



Central Depository Services (India) Limited

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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SETTL/2023/208

March 31, 2023

HANDLING OF CLIENTS' SECURITIES BY TRADING MEMBERS (TM) / CLEARING MEMBERS (CM)

DPs are advised to refer to the following CDSL communique numbers, regarding Handling of Clients' Securities by Trading Members (TM) / Clearing Members (CM).

- 1) CDSL/OPS/DP/POLCY/2022/658 dated November 11, 2022
- 2) CDSL/OPS/DP/SYSTEM/2023/128 dated February 27, 2023
- 3) CDSL/OPS/DP/SETTL/2023/151 dated March 09, 2023
- 4) CDSL/OPS/DP/SETTL/2023/178 dated March 21, 2023

In continuation to the above circulars, DPs are advised to take note of the additional operational modalities as given below.

1. New Pledge reason for Client Unpaid Securities Pledge Transactions:

- a) CDSL has introduced a new pledge reason code for auto pledge transactions for client unpaid securities pledge transactions viz. '**CUSPA Pledge**'.
- b) The above-mentioned pledge reason code will be captured automatically at the time of creation of pledge in favour of CUSPA .
- c) The pledge reason code for CUSPA is as given below :

Pledge Reason Code	Pledge Reason Description
1	Collateral -Debt issuance by Co./Grp Co
2	Collateral for loan by Company/Group Co
3	Collateral for loan by the Third Party
4	Margin Pledge/MTF for Exchange Trade
5	Personal use by promoters and PACs
6	Collateral for self loan
7	CUSPA Pledge

2. Introduction of new value in Margin Pledge Re-pledge identifier as 'Unpaid Pledge' (UP).

A new value in Margin Pledge Re-pledge identifier field is introduced to identify Pledge for Unpaid Client Securities viz. '**UP**' (**Unpaid Pledge**). The said identifier field will be reflected in **DP37** report. Kindly note that there is no change in the file format.



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3. DPs are required to take note of modification (highlighted in bold) made in point no. 5.a of CDSL communique CDSL/OPS/DP/SETTL/2023/151 dated March 09, 2023, which is mentioned as follows.

5. No Action on Pledged Securities of Unpaid Clients by TM/CM within Seven Trading Days after Pay-out

a) *In case, pledged securities with respect to unpaid clients is neither invoked / confiscated nor released / unpledged within seven trading days after the pay-out (i.e., **till the EOD of seventh trading day**), the pledge on securities shall be auto released / unpledged and the securities shall be made available in the client account as free balance.*

Example: Auto pledge setup for pay-out securities received on Monday will be auto unpledged in EOD of Wednesday of the subsequent week assuming there is no trading holiday in between except Saturday and Sunday.

DPs are once again hereby directed to disseminate the aforesaid information / requirements / guidelines to their TM/CM/Trading clients to help them to understand and comply with the guidelines in accordance with the SEBI guidelines and ensure that the suitable back-office related changes where applicable are implemented before the release of the aforesaid functionality.

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** on telephone number 08069144800. Emails may be sent to: helpdesk@cdslindia.com.

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Shelton Joseph
Sr. Manager – Operations