Central Depository Services (India) Limited

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COMMUNIQUÉ TO REGISTRAR & TRANSFER AGENTS

CDSL/L&CS/RTA/POLCY/2022/50 **March 09, 2022**

AMENDMENT TO CDSL BYE LAWS

Issuers/ RTAs are hereby informed that the CDSL Bye Laws have been amended with respect to mode of operation & transmission of securities in joint demat account (refer Annexure A).

Issuers / RTAs are advised to note that, the attached amendments will come into effect immediately.

Queries regarding this communiqué may be addressed to CDSL – Legal - (022) 2305-8564.
Emails may be sent to: legalteam@cdslindia.com

sd/-

Nilay Shah
Group Company Secretary & Head Legal

KEYWORD : Bye Law

ANNEXURE A

Clause	Existing provision	Amended provision
CDSL Bye Laws		
13.4	No existing provision	ACCOUNT FREEZING *13.4.6.* [173][*The mode and the form of authorization in joint demat account for Freeze/unfreeze account and/or the ISIN and/or specific number of securities shall be specified in the Operating Instructions. Each joint demat account holder shall be jointly and severally liable towards the Depository Participant for all the commitments entered into by himself/herself or by any other joint demat account holder or authorized representative (within the limits of the power).]* [173]Inserted vide SEBI's letter no. SEBI/HO/MRD2/DDAP/OW/P/2022/7641/1 dated 22.02.2022
13.8.	No existing provision	TRANSFER OF BALANCES *13.8.5.* [177][*The mode and the form of authorization in joint demat account for transfer of securities including Inter-Depository Transfer shall be specified in the Operating Instructions. Each joint account holder shall be jointly and severally liable towards the Depository Participant for all the commitments entered into by himself/herself or by any other joint demat account holder or authorized representative (within the limits of the power)]* [177]Inserted vide SEBI's letter no. SEBI/HO/MRD2/DDAP/OW/P/2022/7641/1 dated 22.02.2022

Clause	Existing provision	Amended provision
13.9.	TRANSMISSION OF SECURITIES 13.9.3 Where a Beneficial Owner Account stands in the name of more than one person, then, in the event of the death of any of them, notwithstanding any nomination as aforesaid, the securities standing to the credit of such account shall vest in the surviving account holder/s.	TRANSMISSION OF SECURITIES 13.9.3 Where a Beneficial Owner Account stands in the name of more than one person, then, in the event of the death of any of them, notwithstanding any nomination as aforesaid, the securities standing to the credit of such account shall vest in the surviving account holder/s **[180][*as a trustee of the legal heirs of the deceased account holder.]*** [180]Inserted vide SEBI's letter no. SEBI/HO/MRD2/DDAP/OW/P/2022/7641/1 dated 22.02.2022
13.9.	No existing provision	TRANSMISSION OF SECURITIES *13.9.8. [185][Where a Beneficial Owner Account stands in the name of more than one person, then, in the event of the death of any of them, in addition to the option of opening of new account, the surviving account holders shall be given an option to continue with the same account by following the procedure prescribed in the Operating Instructions for transmission of securities.]* [185]Inserted vide SEBI's letter no. SEBI/HO/MRD2/DDAP/OW/P/2022/7641/1 dated 22.02.2022
14.	No existing provision	PLEDGE AND HYPOTHECATION *14.9. [192][The mode and the form of authorization in joint demat account for Pledge/Hypothecation/ margin pledge/ margin re-pledge (creation, Closure and Invocation and confirmation thereof as applicable) shall be specified in the Operating Instructions. Each joint demat account holder shall be jointly*

Clause	Existing provision	Amended provision
		and severally liable towards the Depository Participant for all the commitments entered into by himself/herself or by any other joint demat account holder or authorized representative (within the limits of the power)] [192]Inserted vide SEBI's letter no. SEBI/HO/MRD2/DDAP/OW/P/2022/7641/1 dated 22.02.2022