CDSL/OPS/RTA/SYSTM/2018/35 **March 31, 2018**

REDEMPTION OF COMMERCIAL PAPER

Issuers/RTAs are advised to note that Reserve Bank of India (RBI) had issued the **revised Commercial Paper Directions, 2017** on August 10, 2017. Further, Fixed Income Money Market and Derivatives Association of India (FIMMDA) had issued Operational guidelines on Commercial Paper (CP) on October 05, 2017. These guidelines envisage the following changes:

1. One working day before the maturity date, IPAs will send a request to the depositories to provide the list of investors (i.e. BENPOS report) as at the end of that day.
2. Redemption of CP to be done directly from the beneficial owner accounts of Investors through corporate action instead of the investors requiring to transfer CPs held in their beneficial owner accounts to Issuing and Paying Agents (IPAs) Redemption account.
3. The Issuer will authorize IPA to make the redemption payment based on the BENPOS report received from depositories through the registrar and transfer agent and extinguish the CPs.
4. No transfers/transactions will be permissible on maturity date of CP.

Following changes are being made by CDSL in order to facilitate Issuers, IPAs and Investors to comply with the said guidelines.

1. IPA will need to submit to CDSL the following
   a) A copy of authorization given by the Issuer to IPA for carrying out corporate action for extinguishment of CP on redemption.
   b) A request to CDSL for extinguishment of CP from beneficial owners' accounts (format of the request is enclosed as Annexure).
2. ISIN in respect of commercial paper will be made inactive on EOD of 1 working day prior to the redemption date.
3. BenPos will be Auto-generated on EOD of the day that ISIN is made inactive. i.e.1 working date prior to redemption date, irrespective of whether Auto-Corporate action has been setup or not by RTA.
4. In case RTA sets up Auto-Corporate action after generating BenPos the status of CA setup will be "Holding report generated".
5. In case RTA sets up Auto-Corporate action on redemption date with effective date as redemption date, CDSL system will allow RTA to process extinguishment on the redemption date.

6. No transfers will be permitted in commercial paper on or after its maturity date.

Aforesaid facility **is scheduled for live release on Friday, April 06, 2018.** Issuer / RTAs are advised to take note of the same.

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.

sd/-

Nayana Ovalekar
Chief Operating Officer