Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/1931 **March 22, 2010**

SEBI CLARIFICATIONS ON PMS DEMAT ACCOUNTS

DPs are advised to refer to communiqué nos: **CDSL/OPS/DP/1622** dated June 22, 2009 [see **Annexure-A**] and **CDSL/OPS/DP/1633** dated July 03, 2009 [see **Annexure-B**] wherein SEBI had clarified the issues relating to opening of PMS demat accounts by Custodians / Portfolio Managers.

DPs are advised to refer to **point no. 6(a)** of SEBI's clarifications stated in the abovementioned communiqués. SEBI vide letter no. **MRD/DoP/CDSL/ST/198674/2010** dated March 17, 2010 has further clarified the issue with regard to the capturing of bank account details in PMS demat accounts, as follows:

> "**In this regard, you are advised not to capture bank account details of PMS in place of bank account details of clients in depository system, in case of PMS accounts.**"

DPs are advised to take note of the above and ensure compliance.

With regard to PMS accounts, the following status/sub-status codes have been introduced in the CDSL system:

Sub-status code	Sub-status Description
73	Individual Resident – PMS
74	NRI Repatriable – PMS
75	NRI Non-Repatriable – PMS
76	Corporate Body – Domestic - PMS
77	Trust - PMS

The updated list of status / sub-status codes is attached [see **Annexure-C**]. DPs are advised to ensure that demat accounts are opened as per the codes listed therein for the relevant category of accounts.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk:** (022) 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8625, 2272-8639, 2272-8663, 2272-1261 or 2272-2075. Emails may be sent to: helpdesk@cdslindia.com

sd/-

Ramkumar K.
Vice President – Operations

Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/1622 **June 22, 2009**

SEBI CLARIFICATIONS ON PMS DEMAT ACCOUNTS

Pursuant to representations from Portfolio Managers, CDSL had applied to SEBI seeking guidelines with regard to opening of PMS demat accounts. SEBI, vide letter nos. IMD/MT/165502/2009 dated June 05, 2009 and IMD/MT/166494/2009 dated June 15, 2009 has clarified the issues relating to opening of demat accounts by Custodians / Portfolio Managers. The issues raised and the clarification sent by SEBI is as given below:

1. **PMS providers be allowed to open demat accounts for their clients on the basis of the PMS client agreement & Power of Attorney [POA] signed with the client.**
   SEBI's comment: Accounts can be opened by the client only and not through use of Power of Attorney [POA] by the Portfolio Manager. POA may be permitted only for operating the account.

2. **BO's account to be allowed to be opened in the name and style of "Name of PM-PMS A/c Investor Name".**
   SEBI's comment: Accounts may be opened only in the name of the client.

3. **Participants be allowed to rely on the In-person Verification [IPV] of the client done by Portfolio Manager and that the other market participants should not carry out any IPV of clients of portfolio managers.**
   SEBI's comment: IPV is to be done by each market intermediary separately as specified under the respective Regulation.

4. **Address for correspondence should be that of the Portfolio Manager instead of the client.**
   SEBI's comment: Portfolio Manager's address cannot be captured as correspondence address. However, the transaction statements may be sent / made accessible to both – the portfolio manager and its client.

5. **Facility for holding a pool account for the portfolio managers for operational and commercial purposes similar to clearing members' accounts and transfers from pool account be treated as "on-market" transfers instead of "off-market" transfers.**
   SEBI's comment: This is essentially a commercial or operational issue. Pool account can be used for the purpose of ease of operation i.e. trades can be done in one single order but

the securities can not lie in the "pool account" overnight as it will defeat the purpose of SEBI regulations, hence all securities need to be segregated into the individual demat accounts of the client.

6. a) **Bank account details of the Portfolio Manager (instead of that of the client) to be allowed to be captured.**
   SEBI's comment: Under the Portfolio Management Services framework, Bank Account details of the Portfolio Manager instead of the client can be captured by the DPs.

   b) **Portfolio Managers be allowed to sign only one agreement for all clients.**
   SEBI's comment: This may not be permitted.

   c) **Signature of the Portfolio Manager be allowed to be taken on record by Participant and Client's signature may be captured from copy of POA i.e. the client of Portfolio Manager will not give his/her original signature to the Participant on the account opening form.**
   SEBI's comment: This may not be permitted.

