



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SYSTEM/2021/33

January 25, 2021

UPDATED LIST OF REASON CODES FOR OFF MARKET TRANSACTIONS

DPs are advised to refer to the following CDSL Communiqués issued pertaining to uniform / standardized reason codes to be used while executing off-market transactions:

- CDSL/OPS/DP/SYSTEM/2019/352 dated July 15, 2019
- CDSL/OPS/DP/SYSTEM/2019/384 dated July 31, 2019
- CDSL/OPS/DP/SYSTEM/2019/388 dated August 2, 2019
- CDSL/OPS/DP/SYSTEM/2019/405 dated August 14, 2019
- CDSL/OPS/DP/SYSTEM/2019/623 dated December 12, 2019

Pursuant to the aforesaid communiqués, based on additional representations received from market participants for providing additional reason codes to execute certain types of transactions, it has been decided to introduce new reason codes, and discontinue few existing reason codes.

1. Following new off – market reason codes will be made available **with effect from January 29, 2021 (EOD)**.

New Reason Code	New Reason Code Name	Remarks
35	Transfer from Nominee/Surviving holder to the beneficiary.	To be used for transfer of securities from nominee/Surviving holder to the actual beneficiary of assets. Participant needs to verify whether the source account has received the securities through transmission and only those securities are getting transferred.
36	Transfer of securities from/to account of PMS provider to/from the account of its various clients.	To be used for transfer of securities other than secondary market trades to be distributed by the PMS provider to its various clients and vice-versa such as subscription of mutual fund units, redemption of mutual fund units, primary market acquisition, rights shares, unlisted securities distribution, etc. Participant shall ensure to keep the copy of the SEBI registration certificate as PMS provider on record.



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37	Margin to Custodian	As per point no. 13 of the SEBI Circular no SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 on Margin obligations to be given by way of Pledge / Re-pledge in the Depository System states that "Clients having arrangements with custodians registered with SEBI for clearing and settlement of trades shall continue to operate as per the extant guidelines". To be used by Custodial Participants.
38	Margin returned by Custodian	As per point no. 13 of the SEBI Circular no SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System states that "Clients having arrangements with custodians registered with SEBI for clearing and settlement of trades shall continue to operate as per the extant guidelines". To be used by Custodial Participants.
39	Change of nominee shareholder appointed under section 187(1) of Companies Act, 2013.	To be used for transfer of shares inter-se between nominee shareholders or between the holding company and nominee shareholder. For these types of transfers, supporting documents like copy of the Board resolution of the company effecting change of nominee shareholders (evidencing change/ appointment of nominee shareholder) needs to be provided by transferor/transferee to Participant.



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40	Off-Market Swap	To be used for off market sale of securities where consideration is in the form of securities. Supporting documents like details of securities swapped to be obtained. Consideration field will be mandatory for this reason code. As the consideration field will be mandatory, stamp duty as per prescribed rates will be applicable.
41	Delisting - Exit offer	To be used for allowing tendering of shares by investors to special demat account opened by delisting company where stock exchange platform for tendering shares is not adopted. Supporting documents like Copy of the delisting offer/ public notice (sent by the company to the shareholder, having target demat account details of the company) needs to be provided by transferor to Participants.
42	Deposit of securities with Escrow Agent and its return	To be used for deposit of securities or its return thereof to an escrow account for a temporary period for any Offer for Sale, Off-market Sale or acquisition triggering SAST, etc.

2. The following existing off – market reason codes will be discontinued w.e.f. January 29, 2021(EOD).

Existing Reason Code	Existing Reason Names to be discontinued
14	Margin to stock broker / PCM
34	Certificate of Deposit Redemption
33	Commercial Paper Issuance
20	Pay-out - On payments for unpaid securities
12	Meeting Legitimate Dues of Stock Broker

The abovementioned enhancements will be implemented in CDSL system at EOD of January 29, 2021. DPs are advised to take note of the same and make necessary changes if any, in their back office system. DPs are also advised to educate their clients accordingly.



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Queries regarding this communiqué may be addressed to **CDSL – Helpdesk**: on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

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Asst. Vice President - Operations