked and reconciled with the stock as recorded in the register. The same should be properly recorded. A senior official of the DP who is not responsible for issuance and maintenance of the DIS booklets should do the said checks. 	
Operating Instruction 6.5.1 Comm.4166 Dated January 8, 2014 SEBI Circular CIR/MRD/DP/0 1/2014 Dated January 07, 2014 Comm.4488 Dated June 09, 2014 Comm.4664 Dated August 27, 2014	<u>Issue of Instruction Slips</u> <ul style="list-style-type: none"> ➤ The instruction slips shall be in the format as specified by CDSL. ➤ The DP must print instruction slips with pre-printed unique serial number on the top portion and acknowledgement copy of the instruction slip. ➤ The DP shall ensure that BO ID is pre-printed or pre-stamped on the instruction slips as well as requisition slip. ➤ DP's name, address and CDSL's name shall be printed on instruction slip. ➤ Each booklet shall contain a requisition slip for issue of another booklet. The requisition slip should have pre-printed serial number range of the current instruction slip booklet. ➤ The Instruction slips shall be issued in booklets and the DP shall maintain a record of the serial nos. of instruction slips issued to BO. ➤ DPs are advised to take note of the clarifications issued regarding issuance and processing of DIS. 	

Reference	Compliance Requirement	Remarks
<p>Comm.4664 Dated August 27, 2014</p> <p>Comm.5577 Dated November 24, 2015</p> <p>CDSL/OPS/DP/ POLCY/5327 Dated July 20,2015</p> <p>SEBI vide its circular no. CIR/MRD/DP/01/ 2014 dated January 07, 2014</p>	<p>➤ DPs are advised to take note of common errors by DPs due to which some of the transactions fail during the period.</p> <p>DPs should note that with effect from January07, 2016 for all transactions except for transactions received through “easiest” from BO or Clearing Members (CMs), TRUST and digitally signed instructions (i.e. electronic instructions)DIS serial number will be required to be entered along with transactions, failing which the transactions will fail. DIS details so entered will be verified against DIS issuance details in the system.</p> <p>DPs should capture details of undelivered DIS serial numbers in CDAS on receipt of such information. DPs are advised to note that all the DIS serial numbers for which issuance details have been uploaded in the CDSL system and reported as undelivered</p>	
<p>Comm.4685 Dated September 04, 2014</p> <p>Comm.4729 Dated September 25, 2014</p> <p>Comm.4734 Dated September 27, 2014</p> <p>Comm.4762 Dated October 14, 2014</p>	<p><u>Scanning of DIS :</u></p> <p>DPs are advised to follow the procedure for scanning of DIS as mentioned in the communicate alongwith further clarifications issued regarding scanning.</p> <p>DPs are advised to scan the DISs legibly</p>	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 6.5.1.12</p>	<ul style="list-style-type: none"> ➤ Instruction slip booklets shall be dispatched / handed over to the BO once the account opening process is completed. The DP should maintain proof of dispatch / delivery. In case of hand-delivery, the same should be delivered only to the BO and the signature of the BO should be kept on record. ➤ If the DIS booklet is lost/ stolen / not traceable by the BO, the same must be intimated to the DP immediately by BO in writing. On receipt of such intimation, the DP shall cancel the unused DIS of the said booklet in Back office and CDAS ➤ The DP shall ensure that a new DIS booklet is issued only on the basis of duly signed requisition slip after verification of BO's signature and that the requisition slip forms a part of the booklet issued to the BO; unless the request for fresh booklet is due to loss etc., as referred above. ➤ If the fresh instruction slip booklet is hand delivered to the BO, record of signature of the BO of having received the instruction slip booklet should be maintained. The instruction slip booklet may be hand delivered to any person other than the BO, only on the basis of a requisition slip forming part of the earlier booklet issued and signed by the BO. The requisition slip should contain the signature of the person authorized by the BO to receive the new instruction booklet. ➤ In case the instruction slip booklets issued earlier do not contain the requisition slip or in cases where BOs have lost the requisition slips, a letter to that effect signed by all the holders shall be taken for issuance of fresh instruction booklets. One of the accountholders should personally come with such a letter and with a valid proof of identity. DP should check the 	

Reference	Compliance Requirement	Remarks
Operating Instruction 6.5.5.1	<p>proof of identity and keep the same on record. In case the account holder cannot come in person, the DIS may be couriered / mailed to the correspondence address of the BO. The DP should maintain record of dispatch.</p> <p><u>Cautionary note in Delivery Instruction Slip</u></p> <p>➤ With a view to safeguarding the interest of the investor, DPs are advised to ensure that the following cautionary note is printed / added to the Delivery Instruction Slip – in the line above the space allotted for the BO’s signature(s)</p> <p>“Blank & Signed Delivery Instruction Slips should not be left with your DP/Broker”</p>	
Regulation 42(2), Bye law 5.3.3 / 13.8.1	<p>The DP shall not initiate any debit or credit in the account of BO without appropriate instruction from the BO or a person duly authorized by BO or CDSL.</p>	<p>In case of ‘Purchase confirmation waiver’ given by BO, separate instruction for credits is not required.</p> <p>In case an account is operated by a person as an authorized signatory and not in his individual capacity, the signature should be under an appropriate stamp.</p>
Operating Instruction 6.5.4.3	<p>DP shall record the date and time of receipt on the Delivery Instruction Slip, on DP’s as well as BO’s copy while accepting the same for execution.</p>	

Reference	Compliance Requirement	Remarks
Operating Instruction 6.5.4.9 Comm.4612 Dated July 31, 2014	<ul style="list-style-type: none"> ➤ If a DIS is received from an account which has been dormant, i.e. not operated for a long period, SIX months or more or any such period specified by CDSL and / or SEBI from time to time, the DP may verify the same with the account holders independently before executing the instruction. However if all the ISIN balances in that account (irrespective of the number of ISINs) are getting transferred then the DPs shall mandatorily verify with the BO before acting upon the DIS. In case of active accounts such verification is mandatory if the BO account has 5 or more ISINs and all such ISIN balances are transferred at a time ➤ The authorized official of the DP verifying such transactions with the account holders shall record the details of the process, date, time, etc of the verification on the instruction slip under his / her signature. ➤ Moreover, such DIS may be checked and countersigned by another employee of the DP (that is, two step verification). ➤ The DPs shall not accept pre-signed DIS with blank columns from the BO(s) 	
Comm.846 Dated February 14, 2007 SEBI Circular SEBI/MRD/Dep /Cir-03/2007 February13, 2007	<ul style="list-style-type: none"> ➤ The DPs shall put in place appropriate checks and balances with regard to verification of signatures of the BOs while processing the DIS ➤ The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS. 	
Comm.846 Dated February 14, 2007	<ul style="list-style-type: none"> ➤ If a DIS is received from an account which has been dormant (remained inactive) i.e. where no debit transaction had taken place for a continuous period of 6 months, 	

Reference	Compliance Requirement	Remarks
SEBI Circular SEBI/MRD/Dep /Cir-03/2007 February 13, 2007	<p>whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time the DP should mandatorily verify the same with the account holders independently before executing the instruction.</p> <ul style="list-style-type: none"> ➤ However, in case of active accounts such verification may be made mandatory only if the BO account has 5 or more ISINs and all such ISIN balances are transferred at a time. ➤ The authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the instruction slip under his signature. 	
<p>Operating Instruction 6.5.4.5</p> <p>Operating Instruction 6.5.4.6</p>	<ul style="list-style-type: none"> ➤ DP must appoint an authorized official to check the DIS received from BO for execution of the instructions. ➤ Verification of delivery instruction slips has to be done by the staff of the DP only. <p>Authorised official must verify the following details from the instruction slips:</p> <ul style="list-style-type: none"> ➤ Whether the instruction slip received from the BO is from the range of instruction slips issued to the same BO. ➤ Whether all the account holders / authorized signatories / duly constituted POA, if any, has signed the DIS and the signature(s) on DIS match with signature(s) recorded in the CDSL system. ➤ DIS having transactions with value more than 5 lakhs have to be verified by a senior official of the DP. ➤ Whether any alteration, correction, cancellation on the DIS is authorized by all the account holders/ authorized signatories / POA holder, if any. 	<p>The employee of the DP processing the instruction slip shall be required to sign the instruction slip indicating that the accuracy of the clients' signature and the unique serial number belonging to the specific BO has been verified.</p>
Operating Instruction 6.5.3	When a BO gives multiple instructions in an instruction slip and encloses an annexure with that slip, the DP shall ensure that : -	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ Each page of the Annexure should bear the Instruction Slip serial no. ➤ All the holders/authorized signatories / POA should sign each page of the Annexure. ➤ All the holders/ authorized signatories/POA should authorize any alteration, correction, cancellation made by the BO on the Annexure. ➤ Instruction slip should bear the details of total no. of pages annexed to the instruction slip and also the total number of instructions contained therein. 	
Bye law 5.3.16	<ul style="list-style-type: none"> ➤ The DP shall ensure that the instructions received from BO are carried out on the same day, as far as possible and failing that before the close of the working hours of the immediately succeeding working day. 	
Operating Instruction 6.5.4.6	<ul style="list-style-type: none"> ➤ The DP shall ensure that a senior official of the DP verifies instruction slip having transactions with value exceeding Rs.5 lakhs. Moreover, such DIS should be checked and countersigned by another employee of the DP (that is, two step verification). 	
Bye law 5.4.7	<p>In the event of multiple instructions being received by the DP from the BO relating to transfer of securities, which exceed the balance in the account of the BO, the DP has to execute the instructions in the following sequence:</p> <ul style="list-style-type: none"> ➤ in the event of the BO specifying the sequence of execution of instructions, in the same sequence as specified by the BO to the extent it can be executed with the balance available in that BO's account; ➤ in the absence of specific instructions from the BO, in the chronological order in which such instructions are received from the BO, to the extent it can be executed with the balance available in that BO's account. 	
Operating Instruction 6.5.2	<p><u>Issue of Loose Delivery Instruction Slips (Loose DIS)</u> The DP must ensure that -</p>	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ As far as possible, the DP shall not issue loose DIS. ➤ Loose DIS shall be issued only to the BO(s) in person after the identity and signature of the BO(s) is verified. ➤ The DPs shall not issue more than 10 loose DIS to one accountholder in a financial year (April to March) ➤ The DP shall obtain the signature of the BO(s) in the Register maintained for issue of loose DIS. ➤ BO(s) should fill and sign the DIS in the presence of authorized official of the DP. The DIS may be verified by another official of the DP, as an additional precaution. ➤ Custody of loose DISs should be with a senior official of the DP. Only one loose DIS book may be opened at any time. ➤ Instruction pertaining to loose DIS has to be entered in the CDSL system on the same day. If not entered, then the reason for not entering on the same day should be noted in Loose DIS Register. 	
Operating Instruction 6.5.3.3	<ul style="list-style-type: none"> ➤ Where multiple BOs have given POAs to a single entity, including DP or CM, for execution of transactions on their behalf, the following procedure is to be followed by the DP: <ol style="list-style-type: none"> 1. DP must maintain a separate register containing the details of BOs from whom such POAs have been received. 2. DP shall maintain a separate series of instruction slip nos. for such purposes. 3. BOID shall not be preprinted / pre-stamped on such instruction slips. 4. Each page of the statement/ computer printout attached along with such instruction slip should bear the instruction slip serial no. 	

Reference	Compliance Requirement	Remarks
	<ol style="list-style-type: none"> 5. Instruction slip no. to be checked against the issue details before execution of the instruction. 6. Each page of the statement / computer printout should be signed by the POA holder. 7. A record of statement / computer printouts containing consolidated details of instructions executed by the DP on behalf of the clients who have given POAs should be maintained. 8. For different types of transactions, separate statement / computer printouts should be maintained. 9. The statements / computer printouts should contain all details as specified by CDSL in the format of the instruction slip. 10. Each row in the statements / computer printouts should contain the delivering BOID. 	
Operating Instruction 6.6.3.2	<ul style="list-style-type: none"> ➤ If the BO wants to waive confirmations for all credits he may inform the DP at the time of account opening or by filling in the Purchase waiver form. 	
Operating Instruction 6.5.4.4	<ul style="list-style-type: none"> ➤ The DP shall accept the instructions for pay-in of securities from the BOs, in the physical form (delivery instruction slips) at least upto 4.00 p.m. and in electronic form at least upto 6.00 p.m. on T+1 day. In case of late receipt of instruction, it should be accepted by affixing a stamp “accepted for execution on best effort basis”. 	
Operating Instruction 6.5.6	<p><u>Precautions while executing fax instructions :</u></p> <ul style="list-style-type: none"> ➤ DPs should obtain a “fax indemnity” from the BOs before accepting instructions through fax. ➤ DPs should ensure that the indemnity has been signed by all holders of the account and is executed on a stamp 	

Reference	Compliance Requirement	Remarks
	<p>paper of appropriate value and is submitted to the DP in physical form.</p> <ul style="list-style-type: none"> ➤ If the BO has multiple accounts in different combination of names or multiple accounts of the same CM meant for different exchanges, a single fax indemnity could be obtained for all such accounts. Eg : For accounts in the name of A, B & C or B, C & A or A, C & B single fax indemnity can be used. For a CM, having both BSE CM accounts and NSE CM accounts, the DP can accept one Indemnity. ➤ DPs must advise the BOs to mention <u>“FAX INSTRUCTION”</u> on the top of the instruction slip. ➤ DPs should ensure that the original instruction slip is received within 3 working days from the date of receipt of the fax instruction. ➤ DPs should inform the BOs that failure to submit the original DIS within the stipulated time would result in suspension of the facility immediately and that the DP would not be responsible for non-execution of fax instructions after such suspension. 	
<p>Operating Instruction 17.9</p>	<p><u>Procedure for execution of transactions based on receipt of digitally signed electronic instructions</u></p> <ul style="list-style-type: none"> ➤ The DP should have adequate systems and security features to authenticate the client and the person (authorized representative) giving instructions. ➤ The DP should ensure that all the instructions submitted electronically should be authenticated by means of a Digital Signature issued by a Certifying Authority (CA) licensed by Controller of CA. ➤ The DP should be able to prove the origin, destination, date and time of 	

Reference	Compliance Requirement	Remarks
	<p>receipt or dispatch of electronic instruction received by it and this information should be available for inspection.</p> <ul style="list-style-type: none"> ➤ The DP should establish system/process to confirm that instructions received in electronic form are digitally signed by the Client / his representative and are not modified subsequent to digitally signing of instructions. ➤ The DP should ensure that the digitally signed instructions are received only by an authorized individual official ID of the DP. ➤ The DP should establish a procedure that ensures the validity of the digital signature certificate of the Users and that the person digitally signing the instructions is authorized to do so. ➤ The DP should retain all electronic instructions in the format in which it was originally received or sent or in a format which can be demonstrated to represent accurately the information which was originally received or sent. ➤ Electronic instructions received by the DP should be authenticated by means of a Signature Verification Utility [SVU]. The SVU should be issued by the CA licensed by the Controller of CA to validate the digitally signed files received from the Client. The SVU should strip the digital signature on successful authentication ➤ The DP should ensure that the new file generated after authentication should be stored separately before uploading/executing in the CDSL System and the original file with the digital signature should be stored as was received. The DP should ensure that the authenticated file is not altered 	

Reference	Compliance Requirement	Remarks
	<p>and accurately represents the information originally received or sent by the Client, before uploading / executing the file in the CDSL system. The DP is liable for any claims that may be raised by the Client on account of any loss arising from execution of instructions which are altered subsequent to the stripping of the digital signature</p> <ul style="list-style-type: none"> ➤ The DPs should ensure that instructions submitted electronically using a digital signature are retained, along with the digital signature, for the period specified by the regulatory authority. ➤ The DPs should be able to produce these electronic records in a readable form to CDSL, SEBI or to any other Statutory Authority, whenever required. The file formats of the digitally signed instructions should adhere to the file formats prescribed by CDSL. ➤ The DP should ensure that a link / tag between the file uploaded in the CDSL system, transaction in the file and trade / transaction ID generated by the CDSL system for each transaction is available at all times. The link / tag should be able to establish the file number and the transaction contained in that file, on the basis of a particular trade ID / transaction ID retrieved from the CDSL system. ➤ The DP back office shall, compulsorily, have a system to differentiate transactions (digitally signed) from those received physically / through easiest. ➤ A daily record of the files received and processed along with the total number of transactions contained in each file and the date should be available for verification. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ The DP should carry out proper KYC of the applicant as specified by the agency issuing the digital signature. The KYC documents submitted by the applicant should be verified with the information present in the CDSL system. In case of discrepancy, the CDSL system should be Updated, ensuring that the modification is carried out in accordance with the requirements as outlined in CDSL's DP Operating Instructions. ➤ The DP should maintain the records of electronic instructions received and executed in accordance with the provision of the PMLA Act, 2002 Regulation 50 of the SEBI (D&P) Regulations. 	
Operating Instruction 6.5.6.18	<ul style="list-style-type: none"> ➤ Branches of the DP may fax or send scanned instructions received from the BOs to the Main DP for execution. The Main DP should preserve/store the scanned/faxed documents along with the originals when received, for a period of not less than 5 years or as stipulated by CDSL from time to time. 	
Operating Instruction 6.6	<p><u>Instruction processing by temporarily disabled / illiterate BO</u></p> <p>In case the instruction is received from persons who are unable to sign due to the person being illiterate/ temporarily disabled, DPs should ensure that:</p> <ul style="list-style-type: none"> ➤ in case the BO cannot come in person to submit the instruction slip, the thumb impression of the BO on the instruction slip must be attested by a Magistrate or a Notary Public authorized to use the seal of his office or by the manager of the account holder's bank. ➤ in case of temporarily disabled persons, the BO should also produce a medical certificate about BO's disability. 	

