



Central Depository Services (India) Limited

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CDSL/OPS/DP/SYSTEM/2022/643

November 04, 2022

DEMAT DEBIT AND PLEDGE INSTRUCTION (DDPI)

DPs are advised to refer following CDSL Communiqué nos. regarding the SEBI guidelines on the captioned subject.

- CDSL/OPS/DP/POLCY/2022/194 dated April 5, 2022 (enclosed with SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/44 dated April 4, 2022)
- CDSL/OPS/DP/SYSTEM/2022/332 dated June 14, 2022 (operational modalities and file formats)
- CDSL/OPS/DP/SYSTEM/2022/463 dated August 12, 2022 (additional clarification and file formats)
- CDSL/OPS/DP/SYSTEM/2022/476 dated August 19, 2022 (change in schedule of release)
- CDSL/OPS/DP/POLCY/2022/585 dated October 7, 2022 (enclosed with SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/137 dated October 06, 2022, providing additional clarification on DDPI guidelines)

CDSL is pleased to inform its DPs that clients can now authorize their stock brokers to execute Mutual Fund transactions being executed on Stock Exchange order entry platforms and tendering shares in open offers through Stock Exchange platforms. The said provision would be implemented on November 18, 2022, and will be made effective from November 19, 2022.

While most of the operational modalities remains the same pursuant to additional clarifications received through SEBI circular dated October 06, 2022, DPs are requested to take note of following points with respect to DDPI implementation.

1. Depending upon the choice made by the client in DDPI Authorization to stock brokers, DP will be required to link the DDPI ID to the demat account of the client (BOID) with following additional values of GPA_BPA_FLAG:
 - a) M – To be used to execute Mutual Fund (MF) transactions being executed on Stock Exchange order entry platforms.



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- b) T – To be used to execute transactions pertaining to Tendering shares in Open-offers (TO) through Stock Exchange platforms.
2. DPs are requested to note that till EOD of November 18, 2022, where clients have authorized brokers to execute transactions mentioned in clauses 1.2.1 and 1.2.2 of the SEBI Circular dated April 4, 2022, and linked the DDPI ID to BOID of the client with value of GPA_BPA_FLAG as A following methodology will be implemented,
- a) If DDPI ID – BOID combination is linked to the value of GPA_BPA_FLAG as A and there exists no other link for the same DDPI ID – BOID combination i.e. there does not exist any link with the value of GPA_BPA_FLAG as S and P, then link with value of GPA_BPA_FLAG as A will be removed and new links for the same DDPI ID – BOID combination with value of GPA_BPA_FLAG as S and P will be created by CDSL
- b) If DDPI ID – BOID combination is linked to the value of GPA_BPA_FLAG as A and if there exist both the links for the same DDPI ID – BOID combination with value of GPA_BPA_FLAG as S and P, then linking of DDPI ID – BOID combination to the value of GPA_BPA_FLAG as A will be removed and NO new link for the same DDPI ID – BOID combination will be created by CDSL
- c) If DDPI ID – BOID combination is linked to the value of GPA_BPA_FLAG as A and additionally if there exists a link for the same DDPI ID – BOID combination with either the value of GPA_BPA_FLAG as S or P, then linking of DDPI ID – BOID combination with the value of GPA_BPA_FLAG as A will be removed and new link for the DDPI ID – BOID combination with the value of GPA_BPA_FLAG as either S or P respectively will be created by CDSL
3. In a scenario where client is giving further authorization to execute MF transactions being executed on Stock Exchange order entry platforms and/or TO transactions offered through Stock Exchange platforms, DPs are requested to ensure that they obtain either fresh DDPI authorization or an addendum to an existing DDPI authorization from clients duly signed against each of the authorization clause separately followed by linking of DDPI ID – BOID combination with the appropriate value of GPA_BPA_FLAG as S or P.



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4. No separate DDPI ID (i.e., Master POA ID with 'POA_TYPE_FLAG' as D) is required to be created by a DP for a DDPI ID created for an existing DDPI ID – BOID combination.
5. Effective from November 18, 2022, till DDPI authorization is given and DDPI ID is linked to the BOID of the client authorizing stock broker to execute MF transactions being executed on Stock Exchange order entry platforms and TO transactions offered through Stock Exchange platforms, DPs may execute said transactions based on the existing POA ID. But once the DDPI ID – BOID combination is linked to the value of GPA_BPA_FLAG as M or T, DPs should not be executing MF and/or TO transactions using the Master POA ID.
6. Other operational modalities with respect to executing transactions based on DDPI authorizations as mentioned in the CDSL communiqués mentioned above remains the same.

Kindly note that there is no change in the file format, only new values are introduced in GPA_BPA_FLAG viz., M and T. At the time DDPI link to BO account GPA_BPA_FLAG can have values as S, P, M and T. DPs will need to create Link for each GPA_BPA_FLAG separately. GPA_BPA_FLAG with value as "A" is not allowed.

Additional DDPI guidelines mentioned above are scheduled for release on November 18, 2022, and will be made effective from **November 19, 2022**. DPs are advised to disseminate the information to their clients to enable them to take utmost care to avoid non-execution / non-compliance of the instructions being executed due to implementation of the said guidelines. DPs are further advised to take note of aforesaid guidelines and initiate suitable back-office changes, if any.

Queries regarding this communiqué may be sent to CDSL – Helpdesk through e-mail on helpdesk@cdslindia.com or call us on 08069144800.

sd/-

Prashant Kokate
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