

IMPORTANT INFORMATION

Dear Client,

Clients/associates and branches are advised to refer to following CDSL Communiqués regarding reason codes used while executing off market transactions.

- CDSL/OPS/DP/SYSTEM/6085 dated August 17, 2016
- CDSL/OPS/DP/SYSTEM/2017/442 dated September 11, 2017
- CDSL/OPS/DP/SYSTEM/2018/275 dated May 28, 2018

During a Surveillance meeting at SEBI, it has been decided to implement uniform / standardized reason codes for off-market transfers by both depositories, to provide an audit trail of reasons associated with such transfers as a risk mitigation measure.

Accordingly **with effect from August 03, 2019**, the following reason codes will be available to DPs for executing off-market transfers (intra depository or inter-depository)

For more details please refer attached circulars.

Assuring you of our best services.

Regards,

Team RELITRADE



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SYSTEM/2019/352

July 15, 2019

UPDATED LIST OF REASON CODES FOR OFF MARKET TRANSACTIONS

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During a Surveillance meeting at SEBI, it has been decided to implement uniform / standardized reason codes for off-market transfers by both depositories, to provide an audit trail of reasons associated with such transfers as a risk mitigation measure.

A. Accordingly **with effect from August 03, 2019**, the following reason codes will be available to DPs for executing off-market transfers (intra depository or inter-depository):

Reason Code	Description	Remarks
1	Gift.	Existing reason code
2	For Off-Market Sale / Purchase	Existing reason code
5	Transfer to own account(s)	Existing reason code "Transfer between 2 a/c of same holder(s)" is now renamed
10	Implementation of Govt/Regulatory Direction / Orders	Existing reason code
11	Erroneous Transfer Pertaining to Client Securities	Existing reason code
12	Meeting Legitimate Dues of Stock Broker	Existing reason code
13	Open Offer for Acquisition	Existing reason code "For Open Offer / Buy-Back" is now separated
14	Margin to stock broker/ PCM *	Existing reason code "For Margin Purpose" is now separated.
15	Refund of securities by IEPF Authority	Existing reason code "IEPF Refund" now renamed
16	Donation	New Code - to be used when off-market is arising out of donation of securities.
17	For Buy-Back	Existing reason code "For Open Offer / Buy-Back" is now separated
18	Margin returned by stock broker/ PCM *	Existing reason code "For Margin Purpose" is now separated.
19	ESOP/Transfer to employee	New Code - to be used when off-market is arising out of ESOP/securities transferred to employee.
20	Payout - On payments for unpaid securities *	New Code - The reason code to be used by broker when transferring securities to the respective client upon fulfillment of clients' funds obligation.



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Reason Code	Description	Remarks
21	Transfer to PMS Account	New Code - to be used when shares are transferred to PMS client account (PMS facility)
22	Transfer from PMS Account	New Code - to be used when shares are transferred from PMS client account (PMS facility)
23	On Market IDT transfer	New Code - to be used when securities are transferred from one depository to other depository for On Market transactions. i.e. where at least one leg to the transaction is a CM Settlement Account or CC Account.

Following 3 reason codes will be discontinued **with effect from August 03, 2019**:

Reason Code	Description
3	For Market Sale/Purchase
6	Others.
7	Transfer Between Family Members

B. With effect from September 14, 2019, the following reason codes will be available to DPs for executing off-market transfers (intra depository or inter-depository):

Reason Code	Description
1	Gift.
2	For Off-Market Sale / Purchase
5	Transfer to own account(s)
10	Implementation of Govt/Regulatory Direction / Orders
11	Erroneous Transfer Pertaining to Client Securities
12	Meeting Legitimate Dues of Stock Broker
13	For Open Offer Acquisition
14	Margin to stock broker/ PCM *
15	Refund of securities by IEPF Authority
16	Donation
17	For Buy-Back
18	Margin returned by stock broker/ PCM *
19	ESOP/Transfer to employee
20	Payout - On payments for unpaid securities



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Following 3 reason codes will be discontinued **with effect from September 14, 2019**:

Reason Code	Description
21	Transfer to PMS Account
22	Transfer from PMS Account
23	On Market IDT transfer

CDSL system will be enhanced to identify PMS transactions and On-Market IDT transfers, so that the aforesaid reason codes can be discontinued with effect from September 14, 2019:

- ✓ DPs will be able to open a pool account for the Portfolio Managers similar to Clearing Member pool account. After release of system, transfers from and to the Pool Account of PMS Manager will be considered as market transfers.
- ✓ Necessary system changes will be implemented in Inter-Depository module to identify On-Market and Off-Market transfer separately.

DPs are advised to inform & educate their BOs regarding availability of new reason codes (while executing DIS) and dis-continuation of some codes. DPs should ensure correctness of entry while capturing the reason mentioned by the BO on DIS. DPs are also requested to inform their CMs and easiest BOs about the changes. **The updated list of reason codes (as mentioned above) will be available in CDSL system with effect from August 03, 2019 and September 14, 2019 respectively.**

DPs are advised to note the same and make necessary changes if any, in their back office system to incorporate the said change.

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.

**Umesh Vishram
Kambli**

Digitally signed by Umesh
Vishram Kambli
Date: 2019.07.15 17:23:43 +05'30'

**Umesh Kambli
Asst. Vice President – Operations**