Reference	Compliance Requirement	Remarks
Operating Instruction 6.6.4.4	<u>Early Pay-in:</u> In case balances in the delivering account are insufficient at the time of setting up of the instructions, the transaction shall fail. DP will have to set up a fresh early pay-in instruction after the balance in the account is sufficient.	
Operating Instruction 6.6.3 Comm. 989 Dated November 13, 2007 CDSL/OPS/DP/SYSTEM/2019/352 July 15, 2019 CDSL/OPS/DP/SYSTM/2019/384 dated July 31, 2019 - CDSL/OPS/DP/SYSTM/2019/388 dated August 2, 2019 - CDSL/OPS/DP/SYSTM/2019/405 dated August 14, 2019 - CDSL/OPS/DP/SYSTM/2019/623	<u>Off market transactions</u> <ul style="list-style-type: none"> ➤ If the Off-market transaction is for consideration, the amount should be mentioned. If there is no consideration involved, then reason should be furnished under options given therein. ➤ The above-referred details of transactions may be taken on the face of the DIS or on a separate sheet duly signed by the account holders. ➤ All future-Dated transactions should not have an execution date greater than 10 days from the date of entry/upload on the CDSL system. <p>Implement uniform / standardized reason codes for off-market transfers with effect from August 03, 2019</p> <p>DPs are advised to note that reason code is mandatory in case of offmarket transactions (within CDSL or Inter Depository)</p>	

Reference	Compliance Requirement	Remarks
<p>dated December 12, 2019</p> <p>CDSL/OPS/DP/S YSTM/2021/33 January 25, 2021</p> <p>CDSL/OPS/DP/P OLCY/2020/447 October 14, 2020</p> <p>SEBI Circular no. SEBI/HO/MIRSD/ DOP/CIR/P/2020/ 158 dated August 27, 2020</p>	<p>➤ MANDATORY OTP AUTHENTICATION FOR OFF- MARKET TRANSFERS</p> <p>obtaining client's consent through One Time Password (OTP) for all off-market transfers (i.e. Transfer of securities within CDSL as well as inter-depository transfer) of securities, from Source client's Demat Account. Is mandatory from October 31, 2020.</p>	
<p>CDSL/OPS/DP/S ETTL/2021/54 February 08, 2021</p>	<p>ACCEPTANCE OF DELIVERY INSTRUCTIONS THROUGH ONLINE PORTAL OF DEPOSITORY PARTICIPANTS / STOCK BROKERS</p>	
<p>CDSL/OPS/DP/S ETTL/2021/156 dated April 6, 2021</p>	<p>DPs are advised to follow the procedure for Acceptance of Delivery Instructions through online Portal of DP / SB as mentioned in the communique along with further clarifications issued regarding</p>	
<p>CDSL/OPS/DP/S ETTL/2021/185 April 22, 2021</p>		
<p>CDSL/OPS/DP/S ETTL/2021/215 May 7, 2021</p>		

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

TRANSMISSION

General

Reference	Compliance Requirement	Remarks
Operating Instruction 7.5.1	<ul style="list-style-type: none"> ➤ Transmission transaction can be initiated by the DP for transfer of securities only in case of death of all or any of the holders or in any other case with the prior approval of CDSL. ➤ For transmission of securities in case of death of one of the holders, the new account should be opened in the same order of names of the surviving holders as given in the old account 	
Operating Instruction , 7.5.5, 7.5.6	<ul style="list-style-type: none"> ➤ If the transfer of securities from the account is to be effected to claimant / Successor, the DP shall take steps to satisfy itself about identity of the Successor(s) mentioned in the Succession documents. ➤ The DP shall ensure that the copies of the documents submitted by the Claimant (Successor) are verified with the original documents. 	
Operating Instruction 7.5.7 Comm.563 Dated November 27, 2017	<p>On receiving intimation of the death of any holder(s) and after receiving the original Death Certificate or Death certificate downloaded from the online portal of Government carrying digital/facsimile signature of the issuing Authority or a copy of the same Death Certificate (duly notarized or attested by a Gazetted Officer), the DP shall not allow the execution of any instruction other than transmission request in the deceased BO's account.</p> <p>i.e The DP shall freeze the account for debits with appropriate reason code. In case death certificate is downloaded from the online portal of Government, the authorised official of the DP should verify the details from the Governments website or from the office of the concerned registrar (birth/death) and keep a record of the same with his signature and stamp of DP</p>	
Operating Instruction 7.5.8	<ul style="list-style-type: none"> ➤ The securities which are encumbered (i.e. Pledged, earmarked, etc.) will not be 	

Reference	Compliance Requirement	Remarks
<p>Commn.6113 Dated Sept 02, 2016</p> <p>Comm. 4422 Dated May 08, 2014</p>	<p>transferred out of the account and will remain in the deceased BO account till such time as the encumbrance is removed or the obligation (in case of earmarking) is met. Similarly, securities of ISINs Frozen for debits and / or credits' due to regulatory restraints like pending listing of the company with the Exchanges pursuant to an Initial Public Offer (IPO) or Scheme of arrangement etc will not be transferred out of the account. In such cases, the account will reflect a "TO-BE-CLOSED" status. However at a later date, when the ISINs which are 'Frozen for debits and / or credits' are activated in the BO's account, the DP may process the transfer of the said securities to the account of the transmittee BO(s) based on a copy of the Transmission Request Form submitted earlier.</p>	
<p>Operating Instruction 7.5.9, 7.5.10</p>	<ul style="list-style-type: none"> ➤ After receipt of all required documentation, the DP shall ensure that the Transmission request is processed within seven days of receipt of the same. ➤ On transmission of all the securities to the Transmittee BO's account, the account of the deceased BO will be automatically closed by the CDSL system, if the transmittee BO's account is with CDSL. 	

Transmission in Case of Death of Sole Holder

Reference	Compliance Requirement	Remarks
<p>Bye Law 13.9.2</p>	<p>Any nomination made at the time of opening the dematerialisation account shall supercede the nominations made prior to opening the account.</p>	<p>Any nomination made subsequent to the opening of a demat account</p>

Reference	Compliance Requirement	Remarks
		shall supercede all the prior nominations.
<p>Bye Law 13.9.4 & Operating Instruction 7.6.1</p> <p>Comm 6250 Dated Nov 17, 2016</p> <p>Comm.563 Dated November 27, 2017</p> <p>Commn 212 Dated April 20, 2018</p>	<p>➤ If the deceased BO has nominated a person (s), then the nominee(s) shall be entitled to the transmission of securities standing to the credit of the deceased BO's account. If there are multiple nominees then the nominees shall submit one transmission request form to the DP.The DP shall collect following documents from the Nominee:-</p> <p>I. Duly filled TRF, complete in all respects.</p> <p>II. Original or copy of the death certificate of the deceased holder(s) duly notarized or attested by a Gazetted Officer or Death certificate downloaded from the online portal of Government carrying digital/facsimile signature of the issuing authority. In case death certificate is downloaded from the online portal of Government, the authorised official of the DP should verify the details from the Governments website or from the office of the concerned registrar (birth/death) and keep a record of the same with his signature and stamp of DP</p> <p>c) Client Master Report of the new account duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by the new DP (of the demat account of the nominee), in case the nominee has a demat account in individual capacity with another DP of CDSL. Nominee (each nominee in case of multiple nomination) shall be the sole holder of the account. The DP shall ensure that the said nominee does not have any joint holders in this new account.</p>	

Reference	Compliance Requirement	Remarks
<p>Bye Law 13.9.4 & Operating Instruction 7.6.1</p> <p>Comm.563 Dated November 27, 2017 Communique no. 2019-30</p>	<p>➤ If the deceased BO (sole holder) has not made any nomination, the DP should collect the following documents from the successor(s) claiming title to the securities of the deceased BO (sole holder) :</p> <p>1. Duly filled TRF, complete in all respects. Original or copy of the death certificate of the deceased holder(s) duly notarized or attested by a Gazetted Officer or Death certificate downloaded from the online portal of Government carrying digital/facsimile signature of the issuing authority. In case death certificate is downloaded from the online portal of Government, the authorised official of the DP should verify the details from the Governments website or from the office of the concerned registrar (birth/death) and keep a record of the same with his signature and stamp of DP.</p> <p>2. Any one of the following: -</p> <p>a) A Succession Certificate b) A letter of Administration c) A Probate of the will of the deceased.</p>	
<p>Operating Instruction 7.6.1</p>	<p>➤ In case there are multiple successors, claimants / successors shall submit one Transmission Request Form to the DP.</p>	
<p>Operating Instruction 7.7.1</p>	<p>➤ The DP shall ensure that the securities are not re-materialised directly from the deceased BO's account.</p>	
<p>Operating Instruction 7.7.2</p>	<p>➤ DP should ensure that BOID, ISINs and quantity of shares mentioned in TRF are correct.</p>	

Reference	Compliance Requirement	Remarks
Operating Instruction 7.7.3	<ul style="list-style-type: none"> ➤ Request for transmission in the case of sole holder should be in accordance with the Succession Certificate / Letter of Administration or Probate of the Will of the deceased BO when nomination is not made by the deceased holder. 	
Operating Instruction 7.6.2	<ul style="list-style-type: none"> ➤ DP should send a statement of transaction to the transmittee after transmission. 	
<p>Operating Instruction 7.6.1 - B</p> <p>Comm. 4023 Dated November 01, 2013</p> <p>Comm. 4070 Dated November 22, 2013</p> <p>SEBI Circular CIR/MIRSD/10/ 2013 Dated October 28, 2013</p>	<ul style="list-style-type: none"> ➤ If the successor(s) of the sole holder express their inability to produce any of the documents viz. Succession Certificate or Letter of Administration or Probate of the Will and the market value of the securities held in each of the accounts of the deceased BO as on the date of application for Transmission does not exceed Rs. 5,00,000/- or such other amount as may be specified by CDSL and / or SEBI from time to time, the DP shall process the Transmission request on the basis of the following documents: <ul style="list-style-type: none"> a) Transmission Request Form. b) Original death Certificate or a copy of death certificate of the deceased BO, duly notarized or attested by a Gazetted Officer . or Death certificate downloaded from the online portal of Government carrying digital/facsimile signature of the issuing authority. In case death certificate is downloaded from the online portal of Government, the authorised official of the DP should verify the details from the Governments website or from the office of the concerned registrar (birth/death) and keep a record of the same with his signature and stamp of DP. b) c) Any one or more of the following documents: <ul style="list-style-type: none"> ➤ Letter of Indemnity executed by the applicant on non-judicial stamp paper of appropriate value, duly notarized. 	

Reference	Compliance Requirement	Remarks
<p>Comm. 4422 Dated May 08, 2014</p> <p>Comm.5553 Dated Nov 09, 2015</p>	<ul style="list-style-type: none"> ➤ An Affidavit from the applicant executed on non-judicial stamp paper of appropriate value and notarized. ➤ 'No objection certificate (NOC) from all legal heir(s) who are not applicants conveying no objection to the transmission of the relevant securities in favour of the applicant(s). ➤ As an alternate to NOC, copy of Family Settlement Deed duly notarized or attested by a Gazetted Officer and executed by all the legal heirs of the deceased BO, provided that: <ul style="list-style-type: none"> ➤ The Family Settlement Deed clearly vest the securities in favour of the person seeking transmission in his/her name. ➤ Vesting of securities in favour of the person seeking transmission in his/her name is not contingent upon any other onerous conditions in such Family Settlement Deed ➤ DPs should note that if the division of shares as per the Family Settlement Deed is amongst more than one person, then the Family Settlement Deed can be considered as a NOC for transmission of shares to each legal heir applying for transmission. ➤ After all the holdings have been transmitted from the deceased BO's Account, the deceased BO's account will be closed in the CDSL system at the End of Day (EOD). ➤ DPs are advised to note and publicize the launch of online Will Services by CDSL- 'Myeasiwill' to their clients and contacts. For details of this services communicate may be referred. 	

Transmission in the Case of Death of One of the Joint Holders

Reference	Compliance Requirement	Remarks
<p>Bye Law 13.9.3 & Operating Instruction 7.6.2</p> <p>Comm.563 Dated November 27, 2017</p> <p>Comm.212 Dated April 20, 2018</p>	<p>➤ In case of a death of a joint holder, the surviving Joint Holders shall succeed to the securities standing to the credit of an account. The DP shall collect following documents from the surviving Joint Holders:-</p> <ol style="list-style-type: none"> I. Duly filled TRF, complete in all respects. The surviving holders shall submit one Transmission Request Form. II. Original or copy of the death certificate of the deceased holder/s duly notarized or attested by a Gazetted Officer or Death certificate downloaded from the online portal of Government carrying digital/facsimile signature of the issuing authority. In case death certificate is downloaded from the online portal of Government, the authorised official of the DP should verify the details from the Governments website or from the office of the concerned registrar (birth/death) and keep a record of the same with his signature and stamp of DP. III. Client Master Report of the new account duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by the new DP of the joint holders, in case the joint holder(s) has/have a demat account with some other DP of CDSL / other depository. <p>➤ The surviving holders can transmit securities to an account opened in their names only.</p>	
<p>Operating Instruction 7.5.2</p> <p>Comm.212 Dated April 20, 2018</p>	<p>In case the surviving holders wish to transfer the securities to a demat account with any other DP of CDSL, the DP should ensure about following:</p> <p>➤ The names of the surviving holders are in the same order of names as in the existing account.</p> <p>The surviving holders shall submit to the old DP, the physical copy of the Client Master Report of the new account duly stamped and</p>	

Reference	Compliance Requirement	Remarks
	<p>signed or electronic copy of the Client Master Report of the new account digitally signed by the new DP for effecting the transmission of securities. A declaration stating that all transactions in the account are authentic shall be submitted by the surviving holders to the old DP..</p> <ul style="list-style-type: none"> ➤ To obtain a declaration from the surviving holders to the old DP stating that all transactions in the account are authentic. 	
<p>Operating Instruction 7.5.3</p>	<p>In case the surviving holders wish to transfer the securities to a demat account with the same DP, the DP should ensure about following:</p> <ul style="list-style-type: none"> ➤ The new account may be opened by the DP, based on the documents submitted at the time of opening of the original account. However, if the 1st holder in the new account is different from that in the old account, the DP shall ensure that the existing KYC norms are adhered to in obtaining the required proofs for recording of permanent and correspondence address. ➤ To obtain a declaration from the surviving holders stating that all transactions in the account are authentic. ➤ The KYC documentation, for opening of new accounts, is as per SEBI and CDSL specifications in force at the time. 	
<p>Operating Instruction 7.5.4</p> <p>Comm.212 Dated April 20, 2018</p> <p>Comm. 4422 Dated May 08, 2014</p>	<p>In case the surviving holders wish to transfer the securities to a demat account with the other depository, the DP should ensure about following:</p> <p>To obtain the Client Master Report of the account with the other depository duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by the DP of the other depository.</p> <ul style="list-style-type: none"> ➤ To verify whether the account is in the same order of names of the surviving holders before effecting the transfer. 	

Reference	Compliance Requirement	Remarks
Comm. 4422 Dated May 08, 2014 Operating Instruction 7.5.10	<p>➤ The transfer may be effected using the Across-Depository option in the “Transfer-Transmission” Module in the CDSL system.</p> <p>In addition to above the following documents shall also be obtained along with the Client Master Report:-</p> <ul style="list-style-type: none"> • Duly filled and signed Account Closure Request form. • Obtaining a Delivery Instruction Slip [DIS] is not required. • A declaration stating that all transactions in the account are authentic. • After all the holdings have been transmitted from the deceased BO’s Account, the deceased BO’s account will be closed in the CDSL system at the EOD. 	

Transmission if BO is declared Lunatic/Adjudicated Insolvent/Winding Up

Reference	Compliance Requirement	Remarks
Bye law 13.9.7	<p>➤ In case the BO is declared as lunatic or adjudicated insolvent or otherwise incapable to operate his account, the DP should transmit the securities to any other account as may be ordered, on the production of the certified copy of the Order passed by the Competent Court.</p> <p>➤ In the event of winding up of the BO by the Court, the DP should transmit the securities to such account as directed in the Court order to that effect.</p> <p>➤ If the BO undergoes a voluntary winding up (not subject to supervision of the Court) the DP should transmit the securities to such account as provided in the resolution passed for such voluntary winding up.</p>	

STATEMENT OF ACCOUNTS

Reference	Compliance Requirement	Remarks
<p>Regulation 43, & Clause 3 of DP-BO agreement, Operating Instruction 16.3 Comm. 4305 Dated March 12, 2014</p> <p>Operating Instruction 16.4</p>	<ul style="list-style-type: none"> ➤ The DP should send statement of account to BOs, at least once at the end of every month, or any such frequency as specified by SEBI/CDSL, in respect of every account, if there has been even a single transaction during the month and in any other case at such frequency as specified by SEBI/CDSL, from time to time. ➤ The DP should ensure that all the contents and fields, as specified by CDSL, should be included in the statement of account sent to the BOs. ➤ The main DP should dispatch the Transaction Statement of BOs directly to the BOs. Branches, including back office connected branches, should not send transaction statements directly to the BO. ➤ DP may provide statement of accounts to the BOs at such shorter period as may be agreed upon between the DP and the BO, on payment of charges as specified by the DP. <p>Where a DP is exempted from entering into an agreement with a BO (Refer Bye Law 5.4.1.1), the DP shall provide statement of account to such BO with such periodicity as may be agreed by and between the DP and the BO.</p>	
<p>Operating Instruction 2.3.2</p>	<ul style="list-style-type: none"> ➤ If a BO has authorized capture of an address of a third party as a correspondence address, the DP should ensure that the statement of transactions and holdings are sent to the BO's permanent address atleast once in a year. ➤ The above provision shall not apply in case of PMS (Portfolio Management Services) clients as informed earlier vide SEBI letter no. IMD/ MT/ 165502/ 2009 Dated June 05, 2009. (Refer communiqué no. 1622 Dated 22nd June, 2009). 	

Reference	Compliance Requirement	Remarks
Operating Instruction 16.3	<ul style="list-style-type: none"> ➤ The DP need not send a monthly statement of account to the BOs, who have registered for 'easi' services subject to fulfillment of the following : <ul style="list-style-type: none"> ➤ DP should obtain a written consent from the BO, in the format specified by CDSL stating that the BO agrees not to receive statements in physical form. ➤ DP should mandatorily send statement of account on a quarterly basis to the BOs. ➤ If at any time, a BO wishes to receive account statement in the physical form, DP should provide the same to the BO at such intervals as may be required by the BO. 	
Operating Instruction 16.4	<ul style="list-style-type: none"> ➤ It is mandatory for main DPs to print and dispatch statements of accounts of their BOs as well as BOs of their other branches. ➤ The main DP must maintain record of dispatch of statements to BOs. 	
Operating Instruction 16.5	<ul style="list-style-type: none"> ➤ DPs are required to furnish a statement of holdings to their banking clients, as on every Friday, detailing the securities held by them on each day of the week. ➤ The same is required as RBI vide its circular Dated 16th January 2003 has clarified that government securities maintained by the banks with the depositories will be included for Statutory Liquidity Ratio (SLR) purposes and that SLR is to be maintained on a daily basis. 	
Regulation 49(1)(c)	<ul style="list-style-type: none"> ➤ DPs shall maintain the records of statements of account provided to BOs. 	
Operating Instruction 16.6	<ul style="list-style-type: none"> ➤ SEBI has permitted the DPs to replace the hard copy statements by electronic statements, vide its circular no. MRD/DoP/Dep/Cir-27/2004 Dated August 16, 2004. 	

Reference	Compliance Requirement	Remarks
<p>99</p> <p>Operating Instruction 16.6</p> <p>Commn. 5481 Dated October 06, 2015</p> <p>Commn. 5777 Dated March 01, 2016</p>	<ul style="list-style-type: none"> ➤ As per the circular it has been decided to permit the DPs to provide transaction statements and other documents to the BOs under Digital signature, as governed under the Information Technology Act, 2000, subject to the DP entering into a legally enforceable arrangement with the BO for the said purpose. ➤ The providing of transaction statements and other documents in the aforesaid manner would be deemed to be in compliance of the provisions of the Regulation 43 of SEBI (Depositories & Participants) Regulations, 1996. ➤ Any BO who wishes to avail such a service from the participant will be required to inform the concerned participant specifically in writing separately or as part of account opening form regarding his decision and will also inform the email id on which e-statement will be sent. If no email id is mentioned separately then e-statement shall be sent at Sole / First Holders email id stated in the account opening form. ➤ However if the BOs are still desirous of receiving statements in hard copy form, the DPs shall be duty bound to provide the same. ➤ DPs are advised to refer to CDSL communiqué CDSL/OPS/DP/EASIE/5445 Dated September 18, 2015 wherein we had informed regarding the new procedure for obtaining Digital Signature Certificate (DSC). ➤ DPs are advised to note that CDSL shall send digitally signed letters through Browser Based CDAS to DPs and will discontinue sending physical letters (for communicating matters such as Pending Non-Compliance, AVPS status, Imposition of Penalty etc) issued by Audit Department with effect from April 01, 2016. All letters issued by CDSL- Audit Department will be uploaded in the 	

Reference	Compliance Requirement	Remarks
	respective DPs letter folder in Browser Based CDAS system.	
Operating Instruction 16.7 Comm. 3371 Dated December 14, 2012 Comm. 4546 Dated July 1, 2014 SEBI Circular no. CIR/MRD/ DP /21/2014 Dated July 01, 2014	Exemption From Sending Statement of Accounts To BOs 16.7.1 In Respect of Demat Accounts With nil Transactions and zero Balance: 1. Accounts with zero balance and nil transactions during the year : The DPs shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account. 2. Accounts which become zero balance during the year: For such accounts, no transaction statement may be sent for the duration when the balance remains nil. However, an annual statement of holding shall be sent to the BO. 16.7.2. In respect of demat accounts with nil transactions and credit balance: For accounts with credit balance but no transactions during the year, one statement of holding for the year shall be sent to the BO. In respect of BSDA : <i>Accounts with zero balance and nil transactions during the year:</i> <i>DP shall send atleast one annual physical statement of holding to the stated address of the BO in respect of accounts with no transaction and nil balance even after the account has remained in such state for one</i>	

Reference	Compliance Requirement	Remarks
	<i>year. The DP shall inform the BO that if no Annual Maintenance Charge (AMC) is received by the DP, the dispatch of the physical statement may be discontinued for the account which continues to remain zero balance even after one year.</i>	

PLEDGE /UNPLEDGE/ INVOCATION

Pledging

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 8.5.1</p> <p>Comm. 3731 Dated June 10, 2013</p>	<ul style="list-style-type: none"> ➤ The pledgor and pledgee must have active accounts only in CDSL. ➤ The Pledgor DP maker shall have the following options : <ol style="list-style-type: none"> 1. Modify few details of the pledge till the pledgor checker verifies the same. Only the user who initiates the pledge (maker) can modify the details. 2. Cancel the pledge request before the same is accepted or rejected by the pledgee DP. ➤ The pledgee DP maker / checker shall have the option to reverse a pledge accept / reject transaction initiated by pledgee maker if the initiation is erroneous. ➤ The Pledgor BO shall have the facility to set up pledge request with future date as execution date. If the execution date is not mentioned in the Pledge Request Form, then business date on which the Pledgor DP verifies the pledge will be taken as execution date ➤ If the pledgee BO has given standing instruction for accepting pledge request, the pledgee BO need not submit the Pledge Request form for acceptance of the pledge request, as the same shall be done automatically. ➤ The Pledgor BO shall have the facility to setup the pledge request even in case of insufficient / nil balance in the Pledgor BO account. 	