7. **SEBI to issue guidelines to allow market intermediaries viz. DP, Custodian, Mutual Fund, etc. to accept the KYC done by the Portfolio Manager and exempt the requirement of separate KYC for PMS clients by each of these intermediaries.**
   SEBI's comment: Separate KYC for all clients need to be done.

8. **SEBI may consider the requirement of appointment of custodian optional for all portfolio managers.**
   SEBI's comments: Appointment of custodian is compulsory only for such portfolio managers whose Assets under Management is more than or equal to Rs.500 crores.

Queries regarding this communiqué may be addressed to **CDSL-Helpdesk** on telephone nos. **(022)** 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8625, 2272-8639, 2272-8663, 2272-1261, 3246-2767, 2272-2075 or email ID: helpdesk@cdslindia.com.

sd/-

Ramkumar K.
Vice President – Operations

Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/1633 **July 03, 2009**

CLARIFICATIONS ON PMS DEMAT ACCOUNTS

DPs are advised to refer to communiqué no. **CDSL/OPS/DP/1622** dated June 22, 2009 wherein the views expressed by SEBI vide their letters dated June 05, 2009 and June 15, 2009, with regard to the opening and operating of PMS demat accounts, was circulated to DPs.

In this regard, DPs are advised to read **Point 6 (a)** of the abovementioned communiqué as under:

6. a) **Bank account details of the Portfolio Manager (instead of that of the client) to be allowed to be captured.**

SEBI's comment: Under the Portfolio Management Services framework, Bank Account details of the Portfolio Manager instead of the client can be captured by the DPs.

The above information [**point 6(a)**] is subject to the Operational Department of SEBI enabling the same under the Depository framework.

DPs are advised to take note of the same.

Queries regarding this communiqué may be addressed to **CDSL-Helpdesk** on telephone nos. **(022)** 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8625, 2272-8639, 2272-8663, 2272-1261, 3246-2767, 2272-2075 or email ID: helpdesk@cdslindia.com.

sd/-

Ramkumar K.
Vice President – Operations

STATUS and SUB-STATUS DESCRIPTION FOR DEMAT ACCOUNTS Annexure - C

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
1	1	Individual - Director	Individual	21	Individual	1
2	1	Individual - Director	Individual	21	Individual - Margin Trading Account - (MANTRA)	36
3	2	Individual - Directors Relative	Individual	21	Individual	1
4	2	Individual - Directors Relative	Individual	21	Individual - Margin Trading Account - (MANTRA)	36
5	3	Individual - Resident With Nomination	Individual	21	Individual	1
6	3	Individual - Resident	Individual	21	Individual - Margin Trading Account - (MANTRA)	36
7	4	Individual - HUF	Individual	21	Individual	1
8	4	Individual - HUF	Individual	21	HUF	8
9	5	FI-Govt Sponsored FI	FI	22	Indian Financial Institution	4
10	6	FI-SFC	FI	22	Indian Financial Institution	4
11	7	FI-Others	FI	22	Indian Financial Institution	4
12	8	FII - Mauritius-based	FII	23	Foreign Institutional Investor	5
13	9	FII-Others	FII	23	Foreign Institutional Investor	5
14	10	NRI Repatriable With Nomination	NRI	24	Non Resident Individual	3
15	11	NRI Non-Repatriable With Nomination	NRI	24	Non Resident Individual	3
16	12	Corporate Body - Domestic	Corporate	25	Corporate	2
17	12	Corporate Body - Domestic	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
18	13	Corporate Body - OCB	Corporate	25	Corporate	2
19	13	Corporate Body - OCB	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
20	14	Corporate Body - Government Company	Corporate	25	Corporate	2
21	14	Corporate Body - Government Company	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
22	15	Corporate Body - Central Government	Corporate	25	Corporate	2
23	15	Corporate Body - Central Government	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
24	16	Corporate Body - State Government	Corporate	25	Corporate	2
25	16	Corporate Body - State Government	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
26	17	Corporate Body - Co-operative Bank	Corporate	25	Corporate	2
27	17	Corporate Body - Co-operative Bank	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
28	18	Corporate Body - NBFC	Corporate	25	Corporate	2
29	18	Corporate Body - NBFC	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
30	19	Corporate Body - Non-NBFC	Corporate	25	Corporate	2
31	19	Corporate Body - Non-NBFC	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
32	20	Corporate Body - Broker	Corporate	25	Corporate	2
33	20	Corporate Body - Broker	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
34	21	Corporate Body - Group Company	Corporate	25	Corporate	2

