



Central Depository Services (India) Limited

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COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SYSTEM/2023/360

June 20, 2023

AADHAAR SEEDING (LINKAGE OF PAN WITH AADHAAR)

DPs are advised to refer CDSL Communique no. CDSL/OPS/DP/POLCY/2022/178 dated March 31, 2022, wherein it was informed that in case PAN is not seeded with AADHAAR before the date specified by the Government; it will be considered as an invalid PAN. Further, vide Communique no. CDSL/OPS/DP/POLCY/2023/10 dated January 06, 2023 and CDSL/OPS/DP/SYSTEM/2023/163 dated March 14, 2023, DPs were reminded to ensure compliance by the extended timeline for Aadhaar seeding (linkage of PAN with Aadhaar) i.e., up to March 31, 2023 and CDSL/OPS/DP/SYSTEM/2023/163 dated March 14, 2023 regarding the availability of new fields to capture the PAN & Aadhaar linkage verification flag .

In view of the aforesaid direction, following fields are made available in the system to capture the PAN-Aadhaar linkage verification flag.

- 0 – PAN not Verified
- 1 – PAN verified but Aadhaar not linked
- 2 – PAN Verification reversed
- 3 – PAN Verified & Aadhaar linked
- 4 – PAN Exempted
- 5 – “PAN Verified & Aadhaar linked to be checked”**
- 6 – “PAN Verified and Aadhaar linked confirmed by DP.**

DPs are further advised to note that the existing demat accounts having PAN Verification codes “0”, “1”, and “2” as mentioned above with status code “21 - Individual” and fourth letter of any holder’s PAN is “P”, will be frozen for both debit and credit, if the PAN & Aadhaar is not linked on the EOD of June 30, 2023.

In case of new demat accounts being opened by the DPs after the date of the release i.e. on **Friday, June 30, 2023**, with PAN verification flag “**5 – PAN Verified & Aadhaar linked to be checked**”, the demat account will be opened in the system with *pending for activation status and transactions will not be allowed in such account*. CDSL will validate the PAN and Aadhaar linkage of the BOs that are opened with the PAN verification flag “**5 – PAN Verified & Aadhaar linked to be checked**”, if the links are confirmed then the demat accounts PAN verification flag will be changed to “**3 – PAN Verified & Aadhaar linked**” and demat account will become active and transactions will be allowed in the said demat accounts. In case of PAN and Aadhaar linkage is still not linked, PAN verification flag of such demat accounts will remain as it is in PAN verification flag “**5 – PAN Verified & Aadhaar linked to be checked**” and demat account will be in pending for activation status for a



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period of 30 days and there after the demat accounts will be closed. There is no change in signature upload activation process and timelines.

Further, the demat accounts that are being opened by the DPs after the release with new PAN verification flag “**6 - PAN Verified and Aadhaar linked confirmed by DP**”. In this case demat accounts will be opened under active status and transactions will be allowed in such demat accounts. CDSL will validate the demat accounts under PAN verification flag “**6 - PAN Verified and Aadhaar linked confirmed by DP**”, if the demat accounts are linked correctly then the demat accounts PAN verification flag will be changed to “**3 – PAN Verified & Aadhaar linked**”. In case the demat accounts are not linked with Aadhaar such demat accounts will be changed to PAN verification flag “**5 – “PAN Verified & Aadhaar linked to be checked ” in the system** and demat account will be frozen for debit and credit.

PAN verified and Aadhaar linked details /updates done in the demat account of the BOs, will be available to the DPs in the Non-financial History inquiry module and in DPD1 – BO Maintenance log report. System generated email will be sent to the BOs on the registered email ids of the BOs for the updates done in the demat account i.e. account frozen / unfrozen on account of PAN Aadhaar verification flag is changed in the demat account.

Above mentioned details viz. freeze / Unfreeze, PAN – Aadhaar verification details will be available to the DPs in the reports as informed in Communique no. CDSL/OPS/DP/SYSTEM/2023/119 dated February 22, 2023.

For the non-compliant demat accounts, DPs should also inform such clients, that if they have taken any position for any settlements after June 30, 2023, they should execute Early pay-in instructions for transferring securities to TM/CM/CC well in advance but latest by EOD of June 30, 2023, to avoid the risk of non-execution of transactions leading to non-delivery of securities for sale trades of June 30, 2023 due to freezing of demat accounts for debits as mentioned above.

The above functionality is scheduled to be released on **Friday, June 30, 2023**.

DPs are advised to note the same and make the necessary back office changes, accordingly.

Queries regarding this communiqué may be addressed to: **CDSL – Helpdesk** Emails may be sent to: helpdesk@cdslindia.com and telephone number 08069144800.

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Nilesh Shah
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