Reference	Compliance Requirement	Remarks
Operating Instruction 8.5.2 Comm. 3731 Dated June 10, 2013	<ul style="list-style-type: none"> ➤ On receipt of the PRF from the Pledgor BO, the DP has to ensure the completeness, correctness and validity and subsequently setup the request. 	

Unpledging

Reference	Compliance Requirement	Remarks
Operating Instruction 8.5.3 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ URF, in duplicate, duly complete in all respects shall be submitted by the pledgor to his DP, in case of unpledge initiated by pledgor. ➤ On approval of the unpledge request by the pledgee checker, the securities which were blocked in the pledgor BO account are released. <ul style="list-style-type: none"> i. Unpledged free securities are moved from “pledge balance” to free balance of Pledgor BO. ii. Unpledged Lock-in securities are moved from “pledge balance” to lock-in balance of Pledgor BO. ➤ After the transaction is verified, CDSL system generates a letter giving details of the unpledge. Pledgee DP shall print this letter. An authorized official of pledgee DP shall sign and stamp this letter and then send the same to the pledgee BO. After unpledge request is verified by pledgee DP, acknowledgement copy is generated during EOD for pledgor at the pledgor DP’s end. 	
Operating Instruction 8.5.4 Comm. 3277 Dated October 16, 2012	<ul style="list-style-type: none"> ➤ In case unpledge is initiated by the pledgee the URF shall be submitted by the pledgee to his DP. ➤ After unpledge request is set up by pledgor DP, acknowledgement copy is generated during EOD for pledgee at the pledgee DP’s end. ➤ After the transaction is verified, CDSL system generates a letter giving details of the unpledge setup. Pledgor DP shall print 	

Reference	Compliance Requirement	Remarks
	<p>this letter and send the same to pledgor after it is duly signed and stamped by the authorized official of the DP. The pledgee BO shall submit duly signed URF mentioning the details of the pledge with instructions to the pledgee DP to accept / reject the unpledge request.</p> <ul style="list-style-type: none"> ➤ Based on the instructions received from the pledgee BO, the pledgee DP either accepts or rejects the unpledge request. ➤ On acceptance of the unpledge request by the pledgee DP, the securities which were blocked in the pledgor BO account are released. <ol style="list-style-type: none"> 1. Unpledged free securities are moved from “pledge balance” to free balance of Pledgor BO. 2. Unpledged Lock-in securities are moved from “pledge balance” to lock-in balance of Pledgor BO. ➤ After the transaction is verified, CDSL system generates a letter giving details of the unpledge. Pledgee DP shall print this letter. An authorized official of the DP shall sign and stamp the letter and send the same to the pledgee. An acknowledgement copy is generated during EOD for pledgor BO after the unpledged request is verified by pledgee DP at the pledgor DP’s end. 	

Invocation

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 8.5.5</p> <p>Comm. 3277 Dated October 16, 2012</p>	<p>➤ IRF, duly complete in all respects shall be submitted by the pledgee BO to his DP.</p> <p>On verifying the invoke request by the pledgee DP,</p> <ol style="list-style-type: none"> i. if the pledge is for free balance, then the securities, which were blocked in pledgor BO's account for pledge, are transferred to the pledgee BO's account. ii. If the pledge is for lock-in securities, then invoke request cannot be setup till the lock-in period is over. <p>After the transaction is verified, CDSL system generates a letter giving details of the confiscation. Pledgee DP shall print this letter. An authorized official shall sign and stamp this letter and send the same to the pledgee. An acknowledgement copy is generated during EOD for pledgor BO after the invocation request is verified by the pledgee DP at the pledgor DP's end.</p>	
<p>Operating Instruction 8.5.5</p>	<p>➤ After the transaction is verified, CDSL system generates a letter giving details of the invocation.. Pledgee DP shall print this letter. An authorised official shall sign and stamp this letter and send the same to the pledgee. An acknowledgement copy is generated during EOD for pledgor BO after the invocation request is verified by the pledgee DP at the pledgor DP's end.</p>	
<p>Operating Instruction 8.5.6</p> <p>Comm. 3277 Dated October 16, 2012</p>	<p>➤ DPs should ensure that whenever a pledge request is set up, the same should be verified by pledgor DP checker / accepted / rejected / cancelled within 15 days from the set up date. If pledge requests remain unexercised for more than 15 days from the set up date, CDSL will have the option to cancel such pledge requests after the stipulated time.</p>	
<p>Operating Instruction 8.6.1</p>	<p>➤ Trading member (TM) / Clearing Members (CMs) can accept collateral from clients in</p>	

Reference	Compliance Requirement	Remarks
<p>Comm. 115 Dated March 02, 2020 & SEBI circular: SEBI/HO/MIRS D/DOP/CIR/P/2 020/28 dated February 25, 2020</p>	<p>the form of securities only by way of Margin Pledge (MP) created in the depository system</p> <ul style="list-style-type: none"> ➤ BO shall have the option to provide securities as collateral in way of Margin Pledge with TM, and TM can re-pledge the same with CM, and CM in turn can re-pledge the same to Clearing Corporation (CC). ➤ The TM / CM shall open a separate demat account for accepting such margin pledge, which shall be tagged as 'Client Securities Margin Pledge Account'. 	
<p>Operating Instruction 8.6.2</p>	<p>Creation of Margin pledge</p> <ul style="list-style-type: none"> ➤ The BO is required to submit duly filled and signed Margin Pledge Request form (MPRF-Annexure 8.4/8.8) to the DP. 	
<p>Operating Instruction 8.6.3</p>	<ul style="list-style-type: none"> ➤ DP shall check the MPRF for completeness, correctness and validity and then set up the request under the specific pledge type. i.e.'Margin pledge' ➤ A unique Margin sequence Number (MPSN) shall be generated for each ISIN. The DP shall record the MPSN generated by the system. ➤ An SMS shall be sent to the BO by CDSL with a link to 'Authenticate the Margin Pledge Transactions. The BO shall click on the link and authenticate the Margin Pledge Transaction by entering the authentication parameter provided by the depository. ➤ The transaction will remain pending for execution till authentication by the BO. The 	

Reference	Compliance Requirement	Remarks
Operating Instruction 8.6.4	<p>further process will be similar to the process prescribed for creation of normal pledge instructions.</p> <p>Creation of Repledge</p> <ul style="list-style-type: none"> ➤ The TM / CM (re-pledgor) shall submit a duly filled and signed Margin Pledge Request Form (MPRF - Annexure .8.4 / 8.8) to the DP after selecting the option for 'Set up of Margin re-pledge'. ➤ The DP shall check the MPRF for completeness, correctness and validity and then set up the request for creation of margin repledge (MRP) ➤ TM / CM can initiate a MRP for partial quantity. BO shall select the segment option as 'ALL', the TM/CM can choose to repledge the same for any segment of their choice. If the BO had selected a specific segment option, the repledge shall also be done only for that segment. ➤ The further process will be similar to the process prescribed for creation of normal pledge instructions 	
Operating Instruction 8.6.5	<p>Release of Margin Pledge / Margin Re-pledge</p> <ul style="list-style-type: none"> ➤ The margin pledgor / re-pledgor (BO / TM / CM) shall submit a duly filled and signed Margin Unpledge Request Form (MURF- Annexure 8.5 / 8.8) to the DP. ➤ The DP shall check the MURF for completeness, correctness and validity and then set up the request for release of margin pledge/ repledge. ➤ The remaining process will be similar to the process followed for ' unpledge initiated by pledgor' in the case of normal pledge. 	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 8.6.6</p>	<ul style="list-style-type: none"> ➤ The margin pledgee / re-pledgee may initiate a release of pledge by submitting the MURF. In such a case the process will be similar to the process followed for ‘unpledged initiated by pledgee without any action by pledgor (Auto unpledge) in the case of normal pledge. ➤ Securities which are margin-pledged in favour of a TM / CM and which are subsequently re-pledged in favour of a CC, the CC will release the re-pledged client securities to the CM. The CM / TM in turn shall release the securities to TM / client. <p>Invocation of Margin Pledge / Margin Re-pledge:</p> <ul style="list-style-type: none"> ➤ The margin pledgee / re-pledgee shall submit a duly filled and signed Margin Pledge Invocation Form (MPIF Annexure – 8.6 / 8.8] to the DP ➤ The margin pledgee / re-pledgee shall ensure that if there exists any repledge on securities which are sought to be invoked the same will be released prior to invocation. ➤ If TM of a CM defaults CC shall release the re-pledged securities of defaulting TM in CM-CMPA and CM shall invoke the pledge in Demat account of the TM. ➤ If client of a TM defaults, CC shall release the re-pledged securities of the defaulting client in CM-CMPA, the CM shall release the re-pledged securities of the defaulting client in TM-CMPA and the TM shall invoke the pledge in Demat account of the client BO/TM.. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"><li data-bbox="429 269 983 336">➤ The BO shall have the facility for partial quantity invocation of securities<li data-bbox="429 374 986 475">➤ The remaining process will be similar to the process followed for 'invocation' in case of normal pledge transaction.	

REMATERIALISATION

General

Reference	Compliance Requirement	Remarks
Bye Law 13.5.3, Operating Instruction 9.5.1.1 Operating Instruction 9.5.4	<ul style="list-style-type: none"> ➤ The DP shall ensure that RRF in duplicate, duly complete in all respects has been submitted by the BO ➤ In case of more than one holder, the DP should ensure that all joint holders have signed the RRF. RRF can be signed by the POA holder also if any POA has been given. The POA must be registered with the Issuer/RTA ➤ DPs are advised to exercise caution when sending requests for rematerialisation of securities to Issuers/RTA with regard to selection of “Lot Opted” i. e. MARKET or JUMBO in the CDSL System. 	
Operating Instruction 9.5.2.	<ul style="list-style-type: none"> ➤ The RRF details shall be captured through the front end on the same day or the next working day from the date of receipt of the same and the RRN shall be generated. 	
Bye Law 13.5.7 Operating Instruction 9.5.5	<ul style="list-style-type: none"> ➤ The DP should note down the RRN on the RRF and authorize RRF with his seal and signature and the same is to be sent to the Issuer/ RTA along with other documents within 7 days of receipt of RRF. ➤ The DP should retain a copy of the RRF for his records. 	
Operating Instruction 9.5.3	<ul style="list-style-type: none"> ➤ Modifications of RRN or deletion of RRN, which has already been set up by DP, but not yet accessed by RTA / Issuer, may not require the authorization of the BO, if the change of RRN is as per the RRF submitted by the BO or the deletion of RRN is to rectify the mistake committed by the DP. 	
Bye Law 13.5.7 Operating Instruction 9.5.6	<ul style="list-style-type: none"> ➤ The DP must ensure that the remat request is honored within a period of 30 days from the date of physical receipt of the RRF by the Issuer / RTAs. 	

Reference	Compliance Requirement	Remarks
Operating Instruction 9.5.8	➤ In case of rejection of RRF by the RTA/ Issuer, the DP shall carry out the necessary rectification in consultation with the BO and set up a fresh remat request.	
Operating Instruction 9.5.9	➤ <u>Repurchase</u> In case the BO intends to repurchase the units that are available in demat form in his account, then a Repurchase Request Form has to be submitted along with the RRF. The DP should ensure that the bank details are entered in the CDSL system. If bank details are not entered, then the repurchase request may get rejected.	
Operating Instruction 9.6	<ul style="list-style-type: none"> ➤ <u>The following Reconciliation will have to be done on a daily basis by the DP</u> <ul style="list-style-type: none"> • <u>Remat Requests received = Requests electronically logged in and RRF sent + Requests electronically logged in but RRF not sent + Requests received but electronically not logged in</u> • <u>Remat Pending = Remat Quantity electronically logged in Remat Quantity confirmed - Remat quantity rejected + Remat quantity not logged in electronically</u> 	

Rematerialisation of Government Securities

Reference	Compliance Requirement	Remarks
Bye law 13.6	<ul style="list-style-type: none"> ➤ The DP has to ensure that the request has been made by the registered holder, in the RRF-Government Securities (RRF-GS). ➤ The DP should forward the RRF-GS to CDSL within seven days of its receipt. 	

FREEZE / UNFREEZE

Reference	Compliance Requirement	Remarks
Operating Instructions 13.5.1	<ul style="list-style-type: none"> ➤ <u>Freeze initiated by BO</u> <ul style="list-style-type: none"> ➤ The DP should verify that the Freeze Request Form submitted by the BO is complete in all respect and signature of BO is tallied before setting up of the freeze request. ➤ The DP should send acknowledgement letter duly signed and stamped by the authorized official of the DP, to the BO. 	
Operating Instructions 13.5.3 Comm 367 Dated July 13, 2018	<p>Procedure</p> <p>As mentioned earlier, freeze can be initiated by DP/BO/CDSL. Procedure for freeze initiated by CDSL(where deficiency in KYC documents is found)/DP/BO is given below.</p> <p>Freeze initiated by CDSL where deficiency in KYC is found.</p> <ul style="list-style-type: none"> • If CDSL observes deficiency in KYC documents of any BO, CDSL will instruct the DP to freeze the BO a/c for debits after following the procedure mentioned below: <ul style="list-style-type: none"> • On receipt of such instruction from CDSL, the DP shall send letter to the BO informing about deficiencies in KYC documents and advise the BO to submit rectified documents within 30 days. The BO shall be informed that the demat account will be frozen for debit if such rectified documents are not received by the DP within 30 days. • In addition to the letter, the DP shall also send an email to the BO at the registered email ID (if the same is available). The DP shall also take efforts to contact the BO through phone to inform him regarding KYC deficiencies. <ul style="list-style-type: none"> • If the DP does not receive the rectified documents within a period of 30 days, it shall initiate freeze in CDSL system under the reason code “20” (KYC deficiency reported by CDSL) and inform the action taken to CDSL. DP shall 	

Reference	Compliance Requirement	Remarks
	<p>send the acknowledgement copy of freeze to the BO. A SMS will be sent by CDSL to the BO on the registered mobile no. as recorded in the demat account intimating regarding the freeze.</p> <ul style="list-style-type: none"> • Records of all documents including proof of dispatch as well as log file (in case of email) is to be maintained by the DP. 	
<p>Operating Instructions 13.5.2</p>	<p>➤ <u>Freeze initiated by DP</u></p> <ul style="list-style-type: none"> ➤ DP can initiate the freeze for following reasons: <ul style="list-style-type: none"> ➤ Order from statutory / regulatory authority. ➤ To create lien on balances in BO account after getting approval from CDSL. ➤ The DP should ensure that system generated acknowledgement is sent to the BO. ➤ Orders from statutory / regulatory authority / authorization from CDSL, the acknowledgement copy sent to the BO and record of dispatch of such acknowledgement copy should be maintained by the DP. 	
<p>Operating Instructions 13.5.4</p>	<p>Balance movement of freezing</p> <p>For full freeze on a BO account or ISIN balance in the BO account, no balance movement shall take place.</p> <p>For Partial Freeze, quantity specified in the Freeze Request Form will be moved from 'Free Balance' to 'Safe-Keep Balance'</p>	
<p>Operating Instructions 13.5.5.1</p>	<p>➤ <u>Unfreeze initiated by BO:</u></p> <ul style="list-style-type: none"> ➤ An authorized official of the DP should verify that the Unfreeze Request Form received from the BO is filled completely and signature(s) of the holders are matching before the same is entered in the system. ➤ System generated acknowledgement for unfreeze, duly signed and stamped by the authorized official of the DP should be sent to the BO. 	

Reference	Compliance Requirement	Remarks
Operating Instructions 13.5.5.2	<ul style="list-style-type: none"> ➤ <u>Unfreeze initiated by DP</u> The DP can initiate unfreeze either to clear the lien created on the balances of the BO or to adhere to the orders from statutory authority / regulatory authority. ➤ The acknowledgement letter for unfreeze should be duly signed and stamped by the authorised official of DP and sent to the BO. 	
Operating Instructions 13.5.5.2	<ul style="list-style-type: none"> ➤ All documents / letters received from CDSL/ statutory / regulatory authority, acknowledgement copy of freeze / unfreeze letters sent to BO should be carefully maintained by DP. 	
Comm. 817 Dated January 3, 2007	<u>Unfreeze option for entering PAN and reactivation of accounts</u> <ul style="list-style-type: none"> ➤ Where PAN details are submitted for frozen accounts. On obtaining the PAN details from the BO, the DP should complete the stipulated verification process. Once the Pan details are verified, the same should be entered in the CDSL system and then account can be unfrozen ➤ Where the PAN details are submitted for a frozen account that has multiple freezes installed DPs should take care to remove all the relevant freezes (for non-availability of PAN details) existing on the CDSL system. ➤ Before performing any unfreeze, DPs should ensure that the verification and updation of PAN details, has been done for all the holders (including joint holders, if any) 	
Comm. 4768 Dated October 17, 2014	DPs are advised to take note of the facility provided by CDSL to easi/easiest users to execute 'Freeze' and 'Unfreeze' transaction without submitting freeze/unfreeze instruction to the Depository Participant.	

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

ACCOUNT CLOSURE

Reference	Compliance Requirement	Remarks
Bye law 6.9.1 Comm. 4304 Dated March 12, 2014.	<ul style="list-style-type: none"> ➤ Before initiating the procedure for closing an account, the DP shall ensure that there are no securities lying in the account or no instructions remain pending or unexecuted. ➤ The BO account may be closed either by rematerialising the securities and / or by transferring them to other account(s). 	The DP shall ensure that the reason for the closure of account is entered in the system.
Comm. 2770 Dated December 21, 2011. Operating Instruction 10.5.3.6	<ul style="list-style-type: none"> ➤ The Account Closure Request should be entered on the CDSL system within 7 days of receipt of the Closure Request. 	
Bye Law 6.9.3 & 13.7.3 & 13.7.4	The DP shall ensure that the BO account is not closed: <ul style="list-style-type: none"> ➤ If any securities are pledged or frozen; ➤ If the closure would result in any statutory violation or breach or violation of any decree or order or injunction of any court, tribunal or revenue authority; ➤ If the account is unreconciled; ➤ If the suspended balances are not adjusted and settled. 	
Operating Instruction 10.5.3	<u>Closure initiated by BO</u> <ul style="list-style-type: none"> ➤ DP should verify and ensure that:- <ul style="list-style-type: none"> (a) The ACF (or the letter containing the particulars specified in ACF) duly signed by all the holders is complete in all respects. (b) Signatures of all holders conform to the specimen signatures scanned in the CDSL system. (c) Details given in the ACF agree with the details captured in the CDSL system. ➤ Differences, if any, as given in the ACF and the system should be brought to the notice of the BO and the ACF should be returned to him. 	

