



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SYSTEM/2019/384

July 31, 2019

UPDATED LIST OF REASON CODES FOR OFF MARKET TRANSACTIONS

DPs are advised to refer to CDSL Communiqués no. CDSL/OPS/DP/SYSTEM/2019/352 dated July 15, 2019 wherein we have informed regarding uniform / standardized reason codes for off-market transfers by both depositories which will be effective from August 03, 2019 (phase 1) and from September 14, 2019 (phase 2).

Pursuant to the aforesaid communiqué, representations were received from market participants for providing additional reason codes to cover certain types of transaction. Accordingly, in consultation with SEBI, it has been decided as follows:

1. Following additional reason codes will be introduced **with effect from August 03, 2019**.

Reason Code	Description	Remarks
24	Redemption of Mutual Fund units	To be used for transfer of Mutual Fund Units from client BO account to AMC's BO account on account of redemption
25	Conversion of Depository Receipt (DR) to underlying Securities and vice versa	To be used for transfer of underlying securities for issuance/cancellation of Depository Receipts
26	Transposition	To be used for transfer of securities between joint account of same holders (order of holders different in both accounts).
27	Merger/Demerger of Corporate entity	For these types of transfers supporting documents need to be provided by Corporate Entities to DPs
28	Dissolution/ Restructuring/Winding up of Partnership firm/Trust	For these types of transfers, supporting documents need to be provided by transferor/ account holder(s) to DPs
29	Trust to Beneficiaries/On HUF dissolution to Karta & Coparceners	For these types of transfers, supporting documents/ Deeds need to be provided by transferor/ account holder(s) to DPs

2. The following types of transactions shall be permitted under the reason code "Other" till August 31, 2019.
 - a. Processing of corporate debt transaction by Custodian.
 - b. Return of client securities by NBFC (which were transferred to NBFC through off market transfer prior to August 03, 2019).
 - c. Reversal of off market transfers effected before August 03, 2019 for reasons not included in the updated list.



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3. For transactions involving off-market transfers of securities between two entities including between family members / relatives, the reason code "Gift", 'Donation, or 'for Off-Market Sale/Purchase' may be used depending on the nature of transaction between the concerned parties.
4. SEBI prescribed Stock Lending & Borrowing (SLBM) mechanism may be used for loan of securities.
5. In case of securities being given to NBFC/Bank or any other entity as collateral (for loan against securities), pledge mechanism available in depositories system shall be used.

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

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.

sd/-

Nayana Ovalekar
Chief Operating Officer