



Central Depository Services (India) Limited

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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2021/321

July 23, 2021

INCENTIVE TO DPs FOR OPENING AND MAINTAINING BSDA ACCOUNTS FOR THE F.Y. 2019-20

DPs are advised to refer to SEBI Circular no. **CIR/MRD/DP/18/2015** dated December 09, 2015 wherein it was informed that in order to compensate the Participants towards the cost of opening and maintaining Basic Services Demat Accounts (BSDA), incentives will be paid to the eligible DPs with effect from financial year **2015 - 2016**.

As per the aforesaid directives, Incentives for the financial year **2019-2020** is processed as per the following guidelines:

1. An incentive of Rs.100/- for every new BSDA opened during the financial year other than the top 15 cities as given in **Annexure-A**. The incentive will be paid if such BSDA has received at least one credit of securities during the financial year.
2. An incentive of Rs. 2/- per folio per distinct ISIN in respect of the ISIN positions held in BSDA.
3. As per SEBI Circular no. **CIR/MRD/DP/18/2015** dated December 09, 2015, The reimbursement to DPs shall be made on an annual basis at the end of the financial year and the depositories shall set aside 20% of its incremental revenue received from the Issuers to manage the aforementioned incentive.
4. The Incentives for the FY 2019-2020 have been calculated and compared with the 20% of incremental revenue received. Accordingly, the proportionate amount of incentive to be distributed to the eligible DPs has been worked out and kept available in the respective DP's Billing folder.

The file naming convention is BLNG<DPID>_BSDA_INCENTIVE_2019-20.tar in which following files will be available:-

- a) BLNG<DPID>_BSDA_TOTAL_INCENTIVE_2019-20.lst – Total Amount of incentive payable to the DPs. (Financial Year 2018-2019, Incentive is on proportionate basis).
- b) BLNG<DPID>_BSDA_BO_WISE_INCENTIVE_2019-20.lst – List of eligible BSDA BO IDs. (for Rs.100/- incentive).
- c) BLNG<DPID>_BSDA_BOISIN_WISE_INCENTIVE_2019-20.lst – List of distinct ISIN against eligible BOID. (for Rs.2/- incentive).



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- d) It may be noted that the file BLNG<DPID>_BSDA_INCENTIVE_2019-20.tar with NIL incentive report (BLNG<DPID>_BSDA_TOTAL_INCENTIVE_2019-20.lst) has also been placed in the billing folder of DPs who are not eligible for such BSDA incentives.

In order to claim the incentive the eligible DPs will have to follow the below mentioned procedure:

- 1) Based on the details of incentive placed in billing folder, the DP will have to raise TAX INVOICE to CDSL for the proportionate amount payable as an incentive (Refer BLNG<DPID>_BSDA_TOTAL_INCENTIVE_2019-20.lst. ~ **6th Column - Incentive payable to DPs proportionately**).
- 2) Currently E-invoicing is applicable to entities with turnover above Rs.50 crore. Post E-invoicing, invoice with IRN and QR code is to be generated by the DPs having turnover above Rs. 50 crore and same will **only** be considered as **valid invoice** to release the payment.
- 3) DPs having turnover less than Rs. 50 crore, would need to submit the following :
 - i. In order to claim the correct GST Input credit, a declaration in the specified format (as per **Annexure B** on letter head confirming that E-invoice is not applicable to them.
 - ii. DPs, will have to raise GST Compliant Tax invoice on DPs letter head as per the format given - (**Refer Annexure E**). The said Tax invoice would have to be uploaded on the GST portal before applicable due date and the screen shot of the GST return filed should be submitted along with the Tax invoice and only such Invoices shall be considered for the reimbursement of BSDA incentives. In case of any noncompliance from the DPs end, the GST and penalties, if any will be recovered from the DPs.
 - iii. The invoice has to be duly signed by the Authorised signatory / digitally signed under the DP Seal.
- 4) It is mandatory for all DPs to mention the DP ID on the scanned copy of the invoice.
- 5) The invoices raised along with the supporting documents as mentioned above are to be mailed to bsda@cdslindia.com



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- 6) CDSL is registered under GST and hence invoice raised by DPs to CDSL should be GST compliant. (Refer **Annexure D** for details of GST Registration of CDSL).
- 7) DPs are advised to note that as per Finance Act 2021 vide section 206AB under Income Tax Act, 1961 for deducting TDS at higher rate for non-filing Income Tax Return (ITR) which is otherwise required to be furnished under section 139 (1) of the Income Tax Act, 1961, payment will be made after deducting applicable TDS as per declaration provided by the DP. (Refer **Annexure F** for Declaration u/s 206AB of Income Tax Act, 1961).
- 8) Accordingly, all DPs are required to submit the following documents ::
 - A) Declaration for non- applicability of E-Invoice (**Refer Annexure B**) /
Declaration for applicability of E-Invoice (**Refer annexure C**) **whichever is applicable to DPs**
 - B) Tax Invoice (**Refer Annexure E**)
 - C) Declaration under Section 206AB (**Refer Annexure F**)
 - D) Ledger Master creation – (**Refer Annexure G**)
 - E) Copy of PAN Card
 - F) Copy of GST Registration certificate
 - G) Cancelled Cheque
 - H) Copy of MSME Registration Certificate
 - I) Screenshot of Invoice uploaded on GST Portal

Queries regarding this communiqué may be addressed to **CDSL – Operations**: on telephone numbers (022) 2305-8685, 2305-8638, 2305-8630, 2305-8507, 2305-8667, 2305-8608 , 23058764, 2305-8680. Emails may be sent to: bsda@cdslindia.com

sd/-

Vinifer T Kodia
Asst. Vice President – Operations