Reference	Compliance Requirement	Remarks
<p data-bbox="189 924 325 1021">Operating Instruction 10.5.3.9</p> <p data-bbox="189 1172 401 1268">Commn. 6113 Dated Sept 02, 2016</p>	<ul style="list-style-type: none"> <li data-bbox="429 232 1033 433">➤ The DP should obtain duly filled in RRF and / or instruction slip for transfer of securities to other account(s) along with ACF, if necessary. In the case of ‘Shifting of account’ obtaining a Delivery Instruction Slip is not required. <li data-bbox="429 438 1033 566">➤ Space should be provided in ACF to indicate whether the balances (if any), in the BO account should be rematerialized and/or transferred to another BO account. <li data-bbox="429 571 1033 942">➤ After all free balances in the account are transferred as desired by the BO, transaction statement for the period from starting date of the quarter till the date on which the account has been closed/ marked for closure should be provided to the BO. The words “Account Closed”/“To be closed” should be prominently written in the transaction statement. The proof of dispatch of such transaction statement to the BO should be kept on record by the DP. <li data-bbox="429 948 1033 1452">➤ However, if securities of ISINs which are ‘Frozen for debits and / or credits’ due to regulatory restraints like pending listing of the company with the Exchanges pursuant to an Initial Public Offer (IPO) or Scheme of arrangement etc are present in the account, the same will not be transferred out of the account. In such cases, the account will reflect a “TO-BE CLOSED” status. However at a later date, when the ISINs which are ‘Frozen for debits and / or credits’ are activated in the BO’s account, the DP may process the transfer of securities out of the account based on a copy of the Account Closure Request or DIS submitted earlier. <li data-bbox="429 1457 1033 1652">➤ Additionally, the final statement of account showing the last transaction(s) and the “zero” balance when all securities are transferred / rematerialized from the account should also be sent to the BO. The proof of dispatch of final transaction 	

Reference	Compliance Requirement	Remarks
Bye law 6.9.2 Comm. 4304 Dated March 12, 2014.	<p>statement to the BO should be kept on record by the DP.</p> <ul style="list-style-type: none"> ➤ Instructions for closure of accounts given by holders of Power of Attorney should not be accepted. ➤ The DP shall initiate the procedure for transfer of balances/rematerialisation of securities in the BO account within a period not exceeding thirty working days from the date of receipt closure request from the BO. 	
Operating Instruction 10.5.4 Comm. 4305 Dated March 12, 2014.	<p><u>Closure initiated by DP</u></p> <ul style="list-style-type: none"> ➤ A DP can initiate the closure of a BO account for reasons such as: <ol style="list-style-type: none"> 1. Non payment of dues. 2. Violation of Rights and Obligations document. 3. Transfer to another DP / Main DP due to closure of branch / main DP. ➤ A notice of minimum 30 days shall be given to the BOs intimating the BO of DP's intention to close the account, specifying the reasons for the same. ➤ The hard copy or soft copy of this notice and proof of dispatch should be maintained by the DP. ➤ If the DP intends to maintain/store the copies of the notice letters sent to BOs, in electronic form, then the DP shall ensure that the provisions of the Information Technology Act, 2000 in this regard are complied with. ➤ If no response is received within 30 days from BO, the DP shall initiate closure of the account. ➤ The requirements of sending transaction statement to the BO as specified under Closure initiated by BO shall be applicable. 	

Reference	Compliance Requirement	Remarks
	<p>The DP should preserve proof of dispatch of this statement.</p>	
<p>Comm. 2445 Dated May 12, 2011</p>	<p>In case of closure of an account due to shifting or transmission within CDSL, the following procedure should be followed for transfer of under lock-in securities or securities under inactive ISINs.</p> <p>Shifting of Account :</p> <ul style="list-style-type: none"> ➤ BO intending to transfer the securities shall submit a copy of the Client Master Report [CMR], with stamp and signature of the target DP. ➤ DP shall verify that the account holder (s) name(s), status and sub-status in the target account and existing account are same and in the same order. ➤ DP shall forward a request in prescribed format to the concerned Issuer / RTA along with copies of CMR of the existing and the target account duly stamped and signed for execution of corporate action to effect the transfer of securities. A copy of request in prescribed format should be forwarded to CDSL. <p>Transmission :</p> <ul style="list-style-type: none"> ➤ Upon submission of all the required documents by the legal heir / legal representatives of the deceased Client, as mentioned in the CDSL's DP Operating Instructions [Chapter 7: Transmission], the DP shall verify the documents and forward a request in prescribed format to the concerned Issuer / RTA for execution of corporate action to effect the transfer. The copy of request in prescribed format should be forwarded to CDSL. 	

Reference	Compliance Requirement	Remarks
Operating Instruction 10.5.4	<p><u>Automatic closure of accounts under 'Pending for Activation' category by CDSL:</u></p> <ul style="list-style-type: none"> ➤ The CDSL system will automatically close accounts pending for activation for more than 30 days after set up (or as decided by CDSL from time to time), under the reason code – ID Not Activated Within Stipulated Time. 	
Bye Law 5.5.4.7 Bye Law 5.5.4.8	<p><u>BO Account Closure in case of Withdrawal of DP / Termination of agreement:</u></p> <ul style="list-style-type: none"> ➤ The BO shall have the option of getting his securities transferred to another participant or get them rematerialised. ➤ Notwithstanding that the DP-BO agreement has been terminated or the DP has made an application for withdrawal, the DP shall act as a participant for the limited purpose of getting the securities held by him transferred to another participant or getting them rematerialised. ➤ CDSL shall give notice in writing to all Beneficial Owners holding accounts with such participant calling upon the Beneficial Owners to have their accounts transferred to any other participant within 15 days from the receipt of such notice. 	
Operating Instruction 10.5.3.19 (a), 10.5.3.19 (b)	<ul style="list-style-type: none"> ➤ In cases where the BOs wish to withdraw the demat requests pending disposal by Issuers / RTAs for a long time, in order to enable them to close their demat account(s), the DP should advise the BOs to submit the following documents:- <ul style="list-style-type: none"> • A letter from BO in prescribed format, to the Issuer/Company requesting for rejection of the pending dematerialisation request. • A letter giving the DRN details which is duly signed and stamped by the DP. ➤ On receipt of the request from BO, the DP shall follow up with Issuer/ RTA for rejection of long pending demat request and on rejection of the same, proceed with the 	

Reference	Compliance Requirement	Remarks
	<p>Account closure as per request received from the BO.</p> <ul style="list-style-type: none"> ➤ In cases where there are long-pending (more than 60 days) dematerialization of shares of non-responding companies, DPs should advise the BO(s) to submit a letter, addressed to the DP requesting the rejection of the long-pending demat request(s) so that the account closure process may be completed. <ul style="list-style-type: none"> • On receipt of the above request from the BO, the DP should send a letter to CDSL as per prescribed format, along with the letter received from the BO, requesting CDSL to reject/cancel the DRN(s) in the system. • On rejection of the demat request by CDSL, the DP should set up a account closure request for closing the BO account, based on the account closure form submitted by the BO. The remainder of the procedure to be followed is as given above for account closure 	
<p>Operating Instruction 10.6.1, 10.6.2</p>	<p><u>Closure of an account due to shifting of an account:</u></p> <ol style="list-style-type: none"> 1. <u>From one CDSL-DP to another CDSL-DP or to a DP of the other depository.</u> <ul style="list-style-type: none"> ➤ BO intending to shift an existing account to another DP, should open a new account with another DP in the same order of names as in the existing account. ➤ For shifting of account, the BO should submit to the DP the following documents: <ol style="list-style-type: none"> 1. Duly filled and signed Account Closure Request Form with a remark in the 'Reason for closure' column as 'Shifting of account'. 2. A declaration stating that all transactions in the account are authentic. If the Account Closure Request Form (amended format) contains the said declaration, a 	

Reference	Compliance Requirement	Remarks
<p>Commn142 Dated Mar 17, 2017</p> <p>Comm 212 Dated April 20, 2018</p>	<p>separate declaration need not be obtained.</p> <ol style="list-style-type: none"> 3. Client Master Report, duly stamped and signed by the official of the new DP. (in case of inter-depository transfer). 4. CDSL will not levy any charge for such account closure transfers. <p>The DP should verify whether the names in the new account and existing account are same and are in the same order.</p> <p>The BO intending to shift an existing account to another DP should open a new account with another DP in the same order of names as in the existing account and obtain Client Master Report, duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by an official of the DP</p>	
<p>Operating Instruction 10.6.3</p>	<p>SHIFTING OF ACCOUNT from one CDSL-DP to another CDSL-DP / within the same DP / Inter-depository, where there is a difference in the name of the source and target accounts of the same individual:</p> <p>The DPs are advised to ensure that the veracity of the claim of BO is thoroughly substantiated before the transfer of securities is affected.</p>	
<p>Operating Instruction 10.6.3.1 Commn 212 Dated April 20, 2018</p>	<p>Change in name of a BO consequent upon marriage:</p> <p>The BO should obtain Client Master Report of the account in the married name, duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by an official of the new CDSL-DP.</p> <p>In addition to above, following documents should be submitted by BO:</p>	

Reference	Compliance Requirement	Remarks
SEBI Circular CIR/MRD/DP/2 7/2012 Dated November 01, 2012 Comm. 3307 Dated November 01, 2012	<ol style="list-style-type: none"> 1. Duly filled and signed Account Closure request Form with a remark in the "Reason for Closure" column as "SHIFTING OF ACCOUNT". 2. A declaration stating that all transactions in the account are authentic. 3. PAN Card in the married name 4. Marriage Certificate of the BO or copy of Passport showing husband's name or publication of name change in official gazatte. 	
Operating Instruction 10.6.3.2 Commn 212 Dated April 20, 2018	<p>Reverting to maiden name (consequent upon divorce):</p> <p>The BO should obtain Client Master Report of the account held in the maiden name, duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by an official of the new CDSL-DP.</p> <p>In addition to above, following documents should be submitted by BO:</p> <ol style="list-style-type: none"> 1 Duly filled and signed Account Closure request Form with a remark in the "Reason for Closure" column as "SHIFTING OF ACCOUNT". 2 A declaration stating that all transactions in the account are authentic. 3 PAN Card in the maiden name 4 Divorce Certificate or Order of the Court confirming the dissolution of the marriage. 	
Operating Instruction 10.6.3.3	<p>Change in name of a BO by notification in Official Gazette:</p>	

Reference	Compliance Requirement	Remarks
Commn 212 Dated April 20, 2018	<p>The BO should obtain Client Master Report of the account held in the new name, duly stamped and signed in case of physical copy or digitally signed in case of electronic copy by an official of the new CDSL-DP.</p> <p>In addition to above, following documents should be submitted by BO:</p> <ul style="list-style-type: none"> ➤ Duly filled and signed Account Closure request Form with a remark in the "Reason for Closure" column as "SHIFTING OF ACCOUNT". ➤ A declaration stating that all transactions in the account are authentic. ➤ PAN Card in the new name of the BO ➤ Original Gazette Notification or copy of Gazette Notification duly notarized or attested by Gazetted Officer. 	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
<p>Operating Instruction 19.01</p> <p>Comm. 318 Dated 20th June, 2018</p>	<ul style="list-style-type: none"> ➤ The BO and the other party must have demat account in CDSL to create a particular type of encumbrance setup. ➤ BO's DP (DP of BO) will create at least two users to implement the maker – checker feature. Maker will set up (initiate) the encumbrance setup transaction/NDU termination. Checker will verify the NDU setup/ encumbrance termination transaction initiated by the Maker. The same user cannot do initiation and verification of encumbrance setup/ encumbrance termination transactions even though access rights are given to the user. ➤ On committing the transaction, a unique encumbrance ID is generated. The DP of the borrower BO shall record the encumbrance ID generated by the system on the encumbrance Form. <p>Reconciliation:</p> <p>The DPs shall reconcile, on daily basis, the total number of encumbrance transactions (setup and termination) received with the total no. of encumbrance requests executed and the total no. of encumbrance requests pending.</p> <p>Records:</p> <p>The DP shall maintain copies of all encumbrance forms for a minimum period of 5 years or any such period as specified by SEBI / CDSL/Prevention of Money Laundering Act, 2002 whichever is higher.</p>	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
MUTUAL FUND UNITS Reference	Compliance Requirement	Remarks
Operating Instruction 18.4.2	<p><u>Destatementization :</u></p> <ul style="list-style-type: none"> ➤ Mutual Fund Destatementization Request Form (MF-DRF) duly complete in all respects, alongwith Statement of Account (SoA) of Mutual Funds units should be submitted by the BO to DP. ➤ If the MF-DRF is complete in all respect, the DP shall give an acknowledgement to the BO indicating the date and time of receipt on DP's as well as BO's copies. The authorized official of the DP should sign it. ➤ The System generated acknowledgement of the conversion request should be given to the BO after the authorized official of the DP has signed and stamped the same. 	
Operating Instruction 18.4.2.7	<p>Before accepting the units for destatementization the DP shall ensure that :</p> <ul style="list-style-type: none"> ➤ The units submitted for destatementization have been admitted in CDSL. ➤ The name and the pattern of holding of the BO's demat account matches with the name and the pattern of holdings as mentioned in the SoA. ➤ Separate MF-DRFs are filled up for each RTA. ➤ MF-DRF are completely filled and signed by all the account holders. The number of pages of SoA mentioned in the MF-DRF is verified with the SoA before accepting the MF-DRF. 	
Operating Instruction 18.4.3	<ul style="list-style-type: none"> ➤ The DP shall capture the details in the CDSL system, using the MF-DRF & SoA and shall generate the Destatementization Request Number (DRN) for each ISIN. The 	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
Comm. 4612 Dated July 31, 2014	DP shall write down the DRN against the respective ISIN on the MF-DRF or submit to the RTA a letter containing the details of the MF-DRF-DRN and ISIN along with the Mutual Fund Destatementization Request Form –MF-DRF . The MF-DRF and the letter if submitted should be duly authorised by the DP by putting its seal and signature.	
Operating Instruction 18.4.8	Defacing and mutilation of SoA is not required to be done.	
Operating Instruction 18.4.9	The DP shall dispatch the physical documents to the AMC / RTA within 7 days from the date of receiving the same from the BO.	
Operating Instruction 18.4.16	If the conversion request is not processed by the AMC / RTA within 21 days after it has been set up on the system, then the DP should follow up with the AMC / RTA.	
Operating Instruction 18.4.16 and 18.4.17	<u>Rejection of demat request</u> <ul style="list-style-type: none"> ➤ In case of rejection, the DP should return the documents along with the rejection letter from AMC/RTA to the BO within 7 days from receipt of rejected certificates. ➤ If the DP does not get the documents within 30 days from the date of rejection by Issuer/ RTA, then the DP should follow up with the Issuer / RTA. 	
Operating Instruction 18.4.18 Comm. 6113 Dated Sept 02, 2016	<u>Destatementization request in electronic mode:-</u> The DP may accept destat request from the BO electronically without submission of physical document; provided that following requirements are fulfilled. I. If the instruction is received through internet portal of the DP, approval from CDSL for the	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
	<p>acceptance of instructions through such DP's portal should be on record.</p> <p>II. If digitally signed electronic instruction is received, the procedure specified under Operating Instructions 17.8 is followed.</p> <p>III. The BO is an individual sole holder.</p> <p>IV. The DP shall follow Operating Instructions for destat to the extent applicable for electronically received instruction.</p> <p>V. DP shall inform RTA about setup of such destat requests giving details about destat request no. and ISIN by a letter or email or in any other mode prescribed by depository.</p>	
Operating Instruction 18.5.2.1	<p><u>Restatementization :</u></p> <ul style="list-style-type: none"> ➤ The DP shall ensure that Mutual Fund - Restatementization Request Form (MF-RRF) in duplicate, duly complete in all respects has been submitted by the BO ➤ In case of more than one holder, the DP should ensure that all joint holders have signed the MF-RRF. 	
Operating Instruction 18.5.2.3	<ul style="list-style-type: none"> ➤ Separate entry should be setup for MF units that are free and for each type of lock-in reason code and lock-in expiry date. The BO shall have the option to submit restat request either for entire holding by mentioning the quantity as 'ALL' without the requirement of entering any quantity in the quantity field or for partial or entire holding by mentioning the quantity in the quantity field. 	
Operating Instruction 18.5.2.5	<ul style="list-style-type: none"> ➤ The DP shall capture the details from the MF-RRF in the CDSL system and shall 	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
	generate the Restat Request Number [RRN].	
Operating Instruction 18.5.2.6 Comm. 2982 Dated April 25, 2012	<ul style="list-style-type: none"> ➤ The original MF-RRF will be sent to AMC/RTA. The RRN shall be accessed by AMC/RTA electronically. ➤ The original MF-RRF will be sent to RTA along with the system generated acknowledgement letter for processing of the request. 	
Operating Instruction 18.5.3	<ul style="list-style-type: none"> ➤ Modification is not allowed in case of Restatementization 	
Operating Instruction 18.5.4	<ul style="list-style-type: none"> ➤ Deletion of RRN is allowed in case of Restatementization, if the same is not downloaded by the AMC/RTA. If Restat is setup due to an erroneous request from the BO then the deletion shall be authorised by the BO. 	
Operating Instruction 18.5.5 Comm. 4612 Dated July 31, 2014	<ul style="list-style-type: none"> ➤ The DP shall note the RRN on the MF-RRF or submit to the RTA a letter containing the details of the MF-RRF-RRN and ISIN along with the mutual fund Restatementization Request Form-MF-RRF. The MF-RRF and the letter if submitted should be duly authorised by the DP by putting its seal and signature 	
Operating Instruction 18.5.6 Comm. 383 Dated July 20, 2018	<ul style="list-style-type: none"> ➤ The original MF-RRF is not to be sent to the RTA but is to be retained with the DP 	
Operating Instruction 18.5.7	<ul style="list-style-type: none"> ➤ AMC / RTA shall check the electronic requests with the data maintained with 	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
Comm. 383 Dated July 20, 2018	them. If the details match / tally, the BO account shall be debited with MF units.	
Operating Instruction 18.5.8	<ul style="list-style-type: none"> ➤ The DP shall follow up with the AMC/RTA if the restat request is not honoured within the prescribed time limit i.e. within 30 days and keep on record the follow-up done 	
Operating Instruction 18.5.9 Comm. 383 Dated July 20, 2018	<ul style="list-style-type: none"> ➤ The AMC/RTA shall electronically intimate the rejection of MF-RRF and send the rejection letter to DP for necessary correction / rectification. 	
Operating Instruction 18.5.10 Comm. 383 Dated July 20, 2018	<ul style="list-style-type: none"> ➤ The DP shall carry out the necessary rectification in consultation with the BO/RTA, and set up a fresh restat Request. 	
Operating Instruction 18.6.2	Repurchase / Redemption <ul style="list-style-type: none"> ➤ SEBI stipulated AMFI /NISM certification and code of conduct prescribed by SEBI for intermediaries of Mutual Fund shall be applicable for the DPs who accept such requests directly from the BOs. The DPs processing the Repurchase/ Redemption request shall send a copy of the AMFI/ NISM certificate to CDSL for updation. 	
Operating Instruction 18.6.3	<ul style="list-style-type: none"> ➤ In case the BO intends to redeem / offer for repurchase the units that are available in demat form in his account, then a Repurchase / Redemption Request Form has to be submitted. The DP should ensure that the bank details are entered in the 	

ENCUMB RANCES Reference	Compliance Requirement	Remarks
	CDSL system. If bank details are not entered, then the repurchase request may get rejected.	
Operating Instruction 18.6.8	➤ Modification is not allowed for Repurchase / Redemption.	
Operating Instruction 18.6.9	➤ Deletion is allowed for Repurchase / Redemption till the deadline as stipulated by the AMC / RTA.	

INTERNAL CONTROLS / REPORTING TO CDSL

Internal Controls

Reference	Compliance Requirement	Remarks
Clause 14	<ul style="list-style-type: none"> ➤ The DP should install and maintain suitable systems, audit and control measures including setting up of separate internal controls and an audit department inter alia for regularly reviewing his/its internal operations to ensure due compliance and maintaining the integrity and confidentiality of data transmitted to CDSL as may be laid down under the Bye Laws and Operating Instructions. 	
Bye Law 5.2.1.7 Regulation 58B Comm. 127 Dated February 28, 2002 Comm. 517 Dated January 27, 2005	<u>Appointment of Compliance Officer</u> <ul style="list-style-type: none"> ➤ The DP has to appoint a Compliance Officer at the DP office and at all live connected branches to interact with CDSL on its behalf for compliance with Bye Laws and for resolution and redressal of BOs' grievances. ➤ The Compliance Officer shall immediately and independently report to the SEBI any non-compliance observed by him. ➤ The details of the Compliance Officer and any change thereof shall be informed by DP to CDSL, in the prescribed format. ➤ The Compliance Officer appointed by the DPs for the main DP office and at their live connected branches should be <ol style="list-style-type: none"> a. an employee of the DP and b. either: <ol style="list-style-type: none"> 1. a director of the DP., or 2. a graduate with two year experience in securities market, or 3. a holder of Secondary School Leaving Certificate with five year experience in the securities market., ➤ Compliance Officer of the DP shall obtain NISM certification by passing the NISM- 	

Reference	Compliance Requirement	Remarks
Comm. 3549 Dated March 13, 2013	<p>Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination as mentioned in the NISM communiqué No. NISM/Certification/Series-III A: SIC/2013/01 Dated January 7, 2013.</p> <ul style="list-style-type: none"> ➤ The DP shall ensure that the compliance officers shall obtain certification by passing SICCE within two years from 11th March, 2013. ➤ The Compliance Officers employed by a DP after 11th March, 2013, should obtain SICCE Certification within one year from date of his employment. 	
Operating Instruction 17.6 Comm. 4854 Dated December 01, 2014	<p>Requirement of Trained Personnel at Main DP / Live Connected Branches / Service Centres</p> <p>To enable the DP staff to have full knowledge of the depository system with a view to serve their clients better, the DP should have adequately trained staff at the Main DP / Live connected branches / service centres as mentioned below :</p> <ul style="list-style-type: none"> a. All the Associated Persons should hold valid certificate of having passed the NISM-Series-VI: Depository Operations Certification examination or if eligible should have successfully completed Continuing Professional Education (CPE) program provided that for associated persons doing basic elementary level work (as specified by CDSL) and whose work is supervised by National Institute of Securities Markets (NISM) Depository Operations Certification Examination (DOCE) certified personel, passing of DOCE exam is optional. 	