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
35	21	Corporate Body - Group Company	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
36	22	Corporate Body - Foreign Body	Corporate	25	Corporate	2
37	22	Corporate Body - Foreign Body	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
38	23	Corporate Body - Others	Corporate	25	Corporate	2
39	23	Corporate Body - Others	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
40	24	Clearing Member	Clearing Member	26	CM Principal (Individual)	9
41	24	Clearing Member	Clearing Member	26	CM Principal (Corporate)	10
42	24	Clearing Member	Clearing Member	26	CM Pool (Individual)	11
43	24	Clearing Member	Clearing Member	26	CM Pool (Corporate)	12
44	24	Clearing Member	Clearing Member	26	NSCCL Clearing Member Account	19
45	24	Clearing Member	Clearing Member	26	Ahmedabad Clearing Member Account	23
46	24	Clearing Member	Clearing Member	26	CSE Clearing Member Account	25
47	24	Clearing Member	Clearing Member	26	DSE Clearing Member Account	26
48	24	Clearing Member	Clearing Member	26	NSCCL ALBM Account	27
49	24	Clearing Member	Clearing Member	26	OTCEI Clearing Member Account	28
50	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - BSE	29
51	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - NSE	30

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
52	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - ASE	31
53	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - CSE	32
54	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - DSE	33
55	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - OTCEI	34
56	24	Clearing Member	Clearing Member	26	Early Pay-in account	35
57	24	Clearing Member	Clearing Member	26	NCDEX Clearing Member Account	38
58	24	Clearing Member	Clearing Member	26	MCX Clearing Member Account	42
59	24	Clearing Member	Clearing Member	26	NSCCL Clearing Member Account - NSE SLB	43
60	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - NSE - SLB	44
61	24	Clearing Member	Clearing Member	26	CM Principal Account - BSE - SLB	45
62	24	Clearing Member	Clearing Member	26	CM Pool Account - BSE - SLB	46
63	24	Clearing Member	Clearing Member	26	CM Investors' Securities Account - BSE - SLB	47
64	25	Foreign National With Nomination	Foreign National	27	Foreign National	18
65	26	Mutual Fund	Mutual Fund	28	Mutual Fund	6
66	27	Trusts	Trust	29	Trust	24
67	28	Bank - Foreign	Bank	30	Bank	7
68	29	Bank - Co-operative	Bank	30	Bank	7

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
69	30	Bank - Nationalised	Bank	30	Bank	7
70	31	Bank - Others	Bank	30	Bank	7
71	32	Clearing House	Clearing House	31	CC / CH House Account	20
72	33	Other Depository Account	Depository	32	Other Depository Account	17
73	34	FII-Depositary Receipt	FII	23	Foreign Institutional Investor	5
74	35	NRI-Depositary Receipt	NRI	24	Non Resident Individual	3
75	36	Corporate Body - OCB - Depositary Receipt	Corporate	25	Corporate	2
76	36	Corporate Body - OCB - Depositary Receipt	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
77	37	Foreign National - Depositary Receipt	Foreign National	27	Foreign National	18
78	38	Corporate Body - Depositary Receipt	Corporate	25	Corporate	2
79	38	Corporate Body - Depositary Receipt	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
80	39	Bank - Depositary Receipt	Bank	30	Bank	7
81	40	Individual - Promoters	Individual	21	Individual	1
82	40	Individual - Promoters	Individual	21	Individual - Margin Trading Account (MANTRA)	36
83	41	Corporate Body - Promoter	Corporate	25	Corporate	2
84	41	Corporate Body - Promoter	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
85	42	Individual - Margin Trading Account	Individual	21	Individual	1

