



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/GENRL/2023/638

November 01, 2023

CONVERSION OF PROCESSING OF ICCL SETTLEMENTS LIKE NCL SETTLEMENTS

Depository Participants (DPs), Trading Members (TMs) of BSE and Clearing Members (CMs) of ICCL are requested to note that the settlement mechanism i.e., processing of settlements for BSE TMs / ICCL CMs is undergoing changes and would be processed in the similar manner as that of processing of settlements of non – BSE TMs and non – ICCL CMs (i.e., like current settlement mechanism applicable for NSE TMs / NCL CMs). The said changes would be released to the live system on **December 01, 2023, EOD**, to make it effective from **December 02, 2023**. DPs, TMs of BSE and CMs of ICCL are requested to take note of the below-mentioned operational guidelines and initiate suitable back-office changes at their end, if any.

1. At present BSE TMs / ICCL CMs are required to maintain a separate account for pay-in viz. TM/CM Principal Account and a separate account for pay-out viz. Unified Settlement Account (known as TM/CM Pool Account).
2. Post release, each BSE TM / ICCL CM would be required to maintain a single settlement account (i.e., TM/CM Pool Account) to process settlement transactions i.e., pay-in and pay-out of securities.
During end of the day (EOD) of the release date:
3. All existing principal accounts of BSE TMs / ICCL CMs (i.e., active accounts till EOD of release date) would be marked for closure.
4. The opening of the new principal account of BSE TM / ICCL CM would be restricted in the CDSL system (CDAS).
5. All active principal accounts in CDAS having balances as on the release date are requested to transfer all available balances to their respective clients and make the account NIL so that during the EOD of release date these accounts would be closed.
6. As on the release date, due to any Regulatory Order, if there is any TM/CM principal account which is frozen for debit, even said account would be marked for closure but no debits would be allowed till the time corresponding Regulatory Order is lifted for debits to be allowed.
7. Accounts having balances post release will remain in 'To be Closed' status. Debits from the said accounts will be allowed but credits except auto CA credits will be restricted.
8. During the EOD of the day when the balances of the account will become NIL will be closed in CDAS.



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9. All existing active unified settlement accounts i.e., pool account of BSE TMs / ICCL CMs opened till EOD of release date would be converted to TM/CM Pool Account by changing the BO Category from 12 to 14.
10. Auto Delivery Obligations (DO) would be generated (for CMs opted for ICCL's Auto DO facility) from CM Pool Account of ICCL CM.
11. Normal / Early Pay-in transactions will continue to be initiated from client accounts of a TM/CM with mandatory UCC details. Balances available in the CM Pool Account of ICCL CM would be considered for pay-in depending upon the obligation of a CM and whether opted for Auto DO obligation.
12. No separate normal pay-in instruction is required to be given by a CM. CM Pool Account having balances and not opted for Auto DO facility, entire balance under the settlement pocket of a pay-in settlement from CM Pool Account would be considered while reporting a pay-in to ICCL.
13. Normal Pay-in instruction entered from ICCL CM Principal Account and subsequently account marked for closure during release, CM will be required to ensure transfer of securities from Principal Account to corresponding CM Pool Account under the settlement pocket of pay-in settlement, before the scheduled pay-in to avoid the shortages.
14. Early Pay-in instruction entered from ICCL CM Principal Account and subsequently account marked for closure during release, securities blocked for EP in the Principal Account till pay-in day will be debited on pay-in day and will be reported in the pay-in file to CC.
15. Early pay-in instructions can be initiated from CM Pool Account with mandatory UCC details of a client. In case of a reversal, the same would take place in CM Pool Account and not in the CM's Principal Account.
16. At present if Early Pay-in transaction (within CDSL) is executed from a client account where settlement takes place through ICCL CM, hop-skip entry is passed in the CM Principal Account. Post release, the same would be passed in the CM Pool Account of a ICCL CM.
17. DPs/CMs/TMs are requested to note that there will not be any change in the existing Early Pay-in Account opening and Early Pay-in transaction processing.
18. Further with the implementation of aforesaid guidelines, existing as well as prospective ICCL CMs would be required to provide duly signed and stamped undertakings on the letter head of a CM to CDSL, ICCL and its DP respectively. Please find enclosed **Annexure-A** for the format of the undertaking.
19. For account related changes please refer Table-1 given below:

Table – 1:



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Sr. No.	Sub-status description (Sub-status Code)	Linked to Status description (Status Code)	Linked to BO Category description (BO Category)	Linked to Product description (Product Code)	Remark
1	Clearing Member (24)	Clearing Member (26)	CM Principal (2)	CM Principal (Individual) (9)	will be discontinued
2	Clearing Member (24)	Clearing Member (26)	CM Principal (2)	CM Principal (Corporate) (10)	will be discontinued
3	Clearing Member (24)	Clearing Member (26)	CM Pool (12)	CM Pool (Individual) (11)	will be discontinued
4	Clearing Member (24)	Clearing Member (26)	Existing – CM Pool (12)	Existing – CM Pool (Corporate) (12)	Change in BO Category
			New – Clearing Member (14)	New – ICCL Clearing Member Account (12)	
5	TM Pool (126)	Clearing Member (26)	CM Pool (12)	CM Pool (Individual) (11)	will be discontinued
6	TM Pool (126)	Clearing Member (26)	Existing – CM Pool (12)	Existing – CM Pool (Corporate) (12)	Change in BO Category
			New – Clearing Member (14)	New – ICCL Clearing Member Account (12)	



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20. If DPs / BSE TMs / ICCL CMs using DP75 report to update their back-office for BSE / ICCL pay-out transactions will require to use DPD4 report to update their back-office. Refer enclosed **Annexure – B**.
21. DPs using DP57 report to update their back-office for BSE / ICCL settlement transactions are requested to refer Table-2 for change in transaction types.
22. DPs / BSE TMs / ICCL CMs are requested to take note of the below-mentioned changes for DPC9 related changes. Refer enclosed **Annexure – C**.

Table – 2:

Sr. No.	Transaction Description	Existing Transaction Type	New Transaction Type
1	ICCL Pay-in	1	15
2	ICCL Pay-out Stage-1	14	16
3	ICCL Pay-out Stage-2	28	16

23. Further DPs/CMs/TMs are also requested to take note of following points with respect to Easi / Easiest which would be made effective from the date of release:
- For CMs whose Easiest login is created with CM Principal Account would be replaced with the corresponding converted CM Pool Account.
 - For CMs whose CM Principal Account is grouped in their easiest login shall be removed and would be replaced with the corresponding converted CM Pool Account.
 - The status of CM Principal Account shall be marked for closure on the date of release and same would not be viewed in CM's Easiest Login thereafter.
 - For the existing Easiest Login of Bos with 'Trusted Account' option and having CM Principal Account as a trusted account would be replaced with the corresponding converted CM Pool Account.

The said conversion is scheduled for release to live system on **December 01, 2023 EOD**, to make it effective from **December 02, 2023**.

DPs are once again requested to note the content of the communique, disseminate the same to their TM / CM clients and initiate back-office related changes, if any.

sd/-

Shelton Joseph
Asst. Vice President - Operations

(To be given in the clearing member's letter head / signed by the authorized signatory and stamped)

From:
(Clearing Member Name and address)

Date:

To:
Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 16th Floor,
Dalal Street, Fort,
Mumbai – 400 023

Dear Sirs,

Sub: Operation of Depository for Indian Clearing Corporation Limited.

Ref: Our Depository Account No: _____ with CDSL.

With reference to the above, we note that:

1. ICCL has established a clearing and settlement system, whereby its members will be able to undertake the clearing and settlement of deals admitted.
2. Central Depository Services (India) Limited (CDSL) has been appointed by ICCL as a Settling Depository for the purpose of settlement of securities in dematerialized form.
3. Now I/We do hereby irrevocably authorize CDSL to block/earmark the balances in my/our Depository account and to debit/credit my/our above account as the case maybe as per the instructions received from ICCL. Additionally I/We authorize CDSL to report balances and give any other information as and when required to ICCL relating to my/our above mentioned account. This irrevocable undertaking will be effective from the date of commencement of operation by ICCL.
4. We further hereby undertake to abide by such other or further guidelines/instructions as may be communicated / devised by ICCL.

Yours faithfully,

Authorized Signatory

Cc to ICCL

Cc to DP

(To be given in the member's letter head / signed by the authorized signatory and stamped)

Annexure – B

Account Opening Confirmation

Trading Member Code:-

Trading Member Name:-

CDSL Account Number:-

DP-ID :-

DP-Name:-

Authorized Signatory

Report Documentation

Report ID : DPD4

Report Description : Non BSE Payout Report

Sr. No.	Field Description	Field Type	Field Max Size
1	Depository ID	Char	8
2	DP ID	Number	6
3	DP Name	Varchar	100
4	Exchange ID	Number	2
5	Exchange Name	Varchar	100
6	CH ID	Number	6
7	Settlement ID	Varchar	16
8	CM ID	Varchar	8
9	CM Name	Varchar	100
10	BO ID	Char	16
11	BO Name	Varhar	100
12	ISIN	Char	12
13	ISIN Short Name	Varchar	20
14	Quantity	Number	17
15	Report Date	Date (ddmmyyy[24]hhmnss)	14

Note: -

DPs who have **opted** for Settlement
Pocket: -

* The Settlement ID, would be represented in the 13-digit Settlement ID format irrespective of the Stock Exchange the Payout securities are received for.