Reference	Compliance Requirement	Remarks
<p>Comm.5982 Dated June 17, 2016</p>	<p>b. The Compliance Officer should hold valid certificate of having passed NISM-Series-III A: Securities Intermediaries Compliance (Non-Fund) Certification Examination by 11th March 2015.</p> <p>c. At Main DP and their live connected branches atleast</p> <p>a) One person should have undergone the five-day training programme conducted by CDSL</p> <p>d. DP should conduct in-house training for its employees to acquaint them with various SEBI Compliance requirements and communiqués issued by CDSL from time to time and in order to equip them with knowledge and skill required to service their clients. This should result in reduction /faster resolution of investors' grievances and obviating need for the investors to escalate the disputes to SEBI/CDSL.</p>	
<p>Comm. 2427 Dated April 30, 2011</p>	<p>2. DPs should comply with SEBI notification Dated 29th March, 2011 issued through Gazette of India regarding certification from NISM for associated persons engaged in DP Operations.</p>	
<p>Comm. 2558 Dated July 15, 2011</p>	<p>➤ DPs should further note following :</p> <ul style="list-style-type: none"> • Associated persons presently employed by a DP and not having either of BCCD / CDSL /NCFM Certification as on March 29, 2011 should obtain DOCE Certification on or before March 29, 2013. 	

Reference	Compliance Requirement	Remarks
Comm.4282 Dated February 25, 2014	<ul style="list-style-type: none"> • Associated persons employed by a DP and having either of BCCD / NCFM Certification as on March 29, 2011, should obtain DOCE Certification before expiry of the validity of the said certification. • New Associated person employed by a DP after March 29, 2011, should obtain DOCE Certification within one year from date of employment of the official. • Associated persons employed by a DP and holding a certificate on completion of CDSL's DP TRAINING PROGRAM on or before March 29, 2011, should obtain DOCE Certification within three years from date of completion of such program. • DPs to take note of the format for nominating candidates for CPE programme of Depository Operations, for the following two categories <ul style="list-style-type: none"> a. Principal category b. Grandfather by Experience Category 	
Comm.447 Dated August 11, 2004	<ul style="list-style-type: none"> ➤ DP should register more than one authorized signatory with CDSL for signing important correspondence like contingency set-up, main DP / branch DP right reversals etc. 	
Bye Law 16.3 Comm. 4804 Dated November 5, 2014	<u>Internal Audit</u> <ul style="list-style-type: none"> ➤ The DP should ensure that an internal audit is conducted for the period ending 31st March and 30th September in respect of its operations relating to CDSL by an independent qualified Chartered Accountant or a Company Secretary or a Cost Accountant in accordance with the provisions of the Cost and Works Accountants Act, 1956 in practice. 	

Reference	Compliance Requirement	Remarks
<p>Comm. 2926 Dated March 27, 2012 & Comm. DP 2017-215, Dated April 28, 2017</p> <p>Comm. 3233 Dated September 20, 2012</p> <p>Comm. DP 2021- 141 Dated March 16, 2020</p>	<ul style="list-style-type: none"> ➤ Online submission of the Internal Audit report should be made to CDSL by 15th May for half year ended 31st March and 15th November for half year ended 30th September. ➤ The scope of an internal audit shall cover the existence, scope and efficiency of the internal control system, compliance with the provisions of the Act, the Regulations, the Bye Laws, Operating Instructions, agreements and systems security and insurance in the office of the participant in respect of the operations of CDSL. <p>DPs are advised to refer to communique giving revised format for report in internal Audit and Concurrent Audit of Risk Prone Areas of DP Operations for half year ended March 31,</p> <ul style="list-style-type: none"> ➤ DPs are advised to take note of the checklist points referred in the Communique. <p>The concurrent auditors should conduct the audit of the DPs as per the revised checklist given in Annexure A of the communique on 100% basis daily effective from June 01, 2021 and submit the concurrent audit report to the DP on a monthly basis by the 10th of the following month.</p>	
<p>Comm. 2926 Dated March 27, 2012</p> <p>Comm. 3853 Dated August 09, 2013</p>	<ul style="list-style-type: none"> ➤ Training of internal and concurrent auditors The DP should ensure that at least one person conducting the internal and/or concurrent audit (risk prone areas) of the Depository Participants should be BCCD / NISM certified or should have participated in a training programme conducted by 	<p>The format of the internal audit report should be in accordance with the communiqué issued by CDSL</p>

Reference	Compliance Requirement	Remarks
	CDSL. The internal audit report and consolidated concurrent audit report should contain declaration to that effect.	from time to time in this regard.
<p>Comm. 721 Dated July 11, 2006</p> <p>Comm. 3153 Dated August 06, 2012</p> <p>Comm. 2357 Dated March 18, 2011</p>	<p><u>Concurrent Audit of risk prone areas</u></p> <p>(i) The DPs are required to conduct the concurrent audit of risk prone areas (as specified by CDSL from time to time) of their CDSL operations</p> <p>(ii) The concurrent audit should be conducted by an independent firm of qualified Chartered Accountants or Company Secretaries holding a Certificate of Practice.</p> <p>(iii) The concurrent auditors should verify the specified areas on 100% basis and submit the report to the DPs on monthly basis by the 10th of the following month.</p> <p>(iv) If any serious non-compliance is reported by the concurrent auditor, the DP should immediately inform CDSL.</p> <p>(v) The DPs should also inform their concurrent auditors that if any serious non-compliance is observed by them during the concurrent audit, the concurrent auditors should report the same to CDSL directly in addition to reporting the same to the concerned DP.</p> <p>(vi) Concurrent Auditors may check the entries in CDAS system after documents are made available by KRA for downloading by the DPs. However, if the DP has failed to dispatch KYC documents to KRA within 10 working days from the date of execution of documents/account opening, the Concurrent Auditors shall make an observation to that effect.</p> <p>➤ Further, the concurrent auditor should give a declaration in his report that he has taken into consideration contents of communiqués with respect to concurrent audit of risk prone areas.</p> <p>➤ The DPs should include changes in Power of Attorney details in the scope of</p>	

Reference	Compliance Requirement	Remarks
<p>Comm. 2832 Dated February 06, 2012</p>	<p>concurrent audit of risk prone areas, on 100% basis.</p> <ul style="list-style-type: none"> ➤ The DPs should include in the report whether all debit transactions pertaining to the government securities have been executed only after receipt of authorization from the BO check. ➤ DPs are advised to take note of the checklist points issued by CDSL from time to time ➤ ➤ Concurrent Auditors needs to verify whether DP is complying with all prescribed guidelines while online on-boarding of client and DP should include all points in the report w.r.t. online account opening mentioned in the communique dated June 07, 2021, the Concurrent Auditors shall make an observation to that effect. 	
<p>Comm. DP 2021-253 Dated June 07, 2021</p>	<ul style="list-style-type: none"> ➤ Concurrent Auditors needs to verify whether DP is complying with all prescribed guidelines while e-DIS processing and DP should include all points in the report w.r.t. e-DIS processing mentioned in the communique dated June 07, 2021, the Concurrent Auditors shall make an observation to that effect. 	
<p>Comm. DP 2021-253 Dated June 07, 2021</p>	<p>DPs are advised that the concurrent auditors should conduct the audit of the DPs w.e.f. 1st April, 2016 as per the revised checklist points referred in the Communique.</p>	
<p>Comm. 1076 Dated March 25, 2008 Comm. DP 2017-215 Dated April 28, 2017</p>	<p><u>Consolidated concurrent audit report</u></p> <ul style="list-style-type: none"> ➤ The DP shall submit only one report covering the 'Concurrent Audit of Risk Prone Areas' and 'Internal Audit Report'. <p>(a) If the Internal and Concurrent Auditor is the same for a DP, the internal auditor</p>	

Reference	Compliance Requirement	Remarks
<p>Comm. 3770 Dated June, 27, 2013</p>	<p>would specifically confirm 100% checking of areas to be covered under concurrent audit of risk prone areas. The same should be reflected under the sampling plan of the internal audit report.</p> <p>(b) If the Internal and Concurrent Auditor is different for a DP, the consolidated concurrent audit report for the six months should be attached along with the internal audit report.</p> <ul style="list-style-type: none"> ➤ The DPs will be required to place before their Board the concurrent / internal audit reports and CDSL inspection reports along with the Action Taken Report (ATR) w.e.f. April 2013 on an on-going basis. ➤ The Internal auditors will be required to comment and confirm that DP has placed CDSL inspection report, internal / concurrent audit reports along with the ATRs before the Board meeting in the half yearly internal audit reports. 	
<p>Bye Law 5.3.5.2</p> <p>Comm. 4521 Dated June 23, 2014</p>	<ul style="list-style-type: none"> ➤ In case the DP is a Stock Broker, such DP shall ensure that the aggregate market value of portfolio of securities (AVPS) of all the BOs held in dematerialised form in CDSL through him shall be within the limits as specified by SEBI from time to time and if it so exceeds on any given day, the DP shall forthwith inform CDSL about it. ➤ The DPs on their own can also monitor the exposure limit on daily basis. The facility has been provided on the browser based CDAS to view the exposure limit under the 	<p>In case the AVPS crosses 90 times, the DP will be restrained from opening new accounts till the time it brings the exposure limit below 75 times or increase its net-worth by 25%.</p>

Reference	Compliance Requirement	Remarks
	Reports Module by downloading the DPC8 report.	As soon as the AVPS of any DP crosses 75 times of its net-worth, the DP shall be required to take necessary precautions and increase its net-worth.
Comm. 6184 Dated Oct 13, 2016 Comm. DP2018-674 dated December 20, 2018 Comm. DP 2021-227 Dated May 17, 2021	<ul style="list-style-type: none"> ➤ Delay in submission / non-submission of the Half yearly Compliance certificate within stipulated time limit- <p>In case of Delay in submission / non-submission of the Half yearly Compliance certificate within stipulated time limit DPs will be restrained from new account opening if 30 days have elapsed after stipulated time period for submission of the compliance certificate. Matter to be referred to Disciplinary Action Committee if the delay is beyond 60 days from stipulated time period.</p>	

Reporting To CDSL / SEBI

Reference	Compliance Requirement	Remarks
Regulation 48 & Bye Law 16.2.6	<ul style="list-style-type: none"> ➤ The DP shall submit periodic returns to CDSL / SEBI in respect of its business and operations in CDSL in the format specified. 	
Operating Instruction 17.6	DPsDPsDPsDPsDPsDPsDPsDPs are advised to monitor the portal for online Investor Grievance related correspondence on daily basis and resolve the grievances of the BOs within the stipulated time frame.	

Reference	Compliance Requirement	Remarks
<p>Comm. DP 2017-215, Dated April 28, 2017</p> <p>Comm. DP2020-163 dated March 30, 2020</p>		
<p>Bye Law 16.2.10</p> <p>Comm. 2535 Dated July 01, 2011</p>	<ul style="list-style-type: none"> ➤ Every DP shall furnish to CDSL such information relating to various obligations to be performed by him from time to time in such format as may be prescribed by CDSL to enable CDSL to review and monitor his performance and to ascertain the level of compliance with the provisions of the Act, Regulations, Bye Laws and Operating Instructions issued by CDSL from time to time. 	<p>Please refer “INFORMATION / DOCUMENTS TO BE SUBMITTED TO CDSL”</p>
<p>Bye Law 5.3.18</p>	<ul style="list-style-type: none"> ➤ The DP should, upon discovering any loss of any securities, instruments, or documents, that may have come into its hands in the course of its business, notify 	

Reference	Compliance Requirement	Remarks
	CDSL, the concerned Issuer or its RTA and BO in that behalf.	
Bye Law 16.2.1	<ul style="list-style-type: none"> ➤ The DP should furnish to CDSL every year, but not later than six months after the end of its financial year, a copy of : <ul style="list-style-type: none"> (i) the audited financial statements (ii) the auditors' report 	
<p data-bbox="188 502 396 533">Bye Law 5.3.5.1</p> <p data-bbox="188 853 396 915">Clause 7.1.1.1 to Annexure B</p> <p data-bbox="188 1226 396 1324">Comm. 4526 Dated June 24, 2014</p> <p data-bbox="188 1410 396 1472">Operating Instruction 17.1</p>	<p data-bbox="426 502 705 533">Networth Certificate</p> <ul style="list-style-type: none"> ➤ The participant shall submit Net worth certificate to CDSL every year in the manner prescribed in the Operating Instructions. ➤ Provided that when CDSL is satisfied that circumstances warrant an extension of time to furnish the net worth certificate, it may grant such extension to the participant ➤ In the event of the networth of the Participant falling below the networth last specified in the certificate issued under this clause, the Participant shall forthwith intimate CDSL of the same and shall, if so required by CDSL furnish to CDSL a fresh networth certificate computed as aforesaid and duly certified by a Statutory Auditors. CDSL may thereupon take such action as it may deem fit and necessary under the Act, Regulations, Bye Laws or this Agreement ➤ DPs are hereby advised to take precautions and ensure to avoid the deficiencies as mentioned in Comm 4526 while submitting the networth certificate and Audited Financial Statement. <p data-bbox="426 1506 1032 1605">Computation of net worth of DPs and manner of submission of networth certificate</p> <ul style="list-style-type: none"> ➤ DPs are required to submit Net worth Certificate duly certified by Statutory 	

Reference	Compliance Requirement	Remarks
<p>Comm. DP 2021-227 Dated May 17, 2021</p>	<p>Auditors to CDSL within six months from the last date of their financial year.</p> <ul style="list-style-type: none"> ➤ Computation of Net worth and the format of Net worth Certificate should be as prescribed in Annexure 17.1 and it shall be applicable only for those DPs which are registered under the category of a Stock Broker, a Non-Banking Finance Company [NBFC] and a Registrar & Transfer Agent RTA. ➤ For other categories of DPs, the net worth certificate should be submitted in the same format in which it is submitted by them to their respective Regulatory Authority. <p>Every depository participant (DP) is required to submit net worth certificate to CDSL every year in the manner prescribed in the Operating Instructions, duly certified by the Statutory Auditors or Practising Chartered Accountant based on the annual audited accounts, within six months from the last date of its financial year. Every DP is required to furnish a copy of the Audited Financial Statements and Auditors' Report (AFS) not later than six months after the end of the DP's financial year. Accordingly, all DPs with financial year ending on 31st March should submit net worth certificate along with AFS on or before 30th September.</p>	
<p>Bye Law 5.2.1.4.1</p>	<ul style="list-style-type: none"> ➤ Where the DP is a Non-Banking Finance Company or a RTA, it should maintain the net worth specified in Regulation 19(a)(ix) and 19(a)(x) of the Regulations respectively. 	
<p>Bye Law 5.2.1.4.2</p> <p>Comm. No. 3466 Dated January 31, 2013</p>	<ul style="list-style-type: none"> ➤ Where the DP is a Stock Broker, it should maintain a networth of rupees 2 (two) crores. An existing Participant who is a Stock Broker should ensure that as of 31st March, 2010 it has a net worth of rupees 2 (two) crores. ➤ Provided however that a limited Depository Participant may have a Net worth of not less than 1(one) crore 	

Reference	Compliance Requirement	Remarks
<p>Clause 16 to Annexure B</p>	<p>The DP shall notify CDSL forthwith.</p> <ul style="list-style-type: none"> ➤ In case the DP is an individual, in the event of his incapacity to act as such. ➤ In case the DP is a partnership firm, in the event of dissolution of the firm or a notice being served or a suit being filed. ➤ In case the DP is a company or a body corporate, upon a petition for winding up being presented in any court or a resolution being passed for winding up of the DP. ➤ Any scheme being framed for merger, amalgamation or reconstruction of the DP. ➤ On its becoming aware of the presentation of any application or petition for its bankruptcy, insolvency, liquidation or attachment of its property. ➤ Upon its becoming aware of any distress, execution, attachment or other process being threatened or levied by any statutory or revenue authority against the DP or its property for recovery of any taxes, duties, levies, penalties, cesses or dues. ➤ Upon any application being presented to any court for attachment of the assets or properties of the DP. ➤ In the case of any change in his/its financial conditions which may lead to his/its insolvency or dissolution or winding-up or if it suffers a composition with his/its creditors. ➤ Upon convening of any meeting to consider a resolution for the appointment of a liquidator or receiver or administrator in respect of any of its properties or any other change in circumstances which could materially affect its capacity to act as a DP. ➤ In case the DP is also a CM, upon his/its being declared a defaulter or being suspended or his/its membership being terminated by the concerned stock exchange or clearing corporation or by SEBI. ➤ In the event of the DP being an intermediary (in any capacity other than as a participant) 	

Reference	Compliance Requirement	Remarks
	<p>as contemplated by the Securities and Exchange Board of India Act, 1992, upon suspension or termination or de-registration of the Participant as such intermediary by SEBI or any other regulatory body or authority empowered to do so.</p> <ul style="list-style-type: none"> ➤ In the event of the DP ceasing to meet any of the eligibility and/or admission criteria laid down by SEBI and/or CDSL. ➤ Upon the DP becoming aware of any event or occurrence which is reasonably likely to materially affect his/its commercial viability or existence or his/its ability to perform his/its obligations under this Agreement or which constitutes a material adverse change in the eligibility criteria laid down by CDSL or by SEBI or any other regulatory authority under any law in force for the time being. 	
<p>Comm. 2258 Dated January 17, 2011</p> <p>Comm. 2350 Dated March 10, 2011</p>	<p><u>Opening of wholly owned subsidiaries or entering into joint ventures in other countries by the DPs</u></p> <p>DPs are advised to take note of the format prescribed by SEBI for application for opening of Wholly Owned Subsidiaries or entering into Joint Ventures in other countries,</p> <p>DPs are advised to submit following documents along with request for NOC from CDSL for opening of Wholly Owned Subsidiaries or entering into Joint Ventures in other countries:</p> <ol style="list-style-type: none"> 1. Undertaking from the DP duly signed by the authorized signatory on the letter head of the company stating that pursuant to proposed setting up of wholly owned subsidiary or entering into joint ventures in other countries, we (name of the DP) shall undertake to maintain net worth required for DPs as prescribed under CDSL Bye Law 5.2.1.4 and computed in the manner specified under CDSL Bye Law 5.3.5.1.1. 	

Reference	Compliance Requirement	Remarks
	<p data-bbox="425 269 1033 396">2. Information about the extent of liability of the DP with respect to the proposed setting up of wholly owned subsidiary or entering into joint ventures in other countries.</p> <p data-bbox="425 438 1033 535">The abovementioned documents should be accompanied by necessary fees, as prescribed by CDSL from time to time.</p>	

Change in DP name and registered office address

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 15.4</p> <p>Comm. 2857 Dated February 22, 2012</p>	<p>Change in name of DP</p> <p>Following documents are required to be submitted to CDSL</p> <p>➤ Bank-DP</p> <ol style="list-style-type: none"> 1. Request Letter for the change in name of the applicant –DP 2. Certified true copy of the Board Resolution / Special Resolution 3. Certified true copy of fresh certificate of incorporation issued by the Registrar of Companies (ROC) for the change in the name. 4. Original SEBI Registration Certificate as a DP of CDSL. 5. Certified true copy of Second Schedule of Reserve Bank of India Act, 1934 stating inclusion of Bank in the Schedule of the said Act, with the change in name of the Bank-DP; 6. Certified true copy of the License issued by RBI to the applicant Bank-DP for carrying on business in India and guidelines on entry of new private sector banks with the change in name of the Bank-DP; 7. Any other document(s), as and when required by SEBI. <p>➤ CM DP:</p> <ol style="list-style-type: none"> 1. Request letter for the change in the name of the Company; 2. Certified true copy of the Board Resolution; 3. Certified true copy of Fresh Certificate of Incorporation issued by the Registrar of Companies (ROC) for the change in name of the DP. 	