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
86	42	Individual - Margin Trading Account	Individual	21	Individual - Margin Trading Account (MANTRA)	36
87	43	Corporate - Margin Trading Account	Corporate	25	Corporate	2
88	43	Corporate - Margin Trading Account	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
89	44	Individual - Commodity	Individual	21	Individual - Commodity	39
90	45	Corporate - Commodity	Corporate	25	Corporate - Commodity	40
91	46	Bank - Commodity	Bank	30	Bank - Commodity	41
92	47	Individual - HUF - Margin Trading Account	Individual	21	Individual	1
93	47	Individual - HUF - Margin Trading Account	Individual	21	HUF	8
94	48	NRI Repatriable - Promoter	NRI	24	Non Resident Individual	3
95	49	NRI Non-Repatriable - Promoter	NRI	24	Non Resident Individual	3
96	50	HUF - Promoter	Individual	21	Individual	1
97	50	HUF - Promoter	Individual	21	HUF	8
98	51	Corporate CM/TM - Client Margin Account	Corporate	25	Corporate	2
99	51	Corporate CM/TM - Client Margin Account	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
100	52	Corporate CM/TM – Client Beneficiary Account	Corporate	25	Corporate	2
101	52	Corporate CM/TM – Client Beneficiary Account	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
102	53	Individual CM/TM - Client Margin Account	Individual	21	Individual	1

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
103	53	Individual CM/TM - Client Margin Account	Individual	21	Individual - Margin Trading Account (MANTRA)	36
104	54	Individual CM/TM – Client Beneficiary Account	Individual	21	Individual	1
105	54	Individual CM/TM – Client Beneficiary Account	Individual	21	Individual - Margin Trading Account (MANTRA)	36
106	55	HUF CM/TM - Client Margin Account	Individual	21	Individual	1
107	55	HUF CM/TM - Client Margin Account	Individual	21	HUF	8
108	56	HUF CM/TM–Client Beneficiary Account	Individual	21	Individual	1
109	56	HUF CM/TM–Client Beneficiary Account	Individual	21	HUF	8
110	57	Corporate Body - OCB - Promoter	Corporate	25	Corporate	2
111	57	Corporate Body - OCB - Promoter	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
112	58	Resident Individual - Minor	Individual	21	Individual	1
113	58	Resident Individual - Minor	Individual	21	Individual - Margin Trading Account (MANTRA)	36
114	59	NRI with Repatriation - Minor	NRI	24	Non Resident Individual	3
115	60	NRI without Repatriation - Minor	NRI	24	Non Resident Individual	3
116	61	Foreign National - Minor	Foreign National	27	Foreign National	18
117	62	NRI with Repatriation - HUF	NRI	24	Non Resident Individual	3
118	63	NRI without Repatriation - HUF	NRI	24	Non Resident Individual	3
119	64	Domestic Corporate - Unclaimed shares Account	Corporate	25	Corporate	2

Sr. No.	Sub-status code	Sub-status description	Linked to Status description	Linked to Status Code	Linked to Product description	Linked to Product code
120	64	Domestic Corporate - Unclaimed shares Account	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
121	65	Resident Individual - Depository Receipt	Individual	21	Individual	1
122	65	Resident Individual - Depository Receipt	Individual	21	Individual - Margin Trading Account (MANTRA)	36
123	66	Domestic Corporate - Depository Receipt	Corporate	25	Corporate	2
124	66	Domestic Corporate - Depository Receipt	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
125	67	Limited Liability Partnership	Corporate	25	Corporate	2
126	67	Limited Liability Partnership	Corporate	25	Corporate - Margin Trading Account - (MANTRA)	37
127	68	Association of Persons [AOP]	Individual	21	Individual	1
128	69	Individual-Resident Negative Nomination	Individual	21	Individual	1
129	70	NRI Repatriable Negative Nomination	NRI	24	Non-Resident Individual	3
130	71	NRI Non-Repatriable Negative Nomination	NRI	24	Non-Resident Individual	3
131	72	Foreign National Negative Nomination	Foreign National	27	Foreign National	18
132	**73**	**Individual Resident - PMS**	**Individual**	**21**	**Individual**	**1**
133	**74**	**NRI Repatriable - PMS**	**NRI**	**24**	**Non-Resident Individual**	**3**
134	**75**	**NRI Non-Repatriable - PMS**	**NRI**	**24**	**Non-Resident Individual**	**3**
135	**76**	**Corporate Body - Domestic - PMS**	**Corporate**	**25**	**Corporate**	**2**
136	**77**	**Trust - PMS**	**Trust**	**29**	**Trust**	**24**