



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SETTL/2022/660

November 11, 2022

BLOCK MECHANISM IN DEMAT ACCOUNT OF CLIENTS UNDERTAKING SALE TRANSACTIONS

DPs are advised to refer following CDSL Communiqué nos. regarding the SEBI guidelines on the captioned subject and operational modalities issued by CDSL from time to time.

- CDSL/OPS/DP/SETTL/2021/54 dated February 8, 2021 (dissemination of SEBI guidelines on e-DIS facility)
- CDSL/OPS/DP/SETTL/2021/156 dated April 6, 2021 (operational modalities – I on e-DIS)
- CDSL/OPS/DP/SETTL/2021/185 dated April 22, 2021 (operational modalities – II on e-DIS)
- CDSL/OPS/DP/POLCY/2021/314 dated July 19, 2021 (dissemination of SEBI circular SEBI/HO/MIRSD/DOP/P/CIR/2021/595 dated July 16, 2021, on Optional Block Mechanism)
- CDSL/OPS/DP/SETTL/2021/335 dated July 31, 2021 (operational modalities – I on Optional Block Mechanism)
- CDSL/OPS/DP/SETTL/2022/462 dated August 12, 2022 (operational modalities – II on Optional Block Mechanism)
- CDSL/OPS/DP/POLCY/2022/478 dated August 19, 2022 (dissemination of SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/109 dated August 18, 2022, on Mandatory Block Mechanism for EP transactions)
- CDSL/OPS/DP/SETTL/2022/525 dated September 14, 2022 (change in schedule of release)
- CDSL/OPS/DP/POLCY/2022/540 dated September 21, 2022 (dissemination of SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/119 dated September 19, 2022, on Mandatory Block Mechanism for non-EP transactions)
- CDSL/OPS/DP/POLCY/2022/627 dated October 28, 2022 (dissemination of SEBI circular no. SEBI/HO/MIRSD/DoP/P/CIR/2022/143 dated October 27, 2022, on clarification on Mandatory Block Mechanism for EP transactions)
- CDSL/OPS/DP/SETTL/2022/638 dated November 03, 2022 (clarifications on Mandatory Block Mechanism)



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- CDSL/OPS/DP/SETTL/2022/655 dated November 10, 2022 (clarifications on inter-depository pay-in transactions and revised date of release with respect to non-EP transactions)

DPs are once again directed to take note of various clarifications and operational modalities mentioned in the aforesaid communiques and ensure that information / requirements / guidelines mentioned in the said communiques have suitably been disseminated to their TM / CM / Trading clients to help them to understand and comply with the guidelines in accordance with the SEBI directives and further ensure that the suitable back-office related changes where applicable are in place so that **failures in execution of pay-in transactions and shortages in settlement obligations are avoided by:**

1. Submitting mandatory UCC details in all early pay-in transactions (within CDSL and inter-depository) and inter-depository on-market pay-in transactions from CDSL client account to NSDL Pool account effective from November 12, 2022 and
2. Submitting mandatory UCC details in all intra-depository non-early pay-in transactions effective from November 25, 2022.

DPs are also requested to note that, in case of discrepancies in details like UCC, TM ID, CM ID, ISIN etc., between instruction and obligation, such transfer instructions will be rejected by the depositories, since the rejection of such instructions might result in default of Pay-In obligation. (Ref. clause 4.5 of SEBI circular SEBI/HO/MIRSD/DoP/P/CIR/2022/119 dated September 19, 2022 on "Validation of Instructions for Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations").

Queries regarding this communiqué may be addressed to:

- ❑ **CDSL – Settlement Desk** on (022) 2305-8611, 2305-8508, 2305-8635, 2305-8612, 2305-8501 or 2305-8601. Emails may be sent to: operations@cdslindia.com.
- ❑ **CDSL – Helpdesk through e-mail** on helpdesk@cdslindia.com or call us on **08069144800**.

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Prashant Kokate
Asst. Vice President – Operations