Reference	Compliance Requirement	Remarks
	<p>4. Original SEBI Registration Certificate as a DP of CDSL.</p> <p>5. Any other document(s), as and when required by SEBI.</p> <p>➤ Stock Exchange-DP:</p> <p>1. Certified true copy of the Gazette of India, publishing the (Corporation and Demutualization) Scheme in the new name</p> <p>2. Certified true copy of Fresh Certificate of Incorporation issued by the Registrar of Companies (ROC) in the new name.</p> <p>3. Original SEBI Registration Certificate as a DP of CDSL.</p> <p>4. Any other document(s) as and when required by SEBI.</p> <p>➤ Non-Banking Finance Companies (NBFC):</p> <p>1. All formalities as those required for the Corporate DP and requisite permission from RBI.</p> <p>2. In case the Company has rectified its name under section 22 of the Companies Act, 1956, DP should submit certified copy of an ordinary resolution along with the approval of the Central Government.</p>	
<p>Operating Instruction 15.5 Comm 2857 Dated February 22, 2012</p>	<p>Change in registered office address of the DP Following documents are required to be submitted to CDSL</p> <p>A. In case the registered office is proposed to be changed within the local limits:</p> <p>1. Application letter informing the change in registered office address of the DP mentioning both the old and new address.</p> <p>2. Certified true copy of the Board resolution.</p> <p>3. Certified true copy of Form 18 filed with the Registrar of Companies along with ROC receipt showing the payment of fees.</p>	

Reference	Compliance Requirement	Remarks
	<p>B. In case the registered office is proposed to be changed outside the local limits but within the State:</p> <ol style="list-style-type: none"> 1. Application letter informing the change in registered office address of the DP mentioning both the old and new address 2. Certified true copy of the board resolution and the special resolution passed at the Annual General Meeting of the Company. 3. Certified True Copy of Form No.18 filed with the Registrar of Companies (ROC) of the state alongwith the requisite ROC receipts evidencing the payment of fees. <p>C. In case the registered office is proposed to be changed outside the State:</p> <ol style="list-style-type: none"> 1. Application letter informing the change in registered office address of the DP mentioning both the old and new address. 2. Certified true copy of the board resolution and the special resolution passed at the Annual General Meeting of the Company. 3. Certified True Copy of Form No.18 filed with the Registrar of Companies (ROC) of the new state along with the ROC receipts evidencing the payment of fees. 4. Any other document (s) as and when required by SEBI. 	
	<p>In addition to the above documents, following documents are required to be obtained:</p> <ul style="list-style-type: none"> ➤ Certified true copy(ies) of SEBI Registration Certificates of all the Stock Exchanges affiliated with, after incorporation of the change in the registered office address, wherever applicable. ➤ Declaration that the proposed change in registered office address is effected in all 	

Reference	Compliance Requirement	Remarks
	broking registration certificates issued by SEBI.	
Operating Instruction 15.6	<p>Change in DP address (Operation Site)</p> <ul style="list-style-type: none"> ➤ The letter, addressed to CDSL, should clearly state the OLD ADDRESS as well as the NEW ADDRESS of the DP and the effective date on which the change of address is to be effected. ➤ The DP should clearly mention the OLD IP ADDRESS as well as the NEW IP ADDRESS. This would be applicable for DPs who have already established connectivity through VSAT, Leased Line of BSE. ➤ The name, address and official contact details of the Compliance Officer and other authorised signatories should be submitted to CDSL. ➤ Certified true copy of Form 18 / Form 23, in case the new address is also the registered office address of the DP, evidencing that the DP is operating from the new address. ➤ The Lease agreement of the new premises or ownership document such as Sale Deed, latest Maintenance Receipt, Tax Receipt, etc. ➤ DPs are to ensure that all their BOs are duly informed, in writing, of any change incorporated by the DP in its name, status and address of its DP operations. ➤ DPs should send such intimation letters to their BOs and maintain proof of dispatch of such letters. 	

Change in DP's shareholding pattern with change in control

Reference	Compliance Requirement	Remarks
Comm. 2515 Dated June 27, 2011	The DP has to make an application through CDSL alongwith required documents.	

<p>Comm. 2596 Dated August 28, 2011</p> <p>Comm. DP 2021-143 Dated March 30, 2021</p>		
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INFORMATION/ DOCUMENTS TO BE SUBMITTED TO CDSL

Sr. No.	Particulars	Periodicity for submission of reports	Due dates for receipt by CDSL	Mode of submission
1.	BO Grievances Report	Monthly	10 th of the following month	Online Submission only (refer communiqué no. DP2017-215 Dated April 28, 2017 as specified by CDSL.
2.	Internal Audit Reports (IAR) and Concurrent Audit Report (CAR) of risk prone areas	Half yearly	15 th May for half year ended 31 st March & 15 th November for half year ended 30 th September	Online submission only (refer communiqué no. DP 2017-215) Revised format for IAR and CAR Report for Half year ended MARCH– Comm. DP 2021-236 Dated May 25, 2021.
3.	Audited Net Worth Certificate	Yearly	30 th September, after end of each financial year.	Hard copy duly certified by the statutory auditor in the format as specified by CDSL. DP's are requested to submit the Scan/digitally signed copies of Networth & AFS as of 31st March via email to the designated email id
4.	Audited Financial Statements	Yearly	30 th September, after end of financial year	Hard copy or copy duly certified by the statutory auditor in the format as specified by CDSL DP's are requested to submit the Scan/digitally signed copies of

				Networth & AFS as of 31st March via email to the designated email id
5.	Submission / Dissemination of DP Tariff / Charges structure	Yearly	On or before 30 th April every year and as and when tariff structure is revised	Data on tariff structure to be uploaded on CDSL website. No need to submit the hardcopy of the tariff to CDSL which is uploaded by them through their DP easiest login. (Refer DP2021-184 Dated April 2021).
6.	Compliance Officer Details	If new officer appointed or any change in the office	Immediately	Hard copy in the format as specified by CDSL.
7.	Compliance Certificate	Half yearly	Before 31 st July for the half year period from January to June & 31 st January for the half year period from July to December	Online submission of digitally signed certificate on CDSL (Refer Comm. DP2017-215 Dated April 28, 2017).
8	Information in Risk Assessment Template	Half Yearly	Before 31 st October for the half year period from April to September & 30 th April for the half year period from October to March.	Online submission of Risk Assessment Template through web-CDAS as per communique no. DP4954 dated January 21, 2015.
9	Cyber Security & Cyber Resilience framework	Quarterly	15 days after the end of the quarter	Online submission of Cyber Security & Cyber Resilience framework on audit web portal of CDSL as per communique no. DP2019-577 dated November 15, 2019.
10	Reporting for Artificial	Quarterly	15 days after the end of the quarter	Online submission of Cyber Security &

	Intelligence (AI) and Machine Learning (ML) applications and systems			Cyber Resilience framework on audit web portal of CDSL as per communique no. DP2019-12 dated January 07, 2019.
11	Number of Suspicious Transaction Report (STR) filed directly with FIU-IND during a given month	Monthly	Within 7 days of the following month. (Nil report need not be submitted)	Soft copy in prescribed format to pmla@cdslindia.com

INFORMATION/ DOCUMENTS TO BE SUBMITTED TO CDSL

Compliance Reports:

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| 12. | Compliance report in respect of Inspection / Internal Audit / Concurrent Audit, duly counter signed by concurrent / internal auditor should be submitted to CDSL within 30 days from receipt of non-compliance letter from CDSL. |
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INFORMATION/ DOCUMENTS TO BE SUBMITTED TO FIU-IND

Sr. No.	Particulars	Periodicity for submission of reports	Due dates for submitting reports	How to Submit
13.	Suspicious Transaction Report (STR)	Fortnightly - on receiving alerts from CDSL or whenever alerts are generated by DP or whenever suspicious transactions are noticed by DPs.	To be submitted within 7 days of discovering the suspicious transaction to FIU-IND, New Delhi.	Hard copy / Soft copy.

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

GRIEVANCE REDRESSAL

Reference	Compliance Requirement	Remarks
Regulation 20 (2) (e) & Clause 25	<ul style="list-style-type: none"> ➤ The DP shall redress the grievances of BOs within thirty days of the date of receipt of the complaint and keep the depository informed about the number and the nature of redressal. 	
Comm. 3237 Dated September 21, 2012 CIR/MRD/DP/D A/ 25 /2012 Dated September 21, 2012	<ul style="list-style-type: none"> ➤ The Grievance Redressal Mechanism (for details refer Annexure A of Communique 3237 Dated September 21, 2012) should be printed on the inside back cover of the Delivery Instruction Form issued by the DP. 	
Bye Law 5.3.5.4 & Clause 7.1.3	<ul style="list-style-type: none"> ➤ The DP shall submit the information about the number of complaints received from BOs during the month, complaints redressed during the month, complaints remaining unredressed, their nature and status thereof and the steps taken by the DP for redressal thereof, before the 10th day of every succeeding month. 	
SEBI Circular no. CIR/MIRSD/20/ 2011 Dated September 12, 2011 Comm. 2635 Dated September 15, 2011	<ul style="list-style-type: none"> ➤ The DPs shall take adequate steps for redressal of grievances within one month from the date of receipt of the complaint and keep the investor/Depositories duly informed of the action taken thereon. Failure to comply with the said requirement will render the DP liable for penal action 	
Comm. 816 Dated January 03, 2007	<ul style="list-style-type: none"> ➤ The DPs are advised to designate an exclusive EMAIL ID of the Grievance Redressal Department or Compliance Officer for the purpose of registering complaints of investors and for taking necessary follow-up actions 	

Reference	Compliance Requirement	Remarks
<p>Comm. 4675 Dated September 02, 2014</p> <p>SEBI circular CIR/MIRSD/3/2 014 Dated August 28, 2014</p> <p>Communique No 2018/132 dated Marc 16, 2018AND Communique No 2019/332 dated July 4, 2019</p> <p>Comm.106 Dated February 27, 2017</p>	<ul style="list-style-type: none"> ➤ This exclusive email ID should be prominently displayed on the DP's website and in the various materials / pamphlets / advertisement campaigns initiated by the DP for creating investor awareness. ➤ DPs shall prominently display in their office basic information, as per SEBI Circular, about the grievance redressal mechanism available to investors. <p>DP should provide a link to SCORES portal, within the demat account dashboard of clients to make it easier to lodge grievances. Compliance should be w.e.f July 1, 2018. DP to display the following information on their website to make the complaint redressal mechanism through SCORES more efficient. DPs are advised to refer to SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 Dated February 23, 2017 wherein SEBI has informed regarding the "Amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism"</p>	

Reference	Compliance Requirement	Remarks
Communique No 2020/163 dated March 30.2020	<ul style="list-style-type: none"> ➤ DP would be able to access Investor Grievance module through electronic mode (Auditweb) platform. ➤ Scanned copies of replies / responses for BO Grievances need to be uploaded by DP through electronic mode in .PDF format only. ➤ DP to monitor the portal of online grievance redressal correspondence on daily basis and resolve the grievance of the BO within stipulated time frame. 	
Bye Law 22.2.1	<p>Arbitration :</p> <p>All claims, differences and disputes between CDSL, Users and Beneficial Owners or any of them (including those inter se between Users or Beneficial Owners) arising out of or in relation to any dealings or transactions in CDSL in respect of any provisions of the Act, Regulations, Bye Laws or Operating Instructions shall be referred in accordance with the provisions of Limitation Act 1963 and Arbitration and Conciliation Act, 1996.</p> <p>Provided however that limitation period shall also be applicable in following cases.</p> <p>i. where the limitation period (in terms of Limitation Act 1963) have not yet elapsed and the parties have not filed for arbitration with the depository,</p> <p>or,</p> <p>ii. where the arbitration application was filed but was rejected solely on the ground of delay in filing within the earlier limitation period; and the limitation period (in terms of Limitation Act 1963) have not yet elapsed.</p>	
	<ul style="list-style-type: none"> ➤ 	
Operating Instruction 14.8	<ul style="list-style-type: none"> ➤ The arbitration filing fees payable by all parties to arbitration shall be payable in advance and when there is a failure, neglect or refusal on the part of any party 	

Reference	Compliance Requirement	Remarks
	<p>or parties to pay the same, the other party shall be responsible for making such payment in advance without prejudice, however to its right if any, to recover the same from such party or parties failing, neglecting or refusing to pay. It shall be a condition precedent to the hearing of any reference that the prescribed fees and charges shall have been paid in advance by the party or parties to the reference.</p> <p>➤ Provided that if the Depository Participant (DP) / Issuer / RTA fail to pay the fees, the depository may take such action as it may deem fit.</p>	

RECORD MAINTENANCE

Reference	Compliance Requirement	Remarks
Regulation 49(4)	<ul style="list-style-type: none"> ➤ The DP shall intimate SEBI the place where its records and documents are maintained. 	In case there is any change, the same should be intimated to SEBI and CDSL immediately.
Comm. 680 Dated March 31, 2006 SEBI Cir No. ISD/CIR/RR/AM L/2/06 Dated March 20, 2006 Comm. 1813 Dated December 11, 2009 SEBI Cir No. MRD/DoP/DEP/ Cir-20/2009 Dated December 9, 2009 Securities and Exchange Board of India (Depositories And Participants) Regulations, 2018 dated 3rd October, 2018.	<ul style="list-style-type: none"> ➤ The DP shall preserve all the original records and documents for a period of eight years. ➤ In case such documents are maintained in electronic form, provisions of Information Technology Act, 2000 in this regard shall be complied with 	
Operating Instruction 2.10.1 Comm. 4304 Dated March 12, 2014	<p><u>The DP shall maintain the following records:</u></p> <p>ACCOUNT OPENING:</p> <ul style="list-style-type: none"> ➤ Electronic records of KYC application form Additional KYC forms for opening a demat account ➤ Agreement or acknowledgement of Rights and Obligations document, as applicable ➤ Power of Attorney Documents ➤ Nomination Form 	

Reference	Compliance Requirement	Remarks
<p>Communique DP-2020/389 dated September 10, 2020</p> <p>Operating Instruction 2.9.2</p> <p>Operating Instruction 3.6.1 Comm. 4612 Dated July 31, 2014</p>	<ul style="list-style-type: none"> ➤ Supporting documents furnished with Account Opening Form ➤ Nomination Register ➤ Power of Attorney Register <p>The above records should be preserved as long as the account is active and subsequently for a minimum period of eight years subject to any other law in force for preservation of records.</p> <p>ACCOUNTS ADMINISTRATION AND MAINTENANCE:</p> <ul style="list-style-type: none"> ➤ All written instructions together with enclosures received from the BOs till the account is active and subsequently for a period of 5 years or any such period as specified by SEBI/CDSL/ Prevention of Money Laundering Act 2002, whichever is higher after the account is closed and subject to any other law in force for the time being ➤ Copies of letters (hard copies or soft copies) sent to BOs confirming modifications done along with proof of dispatch of the letters sent to the BO(s). ➤ Any change in KYC details downloaded from the KRA system, the DPs are required to maintain electronic records of KYCs of clients for modified details. ➤ If the DP intends to maintain/store the system-generated letters (for modifications carried out in BO accounts), in electronic form, then the DP shall ensure that the provisions of the Information Technology Act, 2000 in this regard are complied with. ➤ DPs are advised to refer to Communiqué wherein we had informed regarding about Know Your Client Requirements - Clarification on voluntary adaptation of Aadhaar based e-KYC process and SEBI FAQs. 	

Reference	Compliance Requirement	Remarks
<p>Commn 5705 Dated Jan 27, 2016</p> <p>Commn 5806 Dated March 14, 2016</p> <p>SEBI Circular no. CIR/MIRSD/29/ 2016 Dated</p> <p>Commn.142 Dated Mar 17, 2017</p> <p>Commn.467 Dated Sept 26, 2017</p>	<p>➤ The DP cannot modify the names of any of the holders of an account except as provided under Operating Instruction 3.4.10 and 3.4.11 if a name change is desired, a new account has to be opened by the BOs in the new name (s).</p> <p>Change of Residential status of a BO It is the responsibility of the individual to inform the change of status to the DP with whom he/she has opened the demat account. In case of change of residential status of BO, the DP can modify the status and sub-status of the existing demat account. But, the change of status/substatus from Resident Individual, NRI-non repatriable to NRI Repatriable is not allowed.</p> <p>DP will be required to obtain the following documents:</p> <p>i. Duly filled and signed modification form</p> <p>ii. In case of change of status from Individual Resident to NRI-non repatriable proof of residential status i.e. Passport which indicates the change of residential status of the Client along with Resident Visa/Work Permit/ Employment Visa/Current Visa or any other type of visa.</p> <p>iii. In case of change of status from NRI Repatriable to Individual Resident or to NRI-Non Repatriable, a declaration from the BO stating that he/she is aware that the sale proceeds of the securities earlier held under NRI-Repatriable status will lose its repatriability on change in status.</p>	

Reference	Compliance Requirement	Remarks
<p>January 22, 2016</p> <p>Operating Instruction 6.8</p>	<p>In case of change of status from Resident to Non-resident, documents as required for opening a NRI account will required to be obtained. Further DPs will be also required to obtain, a declaration duly signed by the NRI that he/she has complied with and will continue to comply with, FEMA regulations and other applicable laws.</p> <p>DEMATERIALIZATION OF EXISTING SCRIPS</p> <ul style="list-style-type: none"> ➤ Copies of DRFs / TRPFs ➤ Record of : <ul style="list-style-type: none"> a) Demat requests sent to Issuers / RTAs b) Demat rejections received from Issuers / RTAs and dispatch details about documents returned to the BOs. c) Hard copies or soft copies of “follow-up” letters sent to Issuers / RTAs for pending demat requests. ➤ If the DP intends to maintain/store the “follow-up” letters sent to the Issuer/RTA, in electronic form, then the DP shall ensure that the provisions of the Information Technology Act, 2000 in this regard are complied with. <p>SETTLEMENTS</p> <ul style="list-style-type: none"> ➤ All instruction slips received from BOs ➤ Requisition slips against which fresh delivery instructions slip booklets were issued. ➤ Registers for recording: <ul style="list-style-type: none"> (a) Serial number of instruction slips issued to the BO (b) Loose instruction slips (c) Statements / computer printouts containing consoliDated details of instructions executed by the DPs on 	

Reference	Compliance Requirement	Remarks
<p>Operating Instruction 7.9</p> <p>Operating Instructions 8.8.1</p> <p>Operating Instructions 9.7</p> <p>Operating Instruction 10.9</p> <p>Operating Instruction 8.7</p>	<p>behalf of clients who have given POAs to DPs / CMs.</p> <p>TRANSMISSION</p> <ul style="list-style-type: none"> ➤ Notarised / attested copies of death certificates of the deceased BOs and letters of administration / probates of will / succession certificate of deceased BOs ➤ Correspondence with the successor / nominees ➤ Transmission request forms, ➤ Letter of indemnity ➤ Affidavits on appropriate non-judicial stamp papers ➤ No Objection Certificates from legal heirs <p>PLEDGING AND HYPOTHECATION</p> <ul style="list-style-type: none"> ➤ Pledge Request Forms, Unpledge Request Forms and Invocation Request Forms <p>REMATERIALISATION / REPURCHASE</p> <ul style="list-style-type: none"> ➤ Rematerialisation Request Forms (RRFs)/ Repurchase Request Forms, where applicable <p>ACCOUNT CLOSURE</p> <ul style="list-style-type: none"> ➤ Account Closure Request Forms / Request Letters / documents received from BOs for closure of their accounts ➤ DP initiated closure – Hard copies or soft copies letters sent to the BOs by the DP citing the reasons for closing the account and proof of dispatch of such notices ➤ The DP shall ensure that the provisions of the Information Technology Act, 2000 are complied with if the letters are stored in electronic form (soft copy) ➤ Closure initiated by CDSL – copies of Court Orders / Orders from other 	

Reference	Compliance Requirement	Remarks
Operating Instruction 13.7	<p>statutory or regulatory authorities received from CDSL</p> <p>FREEZE AND UNFREEZE</p> <ul style="list-style-type: none"> ➤ Copies of Freeze Request Forms Unfreeze Request Forms, Order for freezing / unfreezing of BO account from Court, Tribunal, Statutory / Regulatory Authorities together with supporting documents. 	

