



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SYSTEM/2019/476

September 20, 2019

HANDLING OF CLIENTS' SECURITIES BY TRADING MEMBERS / CLEARING MEMBERS – CLIENT COLLATERAL ACCOUNT

DPs are advised to refer SEBI Circular nos. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019, SEBI/HO/MIRSD/DOP/CIR/P/2019/95 dated August 29, 2019 regarding Handling of Clients' Securities by Trading Members (TMs) / Clearing Members (CMs).

1. To facilitate DPs opening of 'Client Collateral Account' in respect to Handling of Clients' Securities by TMs/CMs, following new sub-types have been added in the list of existing sub-types.

Sub-status code	Sub-status description	Linked to Status Code	Linked to Status description	Linked to Product code	Linked to Product description
122	Corporate – Client Collateral Account	25	Corporate	2	Corporate
123	Individual – Client Collateral Account	21	Individual	1	Individual
124	HUF – Client Collateral Account	21	Individual	8	HUF
125	LLP – Client Collateral Account	25	Corporate	2	Corporate

2. Transfer to the 'Client Collateral Account' or 'CM/TM Collateral Account' under POA will be permitted if the same are linked under the POA link registered with the DP.
3. DPs are advised to refer point no. 6 (c) of aforesaid SEBI circular dated June 20, 2019 mentioning 'Securities lying with TM/CM in client collateral account, client margin trading securities account and client unpaid securities account shall not be permitted to be pledged/transferred to Banks/NBFCs for raising funds by TM/CM'.
To comply with the aforesaid guidelines, DPs are hereby informed that Inter Depository Transfers (IDT) from 'Margin Trading Account', 'CM/TM Collateral Account', 'CM/TM Client Collateral Account' and 'Client Unpaid Securities Account' to demat account of Bank or NBFC shall not be validated as the details viz. customer type / sub type of the target demat accounts pertaining to Bank / NBFC are not known to CDSL. DPs are advised to devise a mechanism



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to verify the details of target demat accounts pertaining to Bank / NBFC to ensure that such IDTs are executed as per the guidelines prescribed by SEBI at point no. 6 (c) mentioned in the aforesaid SEBI circular.

4. **Grouping of CUSA / Client Collateral / CM/TM Collateral Account in Easiest:**

Presently, CMs can use 'Easiest' to transfer securities from the CM's accounts provided such demat accounts have been grouped under CM log-in. CMs can transfer securities from CUSA / Client Collateral Account / CM/TM Collateral Account to Client Account only if the CM has grouped its CUSA/Client Collateral Account/CM/TM Collateral Account under the CM account login in easiest. The grouping of CUSA account has to be done from CMs easiest login and it has to be authenticated by the respective DP from its easiest login. Further CM is required to map its Client Collateral accounts / CM/TM Collateral account (as per the sub-statii mentioned above) to its CM account by submitting request letter to CDSL through its DP for mapping in the format as specified in **Annexure 10** of communiqué no. **CDSL/OPS/DP/1905** dated February 26, 2010 (format attached). After CDSL authenticates the mapping request, the CM will be able to transfer the securities to the Client Collateral accounts / CM/TM Collateral account. DPs and CMs are requested to note that grouping is possible if the accounts are held with any DP.

5. DPs are hereby directed to disseminate the aforesaid information / requirements / guidelines to their TM/CM clients to help them to comply with the same and further advised to initiate suitable back-office changes, if any.

- CDSL – Settlement Desk** on (022) 2305-8635, 2305-8508, 2305-8612, 2305-8611, 2305-8601, or 2305-8501. Emails may be sent to: operations@cdslindia.com.
- CDSL – Helpdesk** on (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Ashish Bhatt
Vice President – Operations

To:

Central Depository Services (India) Limited
 Marathon Futurex, A Wing,
 25th Floor, Mafatlal Mills Compound,
 N.M. Joshi Marg, Lower Parel (E)
 Mumbai – 400 013

Dear Sir / Madam,

Sub: Grouping of Logins

We have registered for CDSL's *easiest* facility with the login name _____ (the login name from where the grouping is to be effected).

Listed below are the BOIDs which are registered/not registered in CDSL's *easiest* system which need to be grouped by CDSL with the abovementioned login name:

BOID	CM NAME / CBO NAME	CM ID	LOGIN NAME (if registered)

Declaration

The rules and regulations pertaining to CDSL's *easiest* facility which are in force have been read and understood by me/us and I/we agree to abide by and to be bound by the same. I/We declare that the account details given above indeed belong to me/us. Any changes in the details of the account will be intimated to CDSL and, in case CDSL finds any discrepancies as regards to nomenclature of the account, CDSL is at liberty to delete such BOIDs.

Name of Authorised Signatory of CM

Name of Authorised Signatory of DP

Signature
(CM stamp & Date)

Signature
(DP stamp & Date)