



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2022/368

June 28, 2022

NAMING / TAGGING OF DEMAT ACCOUNTS MAINTAINED BY STOCK BROKERS

DPs are advised to refer to CDSL communiqué No. CDSL/OPS/DP/POLCY/2022/342 dated June 21, 2022, enclosed with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_DPIEA/P/CIR/2022/83 dated June 20, 2022, regarding Naming / Tagging of demat accounts maintained by Stock Brokers.

DPs are requested to take note of the below-mentioned points regarding the above-mentioned SEBI circular.

1. As mentioned in the above-mentioned SEBI circular, Stock Brokers (**SB**) are required to maintain demat accounts only under the following 5 categories:

Sr. No.	Demat Account Category	Purpose of Demat Account	Sub-type (Product Code) in CDSL System
a.	Proprietary Account	Hold Own Securities	104, 106, 108, 117
b.	Pool account	Settlement Purpose	24 (Exclude Product Code 62), 126, 165
c.	Client Unpaid Securities Account	Hold Unpaid Securities of Client	24 (Product Code 62) 127
d.	Client Securities Margin Pledge Account	For Margin obligations to be given by way of Pledge/Re-pledge	130 to 144
e.	Client Securities under Margin Funding Account	Hold funded securities in respect of margin funding	145

2. DPs are advised to refer following other SEBI Circulars CDSL Communiques for details of tagging / naming guidelines, introduction of Client Unpaid Securities Account (CUSA) and discontinuation of below-mentioned category of broker accounts.

SEBI Circulars:

- a. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016



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- b. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017
- c. CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019
- d. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020

CDSL Communiques:

- a. CDSL/OPS/DP/POLCY/6160 dated September 29, 2016
- b. CDSL/OPS/DP/POLCY/2017/314 dated June 24, 2017
- c. CDSL/OPS/DP/POLCY/2019/304 dated June 21, 2019
- d. CDSL/OPS/DP/P OLCY/2020/115 dated March 02, 2020

Sr. No.	Demat Account Category (to be discontinued)	Purpose of Demat Account	Sub-type
a.	SB - Client Account	To hold client's securities	51, 53, 55
b.	SB - Collateral Account	For depositing securities collateral with the Clearing Corporation	105, 107, 109, 118, 122 to 125, 129
c.	SB - Margin Trading Account	To provide margin trading facility	42, 43, 47

3. Stock brokers maintaining demat accounts other than the above-mentioned categories (mentioned under point nos. 1 and 2 above), would be considered as 'untagged' accounts.
4. 'Untagged' demat accounts which are used exclusively for banking activities by the brokers which are also banks are exempted from the category of 'untagged' accounts and the guidelines mentioned in the aforesaid SEBI circular shall not apply to said exempted 'untagged' accounts. To avoid freezing of such banking activity accounts DPs are requested to inform details of said accounts to CDSL.
5. **Till June 30, 2022**, if 'untagged' account/s of stock brokers,
 - a. are having their own securities, then stock broker is required to provide account modification request to its DP to modify the sub-status of demat account to the appropriate sub-status of proprietary account. It may please be noted that as the appropriate nomenclature as mentioned in the SEBI circular dated September 26, 2016, can be tagged with the help of separate sub-status, DPs are not required to



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- do any change in name of the demat account to give effect to the above-mentioned SEBI circular.
- b. are having securities that belong to the client/s, then stock broker is required to returned the securities back to the demat account of respective client/s and close the 'untagged' demat account.
6. **Effective from July 1, 2022**, after considering the steps taken as mentioned under point (4) above, all non-closed 'untagged' accounts, would be liable for following course of action.
- a. All 'untagged' accounts would be marked as '**Frozen for Credit**'.
- b. Although, these 'untagged' accounts would be 'Frozen for Credit', credits arising out of Corporate Action would be allowed in the said accounts.
- c. Post freezing of the 'untagged' accounts for credit, tagging / naming of the said 'untagged' accounts or closing of the said 'untagged' accounts pursuant to transfer of securities in the demat account of rightful owner of the client will be allowed during the period from July 1, 2022, till July 31, 2022.
- d. During this period i.e., from July 1, 2022, till July 31, 2022, post tagging or transferring the securities, DP on behalf of its broker client can make a request to CDSL to remove 'credit freeze' on the demat account.
7. Further, **effective from August 1, 2022**, all 'untagged' accounts of broker would additionally be '**Frozen for Debit**'.
- a. Effective from August 1, 2022, if any tagging is required to be done in 'untagged' accounts or securities to be transferred to the client account from the 'untagged' accounts, then the brokers will be required to approach corresponding Stock Exchange/s.
- b. Based on the instructions received from the Stock Exchanges, CDSL will unfreeze the account and then broker can execute sub-status modification or transfer of securities to the client account as the case may be.
8. For the convenience of DPs, DPID wise list of non-closed 'untagged' and 'to be discontinued' accounts as on June 27, 2022, has been made available in the billing folder of DPs for download and further course of action. Naming convention of the files



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is as given below. It may also be mentioned that DPs having NIL non-closed 'untagged' and/or 'to be discontinued' broker accounts will not find any file for download.

- a. <BLNG<DPID>_UNTAGGED_ACCT.TAR>
- b. <BLNG<DPID>_DISCONTINUE_AC.TAR>

DPs are requested to disseminate the content of this communique to their broker clients, perform tagging / naming of the broker accounts by June 30, 2022, and ensure compliance to avoid freezing of the 'untagged' broker accounts and stay away from any operational inconvenience that may take place

Queries regarding this communiqué may be addressed to:

- ❑ **CDSL – Settlement Desk** on (022) 2305-8611, 2305-8508, 2305-8635, 2305-8612, 2305-8501, 2305-8601 or 2305-8772. Emails may be sent to:
operations@cdslindia.com.
- ❑ **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.

sd/-
Prashant Kokate
Asst. Vice President – Operations