Reference	Compliance Requirement	Remarks
Operating Instruction 3.6.3, 3.6.4, 3.6.5, 4.10.6, 4.10.7, 4.10.8, 7.9.8, 7.9.9, 7.9.10, 8.7.2., 10.9.5, 10.9.6, 10.9.7	<ul style="list-style-type: none"> ➤ If original copies of the documents have been submitted to the CBI, Police, Courts or any such competent authority or agency for investigation, then copies of such documents should be stored till the investigations are completed. ➤ If photocopies of the documents have been submitted to the CBI, Police, Courts or any such competent authority or agency for investigation, then the original documents should be stored till the investigations are completed. ➤ If soft copies of the documents [data in electronic form] have been submitted to the CBI, Police, Courts or any such competent authority or agency for investigation, then the DP shall ensure that the provisions of the Information Technology Act, 2000 in this regard are complied with, and that the said electronic data [soft-copies] are maintained on record and stored till the investigations are completed. 	
Regulation 51	<ul style="list-style-type: none"> ➤ Where a DP has entered into an agreement with more than one Depository, it shall maintain all the records separately in respect of each depository. 	

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

RECONCILIATION

Reference	Compliance Requirement	Remarks
Regulation 47, Bye law 5.3.9 & Clause 11	<ul style="list-style-type: none"> ➤ Every DP shall reconcile his records with CDSL on a daily basis using the various reports available on the system. ➤ Every DP shall, as a continuous process and on an on-going basis reconcile with its own records and those of its BOs, all records, balances, advices, statements and reports received by it from CDSL. ➤ Any error or omission in such records, balances, advices, statements and reports shall be promptly notified to CDSL. 	
Operating Instruction 2.8, 3.5, 4.9,6.7, 7.8,8.6, 9.6, 10.8, 13.6	<p>The DP should, on a daily basis, do reconciliation of following requests:</p> <ul style="list-style-type: none"> ➤ Account Opening ➤ Account maintenance ➤ Dematerialisation ➤ Instructions slips ➤ Transmission ➤ Pledge, unpledge, invocation ➤ Rematerialisation ➤ Account Closure ➤ Freeze, unfreeze 	Total requests received during the day should reconcile with the requests confirmed, rejected and pending.

SYSTEM / CONNECTIVITY

Reference	Compliance Requirement	Remarks
Regulation 45 & Clause 5	<ul style="list-style-type: none"> ➤ Every DP shall maintain continuous electronic means of communication with each depository in which it is a participant 	
Clause 4 & Comm. 309 Dated September 3, 2003	<ul style="list-style-type: none"> ➤ The DP should install at his/its premise computers, printers, communication equipment and un-interruptible power supply units, systems software and any other equipment, hardware and software as specified. ➤ All the computers, communication equipment, printers, un-interruptible power supply units and all other hardware and software should be of the specified configuration and sourced only from CDSL empanelled/approved brands. ➤ The hardware and software set-up should be utilized by the DP exclusively for CDSL specific application module. ➤ The DP should not connect the hardware to its inter-office Wide Area Network without the prior written permission of CDSL. ➤ The DP has to, on its own cost, carry out such addition, modification, up-gradation or replacement of the said hardware and /or software as may be specified by CDSL. 	
Clause 23 Comm. 435 Dated July 21, 2004	<ul style="list-style-type: none"> ➤ The DP should strictly follow the back-up procedure as recommended. ➤ The back up of database and report folders should be taken on daily basis. ➤ Depending on transaction volume, a separate media should be used to take periodic back up at least on monthly basis and this media should be preserved. The back ups should not be stored on the same machines on the second hard disk and floppies should not be used for taking back ups. ➤ A date-wise back up register in manual form or in back office should be maintained to 	

Reference	Compliance Requirement	Remarks
<p>Comm. 1731 Dated September 30, 2009</p>	<p>keep record of the activity and inventory of the back up media.</p> <ul style="list-style-type: none"> ➤ Two copies of all backup media should be created and one copy of the backup should be stored offsite. <p>Backup and Restore Process</p> <ol style="list-style-type: none"> 1. <u>Daily Backup:</u> <ul style="list-style-type: none"> ➤ Backup should be taken daily and should be mandatorily stored for SEVEN days. That is, every Monday's backup may be overwritten with the backup of the following Monday's backup. 2. <u>Monthly Backup:</u> <ul style="list-style-type: none"> ➤ The monthly backup media should be stored for 12 months. That is, backup for the month-end of January may be overwritten with the backup of the month-end of January of the following year. 3. <u>Release-wise Backup:</u> <ul style="list-style-type: none"> ➤ The release-wise backup should be kept for three releases. 4. <u>Additional Measures:</u> <ul style="list-style-type: none"> ➤ Back up to be taken of Q:\Reports folder. ➤ For taking back up of database, procedures (as explained in Annexure-A of communiqué no. CDSL/OPS/DP/1390), should be followed. ➤ Back up should not be stored in the same hard disk or a second hard disk attached to the workstation. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ Back up should be taken on external media such as CD / DVD / Tape / any other external backup device. ➤ The external back up device, as mentioned above, should be dedicated to CDSL backup only. ➤ For each day of the week, separate media should be used for backup i.e. different CD / DVD / Tape / external backup device. The same media may be recycled to take backup the following week. ➤ CDSL strongly recommends that one copy of the backup media be stored offsite. 	
Clause 24 Comm. 410 Dated May 19, 2004	<ul style="list-style-type: none"> ➤ The DP should inform CDSL of any loss or failure of connectivity between DP and CDSL. ➤ In case of interruption of Depository Services at the DP the DP should lodge their request for contingency arrangements at CDSL helpdesk and follow the procedure as mentioned in communiqué. 	
Regulation 50	<ul style="list-style-type: none"> ➤ Where records are kept electronically by the DP, it shall ensure that the integrity of the data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed or tampered with and in the event of loss or destruction, ensure that sufficient back up of records is available at all times at a different place. 	
Comm. 541 Dated April 15, 2005	<ul style="list-style-type: none"> ➤ The DP shall ensure that “Acrobat Reader Software” should be installed at the server and work stations where CDAS system is installed. 	
Comm. 1577 Dated May 13, 2009	<ul style="list-style-type: none"> ➤ All DPs are advised to ensure that a back office system is installed and operational by December 01, 2009. The back office system should contain, as a minimum 	

Reference	Compliance Requirement	Remarks
Operating Instruction 6.5.4.1 6.5.4.2	<p>requirement, the following operational features:</p> <ul style="list-style-type: none"> ➤ Maker–Checker facility for all transactions entered. This would include account opening, demat and all other transactions. ➤ Capture of BO signature and retrieval for the purpose of verification at the time of entry of instructions. ➤ Maintaining proper record of Delivery Instruction Slips [DIS] with respect to the following activities, as mentioned in the DP operating instructions: <ol style="list-style-type: none"> a. Inventory control of printed instruction slip books. b. Recording issue of instruction slip books to BOs. c. Precautions while accepting duly filled DIS from the BOs and execution of the same. d. Issue of loose DIS to the BOs. e. The facility to record or cancel slips / slip-books which are reported lost / returned by the BOs. f. DIS issued to and received from POA holders. g. Verification of high value DIS. h. Any other requirement communicated by CDSL, in this regard, from time to time. ➤ The back office system should be able to import various reports generated by the CDSL system for the purpose of updating transaction status / reconciliation. ➤ The back office system should be able to generate batch files of account opening and various transactions, in prescribed formats, for uploading to the CDSL system and import the success / failure reports generated for the uploaded transactions. ➤ The back office system should be "Settlement Pocket" compliant i.e. it should 	

Reference	Compliance Requirement	Remarks
Comm no.5810 Dated Mar 15, 2016	<p>have all the features to support "Settlement Pocket".</p> <ul style="list-style-type: none"> ➤ As a risk management measure, CDSL has provided a utility to encrypt transactions files created in the back office. The feature should also be implemented in the back office system. ➤ DPs are advised to note that on EOD of April 01, 2016, all the DPIDs will be mandatorily enabled for uploading encrypted files in CDAS and from SOD of April 02, 2016, only encrypted transaction files will be accepted for processing. 	
Comm. 395 Dated April 15, 2004	<ul style="list-style-type: none"> ➤ DPs should ensure to install Contivity VPN Client Software provided by CDSL in accordance with the prescribed procedure. 	
Comm. 309 Dated September 3, 2003 Comm. 538 Dated April 5, 2005 & Comm. 650 Dated January 23, 2006	<p><u>'Variable access rights' scheme</u></p> <ul style="list-style-type: none"> ➤ The DP should properly implement the variable access rights to control access and manage the roles of different users most efficiently and gives better control for managing the daily operations of CDAS system. CDSL application provides a facility for DP to create users and provide access rights to them. Rights can be specified in terms of access time as well as transactions. ➤ The DP should note: <ol style="list-style-type: none"> a. To create appropriate login under the clauses allocated by CDSL and further allocate modules and transaction rights thereof. b Not to allow the operators to share user ID and their passwords. c. If compliance officers/ any employee / user leaves the DP organization their ' Login ID' should immediately be made 'permanently inactive' and subsequently deleted from the system. 	

Reference	Compliance Requirement	Remarks
Comm. 309 Dated September 3, 2003	<ul style="list-style-type: none"> ➤ The DP should ensure that whenever any changes in upload file formats are sent to them, the same should be promptly incorporated in their back office. ➤ 	
Comm. 309 Dated September 3, 2003	<p><u>Anti virus software to be loaded on server and / or client machine(s)</u></p> <ul style="list-style-type: none"> ➤ DPs shall ensure that a suitable Anti Virus Software as recommended by CDSL, be installed on the server / workstation where the CDSL application is loaded. 	

ASSIGNMENT OF BUSINESS

Reference	Compliance Requirement	Remarks
Regulation 52, Bye law 5.3.30 & Clause 26	<ul style="list-style-type: none"> ➤ The DP shall not assign its business and/or functions as a participant or entrust the control or conduct of its business and/or functions to any person except with the prior written approval of CDSL and subject to such terms and conditions as CDSL may stipulate from time to time. ➤ If there is any substantial change in the share holding pattern or constitution of the Board of Directors or in the composition of the partnership, it shall constitute an assignment of the business and/or functions and prior written approval from CDSL shall be obtained. 	
Comm. 75A Dated January 22, 2001	<ul style="list-style-type: none"> ➤ On set up of the DP branch following points have to be complied with: <ol style="list-style-type: none"> 1. The branches of the DP must have the requisite hardware / software as prescribed by CDSL. 2. The branch premises must be owned / leased or licensed to the main DP. 3. The branch of the DP must have the communication network registered in the name of the main DP or leased or licensed to the main DP. 4. The branch of the DP must have at least one staff member who is on the payroll of the main DP. 5. The branch of the DP must display the name of the main DP prominently. 6. The branches of the DP must have the requisite trained personnel to handle the DP operations. 7. The branches of the DP must have adequate provisions for safety and security of the documents pertaining to the BOs. 8. The main DP should submit an undertaking to fulfill all rights and obligations on behalf of all its branches. 	

Reference	Compliance Requirement	Remarks
	<ul style="list-style-type: none"> ➤ Point 1 to 7 has to be complied on regular basis. 	
Operating Instruction 17.8.1	Prior Approval of CDSL for Opening a DP Service Centre <ul style="list-style-type: none"> ➤ DPs should note that with effect from November 01, 2009, prior approval of CDSL should be obtained for opening a DP Service Centre including back office connected branches and collection centres. ➤ For this purpose, DPs should submit an application to CDSL along with the requisite information in the prescribed formats. ➤ DPs are also advised to ensure that a soft copy of the information (submitted along with the application) is forwarded to CDSL, at email ID: scapprovals@cdslindia.com. 	
Operating Instruction 17.8.2 17.8.3 17.8.4 17.8.5 Comm. 3579 Dated March 25, 2013	<u>Supervision of branches of Depository Participants</u> Main DPs are advised to comply with following requirements regarding supervision of branches of Depository participants <ol style="list-style-type: none"> 1) To keep on record, identification documents (including photo-identification) of all the persons engaged in DP operations – <ol style="list-style-type: none"> (i) at their Main office; (ii) at all live-connected branches, and (iii) at service centres. 2) The DP shall inform CDSL about the setup of branches in the prescribed format. 3) To maintain documentation at the Main office regarding the scope of activity of each live branch and service centers. This documentation should include the following aspects: 	

Reference	Compliance Requirement	Remarks
Comm.6160 Dated Sept 29, 2016	DPs are advised to refer to SEBI Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 Dated September 26, 2016 wherein SEBI has informed guidelines regarding enhanced supervision of stock brokers/depository participants- 'Uniform nomenclature to be followed by stock brokers for Naming / Tagging of Demat Accounts and the reporting of such accounts to the Stock Exchanges / Depositories' to reflect the purpose for which these demat accounts are being maintained.	
Comm.6254 Dated Nov 22, 2016		
Comm.6305 Dated Dec 21, 2016	DPs are further advised to refer SEBI Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/138 Dated December 20, 2016 regarding the revised timelines for implementation of these guidelines	
Comm. 6272 Dated Dec 02, 2016	DPs are advised to refer to communiqué no. 6272 Dated dec 02, 2016 for online facility for addition, modification and deletion in details of dp service centres	
Comm. 4305 Dated March 12, 2014	<ul style="list-style-type: none"> (i) Services being provided by each live-connected branch and service centre; (ii) Authorization levels of each type of transaction, i.e. <ul style="list-style-type: none"> ⇒ Maker / Checker ⇒ Limits based on value of transactions (iii) Record-keeping policy, including Exception Reporting Mechanism, Maintenance of Registers, Agreements / acknowledgements of copy of Rights and Obligations document, Inventory of Instruction Slip Booklets, Reconciliation procedures (if any documents are forwarded to the Main DP). 	

Reference	Compliance Requirement	Remarks
	<p>4) To ensure that all live connected branches as well as service centres display the types of services provided by each of them. The display board / chart should be prominently visible to the investors/clients. The DO'S AND DON'TS should also be displayed similarly.</p> <p>5) To ensure that service centres fulfill the following criteria:</p> <ul style="list-style-type: none"> (i) Adequate infrastructure (ii) Adequately trained staff (at least one person who is CDSL-trained / BCCD certified/NISM-Series-VI-Depository Operation Certified. (iii) Name of the Main DP should be displayed prominently on the premises of the branch/service centre. (iv) The service centre should be managed by the DP's own staff. However, if such a service centre is managed by a franchisee, DPs are advised to follow the additional guidelines given below, in addition to the guidelines given in (i), (ii) & (iii) above. DPs may also specify additional criteria as per their own requirements: <ul style="list-style-type: none"> → Franchisees should be duly registered (with a valid registration certificate on the date of appointment), with a regulatory authority such as a recognized stock exchange, SEBI, RBI or IRDA. → DPs should sign an agreement with the franchisee, covering services that can be offered by the franchisee. 	
<p>Operating Instruction 17.8.5</p>	<p>I. While ceasing the DP services from a service centre, the DP should make alternative arrangements to provide service to the BOs, who are availing of</p>	

Reference	Compliance Requirement	Remarks
	<p>depository services through the said service centre.</p> <p>II. The DP shall inform CDSL about termination of services of such service centre within 10 days of termination, in the prescribed format. The DP shall also confirm compliance with the aforementioned requirements.</p> <p>III. The Main DP should ensure comprehensive takeover and maintain the records of terminated service centres.</p> <p>IV. The Main DP shall be responsible for all acts of omission and commission of all its branches including service centres.</p>	
<p>Operating Instruction 17.8.6</p>	<p>➤ In cases where services are offered to client, where there is no personal contact or interaction [no acknowledgement given to documents submitted], such as drop boxes kept in a place in which clients can drop their documents, requirement of trained personnel will not be applicable. DPs should intimate the list of such drop box centres to CDSL in the prescribed formats [see Annexure 17.8]. However, approval from CDSL would not be provided for drop box centres. Similarly, when drop box centres are discontinued, information should be furnished to CDSL in the prescribed format. Further, when a drop box is upgraded to service centre or service centre is downgraded to drop box, information in appropriate format is to be filed with CDSL. Further, the requirement given in Operating Instruction 17.8.2 to Operating Instruction 17.8.5 is not mandatory for the drop box centres.</p>	
<p>Comm.2775 Dated December 27, 2011</p>	<p><u>Outsourcing of activities by intermediaries</u> :</p> <p>DPs are advised to comply with the guidelines issued by SEBI vide circular no. CIR/MIRSD/24/2011 Dated December 15, 2011 regarding outsourcing of activities related to services offered by intermediaries.</p>	

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

CODE OF CONDUCT

Reference	Compliance Requirement	Remarks
Regulation 20A	➤ All the participants shall, at all times, abide by the Code of Conduct as specified in the Third schedule.	
1.	➤ DPs shall make all efforts to protect the interest of investors.	
2.	➤ DPs shall endeavor to: <ul style="list-style-type: none"> ➤ Render the best possible advice to the clients having regard to the clients needs and the environments and his own professional skills. ➤ Ensure that all professional dealings are affected in a prompt, effective and efficient manner. ➤ Inquiries from investors are adequately dealt with Grievances of investors are redressed without any delay. 	
3.	➤ DP shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business.	
4.	➤ DP shall be prompt and diligent in opening of a BO account, dispatch of the DRF, RRF and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the BOs.	
5.	➤ DP shall endeavor to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible, and not later than one month of receipt.	
6.	➤ DP shall not increase charges/ fees for the services rendered without proper advance notice to the BOs.	
7.	➤ DP shall not indulge in any unfair competition, which is likely to harm the interests of other participants or investors or is likely to place such other participants in a disadvantageous position while competing for or executing any assignment.	

Reference	Compliance Requirement	Remarks
8.	<ul style="list-style-type: none"> ➤ DP shall not make any exaggerated statement whether oral or written to the clients either about its qualification or capability to render certain services or about its achievements in regard to services rendered to other clients. 	
9.	<ul style="list-style-type: none"> ➤ DP shall not divulge to other clients, press or any other person any other information about its client which has come to its knowledge except with the approval / authorisation of the clients or when it is required to disclose the information under the requirements of any Act, Rules or Regulations. 	
10.	<ul style="list-style-type: none"> ➤ DP shall co-operate with SEBI as and when required. 	
11.	<ul style="list-style-type: none"> ➤ DP shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations, circulars and direction issued by SEBI. ➤ The DP shall also comply with the award of the Ombudsman passed under the SEBI (Ombudsman) Regulations, 2003. 	
12.	<ul style="list-style-type: none"> ➤ DP shall not make any untrue statement or suppress any material fact in any documents, reports, papers or information furnished to the Board. 	
13.	<ul style="list-style-type: none"> ➤ DP shall not neglect or fail or refuse to submit to SEBI or other agencies with which it is registered, such books, documents, correspondence and papers or any part thereof as may be demanded/ requested from time to time. 	
14.	<ul style="list-style-type: none"> ➤ DP shall ensure that SEBI is informed promptly about any action, legal proceedings etc, initiated against it in respect of material breach or non-compliance by it, of any law, Rules, Regulations, directions of SEBI or of any other regulatory body. 	

Reference	Compliance Requirement	Remarks
15.	➤ DP shall maintain proper inward system for all types of mail received in all forms.	
16.	➤ DP shall follow the maker-checker concept in all of its activities to ensure the accuracy of the data and as a mechanism to check unauthorised transaction.	
17.	<ul style="list-style-type: none"> ➤ DP shall take adequate and necessary steps to ensure that continuity in data and record keeping is maintained and that the data or records are not lost or destroyed. ➤ DP shall ensure that for electronic records and data, up-to-date back up is always available with it. 	
18.	➤ DP shall provide adequate freedom and powers to its compliance officer for the effective discharge of his duties.	
19.	➤ DP shall ensure that it has satisfactory internal control procedures in place as well as adequate financial and operational capabilities which can be reasonably expected to take care of any losses arising due to theft, fraud and other dishonest acts, professional misconduct or omissions.	
20.	➤ DP shall be responsible for the acts or omissions of its employees in respect of the conduct of its business.	
21.	➤ DP shall ensure that the senior management, particularly decision makers, have access to all the relevant information about the business on a timely basis.	
22.	➤ DPs shall take appropriate steps to implement proper internal control mechanism to avoid instances of non-compliances.	
23.	➤ DP shall ensure that good corporate policies and corporate governance are in place.	