Settlement Module:-

The various Settlements related Transaction Descriptions for BSE are as given below: -

1. BO Obligation Confirmation (BOC):-**a) Earmark:****Existing**

"EARMARK-CR"(10)+##+"SETT"(4)+##+<Settlement ID>(13)+##+"EX"(2)+##+<EX ID>(2)+##+<TXN ID>(8)

Total length – 44

Sample entry – EARMARK-CR SETT 1110232324623 EX 11 29657513

New

<Exchange Name>(3)+"CR"(2)+##+ "SE:"(3) + <Settlement ID>(13)+##+"CM:"(3)+<CM ID> (8)+##+ <BOID>(16)+##+ <Transaction ID> (8)

Total length – 44

Sample entry – 'BSECR SE:1110232324623 CM:959 1201400000004592 29657513'

b) Reverse Earmark:**Existing**

"EARMARK-DR"(10)+##+"SETT"(4)+##+<Settlement ID>(13)+##+"EX"(2)+##+<EX ID>(2)+##+<TXN ID>(8)

Total length – 44

Sample entry – 'EARMARK-DR SETT 1110232324623 EX 11 29657513'

New

<Exchange Name>(3)+"DR"(2)+##+ "SE:"(3) + <Settlement ID>(13)+##+"CM:"(3)+<CM ID> (8)+##+ <BOID>(16)+##+ <Transaction ID> (8)

Total length – 59

Sample entry – 'BSEDR SE:1110232324623 CM:959 120140000004592 29657513'

c) BO Debit: -

Existing

"EARMARK-DR"(10)+##+"SETT"(4)+##+<Settlement ID>(13)+##+"EX"(2)+##+<EX ID>(2)+##+<TXN ID>(8)

Total length – 44

Sample Entry – 'EARMARK-DR SETT 1110232324623 EX 11 29657513'

New

<Exchange Name>(3)+ "DR"(2)+##+ "SE:"(3) + <Settlement ID>(13)+##+"CM:"(3)+<CM ID> (8)+##+ <BOID>(16)+##+ <Transaction ID> (8)

Total length – 59

Sample Entry – 'BSEDR SE:1110232324623 CM:959 120140000004592 29657513'

d) Hop Skip Jump - Credit: -

Existing

<Exchange Name>(3)+ "BOPAYIN-CR"(10)+##+ "SE:"(3) + <Settlement ID>(13)+##+ <Transaction ID> (8) +##+ "BO-"(3)+ <BOID>(16)

Total length – 59

Sample Entry – 'BSEBOPAYIN-CR SE:1110232324642 58030394 BO-1204780000125225'

New

<Exchange Name>(3)+ "CR"(2)+##+ "SE:"(3) + <Settlement ID>(13)+##+"CM:"(3)+<CM ID> (8)+##+ <BOID>(16)+##+ <Transaction ID> (8)

Total length – 59

Sample Entry – 'BSECR SE: 1110232324642 CM:697 1204780000125225 58030394'

e) Hop Skip Jump - Debit: -

Existing

<Exchange Name>(3)+”BOPAYIN-DR”(10)+##+ ”SE:”(3) + <Settlement ID>(13)+##+
<Transaction ID> (8) +##+ “BO-“(3)+ <BOID>(16)

Total length – 59

Sample Entry – ‘BSEBOPAYIN-DR SE:1110232324642 58030394 BO-1204780000125225’

New

<Exchange Name>(3)+”DR”(2)+##+ ”SE:”(3) + <Settlement ID>(13)+##+”CM:”(3)+<CM ID>
(8)+##+ <BOID>(16)+##+ <Transaction ID> (8)

Total length – 59

Sample Entry – ‘BSEDR SE: 1110232324642 CM:697 1204780000125225 58030394’

2. Early Pay-in:-

There is no change in Early Pay-in transaction descriptions.

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Note:

- ❖ Space is denoted by special character ‘#’
 - ❖ The words which are highlighted in yellow pertain to the changes in the existing transaction descriptions.
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