<p>Comm. 2370 Dated March 24, 2011</p>	<p>SEBI had issued Circular no. CIR/ISD/1/2011 Dated March 23, 2011 and Circular no. CIR/ISD/2/2011 Dated March 24, 2011 regarding unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication. Accordingly DPs are directed to ensure that :</p> <ul style="list-style-type: none"> ➤ Proper internal code of conduct and controls are in place. ➤ Employees/temporary staff/voluntary workers etc. employed/working in the Offices of market intermediaries do not encourage or circulate rumours or unverified information obtained from client, industry, any trade or any other sources without verification. ➤ Access to Blogs/Chat forums/Messenger sites etc. is either restricted under supervision or access should not be allowed. ➤ Logs for any usage of such Blogs/Chat forums/Messenger sites (called by any nomenclature) are treated as records and the same are maintained as specified by the respective Regulations which govern the concerned intermediary. ➤ Employees are directed that any market related news received by them either in their official mail/personal mail/blog or in any other manner, should be forwarded only after the same has been seen and approved by the concerned Intermediary's Compliance Officer. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for actions. The Compliance Officer shall also be held liable for breach of duty in this regard. 	
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Comm. 3894 Dated August 29, 2013	DPs are advised to refer to SEBI Circular no. CIR/MIRSD/5/2013 Dated August 27, 2013, in relation to general guidelines for dealing with conflicts of Interest of various Intermediaries	
Comm. 4130 Dated December, 20, 2013	DPs are advised to take precautions as mentioned in the Communique while carrying out the depository operations.	

<p>Comm. 112 Dated March 12, 2021</p>	<p>DPs are advised to refer to SEBI Circular no. SEBI/HO/MRD/DCAP/CIR/P/2021/23 dated March 03, 2021 regarding Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse. Accordingly, DP shall do the following:</p> <ul style="list-style-type: none"> ➤ Formulate a code of Conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with the PIT Regulations, by adopting the minimum standards set out in Schedule C to the PIT Regulations. ➤ Managing Director (MD) / Chief Executive Officer (CEO) of the DP shall be obligated to frame the referred code of conduct. The Board of Directors may ensure the compliance by MD / CEO in this regard. ➤ DP shall identify and designate a compliance officer to administer the aforesaid code of conduct. ➤ The Board of Directors of MII, in consultation with the aforesaid compliance officer, shall specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include the position / designation as specified in the Regulation 9(4) of the PIT Regulations. 	
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PREVENTION OF MONEY LAUNDERING ACT, 2002 (PMLA)

DPs

<u>Reference</u>	Compliance Requirement	Remarks
<p>Comm. 649 Dated January 23, 2006 and Comm. 673 Dated March 22, 2006</p>	<ul style="list-style-type: none"> ➤ The DPs should formulate a proper policy framework in keeping with the objectives of anti money laundering measures as set out in the Act and the Rules notified. ➤ They should designate an officer as the “Principal Officer” who would be responsible for ensuring compliance of provisions of PMLA including timely submission of reports to Financial Intelligence Unit of Ministry of Finance. ➤ Name, designation and address (including e-mail address) of the “Principal Officer” should be immediately intimated to the Office of Director, Financial Intelligence Unit, New Delhi. ➤ In addition to the disclosures referred to in the guidelines annexed to the Communiqué, a DP may decide additional disclosures to be made by his clients. ➤ A DP should adhere to the following aspects spelt out in the guidelines regarding PMLA: <ul style="list-style-type: none"> a) Customer due diligence measures. b) Policy for acceptance of clients. c) Risk-based approach. d) Clients of special category. e) Clients identification procedure. f) Record keeping. g) Preservation of records. h) Monitoring of transactions. i) Suspicious transactions and their Reporting to appropriate authority. ➤ Records relating to cash transactions / suspicious transactions reported, should be maintained for a period of 5 years. 	
<p>Comm. 4690 Dated</p>	<ul style="list-style-type: none"> ➤ DPs are advised to ensure that steps as mentioned in the communicate are taken to 	

Reference	Compliance Requirement	Remarks
<p>September 8, 2014</p> <p>Comm. 4309 Dated March 13, 2014</p>	<p>raise the compliance level and to mitigate the risk.</p> <p>Appointment of a Designated Director</p> <p>a). In addition to the existing requirement of designation of a Principal Officer, the registered intermediaries shall also designate a person as a 'Designated Director'. In terms of Rule 2 (ba) of the PML Rules, the definition of a Designated Director reads as under: <i>“Designated Director means a person designated by the reporting entity to ensure overall compliance with the obligations imposed under chapter IV of the Act and the Rules and includes —</i> <i>(i) the Managing Director or a Whole-time Director duly authorized by the Board of Directors if the reporting entity is a company,</i> <i>(ii) the managing partner if the reporting entity is a partnership firm,</i> <i>(iii) the proprietor if the reporting entity is a proprietorship concern,</i> <i>(iv) the managing trustee if the reporting entity is a trust,</i> <i>(v) a person or individual, as the case may be, who controls and manages the affairs of the reporting entity if the reporting entity is an unincorporated association or a body of individuals, and</i> <i>(vi) such other person or class of persons as may be notified by the Government if the reporting entity does not fall in any of the categories above.”</i></p> <p>b). In terms of Section 13 (2) of the PML Act (as amended by the Prevention of Money-laundering (Amendment) Act, 2012), the Director, FIU-IND can take appropriate action, including levying monetary penalty, on the Designated</p>	

Reference	Compliance Requirement	Remarks
	<p>Director for failure of the intermediary to comply with any of its AML/CFT obligations.</p> <p>c). Registered intermediaries shall communicate the details of the Designated Director, such as, name, designation and address to the Office of the Director, FIU-IND.</p>	
<p>Comm. 772 Dated October 18, 2006</p>	<p>➤ The DPs are advised to note that CDSL's DP Operating Instructions and various communiqués issued, clearly outline the documents required to be obtained for account opening. However, DPs are required to exercise due diligence while establishing the identity of the intending BO(s), thus ensuring the safety and integrity of the depository system, as the provisions of PMLA stipulates that the intermediaries are also required to be aware of the nature of business and financial status of the intending BO(s) at the time of account opening or executing any transactions thereafter.</p>	
<p>Comm. 762 October 06, 2006</p>	<p>➤ For the purpose of reporting the details of suspicious transactions to the FIU-IND, CDSL has evolved certain criteria for generating alerts for DPs containing details of transactions that are potentially suspicious. DPs will be required to analyze and ascertain whether the transactions intimated by CDSL are suspicious in nature. For this purpose, DPs are advised to evolve their own procedure for scrutiny of the alerts for identifying suspicious transactions, so as to comply with the provisions of the PMLA and rules and guidelines thereof issued by FIU-IND/ SEBI from time to time. DPs should note that they should not restrict themselves to scrutinizing the transactions appearing in the alerts given by CDSL and should</p>	

Reference	Compliance Requirement	Remarks
<p>Comm. 3252 Dated September 29, 2012</p> <p>Comm.5521 Dated Oct 27, 2015</p>	<p>evolve their own mechanism to monitor all transactions.</p> <ul style="list-style-type: none"> ➤ If DPs identify any transaction as suspicious in nature, they should submit the report directly to the Director, FIU-IND, New Delhi, in the prescribed format within 7 working days of establishment of suspicion. ➤ The DPs should submit the report to FIU-IND in the format developed under the FINnet PROJECT as prescribed in the Communique 3252 Dated September 29, 2012. ➤ DPs are also required to maintain a Register where they should note the action taken on such report. ➤ DPs are advised to refer Annexures A and B in the Communique 4988 regarding Advisory Notifications for Registration of Reporting Entity in multiple categories and Reporting of Registered/Mandate accounts to all the reporting entities circulated by FIU IND 	
<p>Comm. 793 Dated November 21, 2006</p>	<ul style="list-style-type: none"> ➤ DPs have to ensure that a proper policy framework covering client identification programme, retention of records and monitoring and reporting of suspicious transactions as per the Guidelines on anti-money laundering measures is put into place. DPs should send a copy of the Policy directly to FIU-IND. 	

Reference	Compliance Requirement	Remarks
<p>Comm. 1345 Dated November 06, 2008</p> <p>Comm. 5815 Dated Mar 15, 2016</p>	<ul style="list-style-type: none"> ➤ DPs will be required to establish/identify suspicious transactions in the light of “Financial Status” and the “Nature of Business” of the clients. For such transactions, DPs should submit the Suspicious Transaction Report directly to FIU-IND in the prescribed format, within seven working days of establishment of suspicion. ➤ DPs are also advised to keep FIU-IND informed about the name, address, email ID and contact details of Principal Officer. Any change therein must also be intimated to FIU-IND. <p>DPs are informed that that FIU-IND has advised that they will not be accepting STRs through FINnet gateway without digital signature after April 01, 2016.</p>	
<p>Comm. 4752 Dated October 08, 2014</p> <p>Comm. 4885 Dated Dec 19, 2014,Comm. 5145 Dated April 17, 2015 and 5196 Dated May 15, 2015,Comm.5 449 Dated Sept 21, 2015, Commn. 5640 Dated Dec 22, 2015,Comm. 5760 Dated Feb 18, 2016</p>	<p>Consolidated List of individuals and entities subject to sanction measures and UNSC Resolutions 1267 and 1822 on Taliban / Al – Qaida</p> <ul style="list-style-type: none"> ➤ DPs should note that the full and Updated version of the Consolidated UN List is accessible at the United Nations Security Council's Al-Qaida and Taliban Sanctions Committee's website: ➤ https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/1267.pdf <p>The individuals and entities listed under the Consolidated List are subject to sanctions including freezing of assets, notification to financial institution, denial of financial services etc as per UNSC</p>	

<u>Reference</u>	Compliance Requirement	Remarks
	<p>Resolutions and Government of India (GOI) order.</p> <ul style="list-style-type: none"> ➤ DPs should note that in case any account/asset of designated entities/individuals mentioned in the Consolidated List is found, details of the same may be conveyed through CDSL to SEBI for further action. ➤ DPs should note that Ministry of External Affairs (UNP Division) issues notifications enclosing copies of notes from the Chairman of the UN Security Council's 1267 Committee regarding the changes made in the Consolidated List. ➤ DPs are advised to note the contents of the abovementioned circulars issued from time to time and ensure compliance, as directed. 	
<p>Comm. 1447 Dated January 29, 2009</p>	<ul style="list-style-type: none"> ➤ IMPLEMENTATION OF UN SECURITY COUNCIL RESOLUTIONS / EU COMMON POSITION AND REGULATIONS ➤ DPs should note that UN Security Council unanimously adopted Resolutions, which among other things, calls for member states to freeze immediately the funds, other financial assets and economic resources owned or controlled by the persons and entities designated as well as additional persons or entities designated by the UNSC or by the Sanctions Committee set up by the Resolutions. ➤ DPs should note that the UN Resolutions and EU measures are available on the websites mentioned in Communique No. 1447 Dated January 29, 2009. ➤ DPs should note that in case any account/asset of designated entities/individuals mentioned in the Consolidated List is found, details of the 	

Reference	Compliance Requirement	Remarks
	<p>same may be conveyed through CDSL to SEBI for further action.</p>	
<p>Comm. 1448 Dated January 29, 2009</p>	<p>DPs are advised:</p> <ul style="list-style-type: none"> ➤ To carefully analyze alerts sent by CDSL and file STRs with FIU-IND in appropriate cases ➤ To provide the following information in the grounds of suspicion so that FIU-IND will be in a position to analyze STRs correctly. <ol style="list-style-type: none"> 1. Details of initial alert sent by CDSL through an upload to the DP's billing folder 2. Information collected during analysis of alert 3. KYC information of the client 4. Period of the activities being reported 5. Quantum of the activities being reported 6. ISIN / Issuer Name, if reported transaction relates to a particular ISIN / Issuer 7. Explanation regarding the reported suspicion 	
<p>Comm. 1706 Dated September 4, 2009</p>	<ul style="list-style-type: none"> ➤ DPs should take note of the contents of SEBI Circular no. ISD/AML/CIR-1/2009 Dated September 01, 2009 on the subject of Anti-Money Laundering [AML] Standards / Combating Financing of Terrorism [CFT] / Obligations of Securities Market Intermediaries under Prevention of Money Laundering Act [PMLA], 2002 and Rules framed thereunder and ensure compliance. 	
<p>Comm. 1751 Dated October 24, 2009</p>	<ul style="list-style-type: none"> ➤ DPs should take note of the contents of SEBI circular no. ISD/AML/CIR-2/2009 Dated October 23, 2009 on the subject of Combating Financing of terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967 enclosing the order issued by Government of India, Ministry of Home 	

<u>Reference</u>	Compliance Requirement	Remarks
	Affairs, New Delhi Dated August 27 th , 2009 and ensure compliance.	
Comm. 1847 Dated January 6, 2010	<ul style="list-style-type: none"> ➤ DPs should take note of the contents of Notification No. 13/2009 Dated November 09, 2010 received from the Ministry of Finance regarding amendments effected to the PMLA, 2002 and ensure compliance ➤ DPs should note that the Central Government, in consultation with the Reserve Bank of India, has amended the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, 	
Comm. 1894 Dated February 18, 2010	<ul style="list-style-type: none"> ➤ DPs should take note of the contents of Master Circular on Anti-Money Laundering / Combating Financing of Terrorism issued by SEBI - circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 Dated July 04, 2018 and ensure compliance. ➤ DPs should note that the said circular is also uploaded on SEBI's website: www.sebi.gov.in under the section: "Legal Framework" and sub-section: "Circulars". 	

Reference	Compliance Requirement	Remarks
Comm.5162 Dated April 25, 2015	<p>➤ DPs should take note of the contents of the FATF statement regarding countries which do not or insufficiently apply the FATF recommendations.</p> <p>DPs should note that the above statement is available at:</p>	
Comm. 5607 Dated Dec 10, 2015	<p>The FATF Statements Dated October 23, 2015 are available in the following links:</p> <p>1. http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/public-statementoctober-2015.html</p>	
Comm.41 Dated Jan 20, 2017	<p>2. http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/documents/fatf-complianceoctober-2015.html</p> <p>DPs are advised to note the above and ensure compliance, as directed.</p>	
Comm.356 Dated Jul 18, 2017	<p>FATF Public Statements are Updated every 4 months and are available in the Public Domain (FATF Webpage: http://www.fatf-gafi.org//publications/high-riskandnoncooperativejurisdictions/documents/public-statement-june-2017.html)</p> <p>DPs are advised to note the above and ensure compliance, as directed.</p>	
Comm.546 Dated Nov 15, 2017	<p>FATF Public Statements are Updated every 4 months and are available in the Public Domain (FATF Webpage: http://www.fatf-gafi.org//publications/high-riskandnoncooperativejurisdictions/documents/public-statement-november-2017.html).DPs are advised to note the above and ensure compliance, as directed.</p>	
Comm 2236 Dated January 1, 2011	<p>Master Circular on AML / CFT</p> <p>DPs shall have to adhere to client account opening procedures and maintain records of</p>	

Reference	Compliance Requirement	Remarks
<p>Comm 4309 Dated March 13, 2014</p> <p>Comm 294 Dated June 07, 2018</p> <p>Comm 352 Dated July 07, 2018</p>	<p>such transactions as prescribed by the PMLA and Rules notified there under.</p> <p>DPs are directed to ensure compliance with the requirements contained in this Master Circular on an immediate basis.</p> <p>DPs are advised to refer to SEBI Circular no. SEBI/HO/MIRSD/DOSR1/CIR/P/2018/93 Dated June 06, 2018 regarding Amendments to Prevention of Money-laundering (Maintenance of Records) Rules, 2005 DPs are advised to refer to SEBI Circular no. SEBI/HO/MIRSD/DOS3/ CIR/ P/ 2018/104 Dated July 04, 2018 regarding Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed.</p>	
<p>Comm 2019/542 October 25, 2019</p> <p>SEBI Master Circular - SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 dated October 15, 2019</p>		

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

CYBER SECURITY AND CYBER RESILIENCE FRAMEWORK

Reference	Compliance Requirement	Remarks
Comm 5351 Dated July 31, 2015	<p>DPs should take note of the contents of SEBI circular no. CIR/MRD/DP/13/2015 Dated July 06, 2015 regarding Cyber Security and Cyber Resilience Framework of Stock Exchanges, Clearing Corporation and Depositories (refer Annexure-A).</p> <p>As stated in point no.13 of the aforementioned SEBI circular, DPs may also adopt similar standards of information security.</p>	
Comm 2018-641 Dated December 04, 2018	<p>DPs should take note of the contents of SEBI circular no. SEBI/HO/MIRSD/CIR/PB/2018/147 Dated December 03, 2018 regarding Cyber Security and Cyber Resilience Framework for Stock Brokers/ Depository Participants.</p> <p>The Depository Participants shall arrange to have their systems audited on an annual basis by a CERT-IN empanelled auditor or an independent CISA/CISM qualified auditor to check compliance with the above areas and shall submit the report to Depositories along with the comments of the Board / Partners / Proprietor of Stock Broker/ Depository Participant within three months of the end of the financial year.</p>	
Comm 2019-12 Dated January 07, 2019	<p>DPs should take note of the contents of SEBI circular no. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 Dated January 04, 2019 regarding Reporting for Artificial Intelligence (AI) and Machine</p>	

Reference	Compliance Requirement	Remarks
	<p>Learning (ML) applications and systems offered and used by market intermediaries.</p> <p>Depository Participant using AI / ML based application or system as defined in the SEBI circular, are required to make submissions in prescribed format on quarterly basis within 15 calendar days of the expiry of the quarter</p>	
<p>Comm 2019-535 Dated October 23, 2019</p>	<p>DPs should take note of the contents of SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2019/109 Dated October 15, 2019 regarding Cyber Security & Cyber Resilience framework for Stock Brokers /Depository Participants.</p> <p>Depository Participants are required to make submissions in prescribed format to Depository on Quarterly reports containing information on cyber-attacks and threats experienced by Depository Participants and measures taken to mitigate vulnerabilities, threats and attacks including information on bugs / vulnerabilities / threats that may be useful for other Depository Participants.</p> <p>The time period for submission of the report shall be 15 days after the end of the quarter.</p>	

Communiqué Issued / amendments made post-issue of Manual

Reference	Compliance Requirement	Remarks

**SEBI CIRCULAR – IMPLEMENTATION OF THE
MULTILATERAL
COMPETENT AUTHORITY AGREEMENT (MCAA) AND
FOREIGN ACCOUNTS
TAX COMPLIANCE ACT (FATCA)**

Reference	Compliance Requirement	Remarks
Comm 5410 Dated Aug 27, 2015	<p>DPs should take note of the contents of SEBI circular no. CIR/MIRSD/2/2015 Dated August 26, 2015 regarding Implementation of the Multilateral Competent Authority Agreement and Foreign Accounts Tax Compliance Act [refer Annexure - A].</p> <p>Department of Revenue –Ministry of Finance has communicated the extension of the due date for the filling of statement of reportable account by a prescribed reporting financial institution under section 285BA of Incometax Act pertaining to calendar year 2014 from August 31, 2015 to September 10, 2015 [refer Annexure - B].</p>	
Comm 5434 Dated Sept 11, 2015	<p>DPs should take note of SEBI circular no. CIR/MIRSD/3/2015 Dated September 10, 2015 regarding Reporting Requirement under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)- Guidance Note [refer-Annexure-A].</p> <p>The Guidance note as mentioned in the SEBI Circular is available in the below mentioned link:</p> <p>http://www.incometaxindia.gov.in/communications/notification/guidance_notes_on_implementation_31_08_2015.pdf</p>	

<p>Comm 196 Dated April 18, 2017</p> <p>Comm 169 Dated April 02, 2018</p> <p>Comm 192 Dated April 11, 2018</p>	<p>The financial institutions are advised that all efforts should be made by the financial institutions to obtain the self-certification. The account holders may be informed that, in case self-certifications are not provided till 30 April 2017, the accounts would be blocked, which would mean that the financial institution would prohibit the account holder from effecting any transaction with respect to such accounts. The transactions by the account holder in such blocked accounts may, thereafter, be permitted once the self-certification is obtained and due diligence completed.</p> <p>DPs are advised to refer to SEBI Circular no. IMD/ FPIC/CIR/P/2018/53 Dated March 21, 2018 regarding Due diligence and reporting requirements under Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)</p> <p>DPs are advised to refer to SEBI Circular no. SEBI/HO/IMD/FPIC/CIR/P/2018/66 Dated April 10, 2018 regarding clarification on clubbing of investment limits of foreign Government/ foreign Government related entities</p>	
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