

## Annexure B

### Existing Rules with track changes mode

4.5.2. The Participant shall promptly inform the Clients in respect of those instructions which have not been executed along with reasons thereof.

4.5.3. The Participant shall not accept any instruction for debit or pledge or hold of securities from a Client unless the Participant has fully satisfied itself that the instruction has been given by the Client itself. In respect of instructions received in paper form, the Participant shall ensure that the Client submits the instructions only on an instruction form issued by the Participant to the Client by verifying the instruction forms with its records pertaining to serial numbers of instruction forms issued to the Clients.

16.1.1 Every Participant of the Depository shall maintain the following records relating to its business for a period of five years:-

- i) Delivery/Receipt Instructions given by its Clients.
- ii) Forms submitted by the Clients to the Participant for: -
  - a) Opening of accounts with the Participant;
  - b) Closing of accounts with the Participant;
  - c) Freezing of accounts with the Participant;
  - d) Unfreezing of accounts with the Participant.
- iii) Copies of correspondence from the Clients on the basis of which Clients details were updated in the DPM;
- iv) Record of all actions taken on the exception reports, generated by the system;
- v) A register showing details of grievances received from the Clients and their present status.  
The following details may be specified in this regard :-
  - a) name of the Client;
  - b) reference number of the Client;
  - c) date;
  - d) particulars of complaints;
  - e) actions taken by the Participant;
- vi) if the matter is referred to arbitration, then the particulars including the present status thereof.
- vii) instructions received from the Clearing Member to transfer balances from the Pool account to the Delivery account of the Clearing Member in order to enable it to meet its obligations to the Clearing Corporation;
- viii) instructions from the clearing member authorising the transfer of securities from the pool account of the clearing member to the accounts of its clients
- ix) The forms received in respect of pledge of securities;
- x) The forms received in respect of transmission of securities
- xi) The forms received in respect of securities lending.
- xii) Record of serial numbers of the instruction forms for debit or pledge of securities in a Client account, issued to its Clients.

xiii) The Participant shall ensure that records of nomination are maintained properly and preserved for record purposes. These records shall form part of the records of the Participant.

[xiv\) The forms received in respect of hold of securities;](#)

22.1. No participant shall accept any fresh application from any person for opening a new Client account, or any Dematerialisation Request Form or Form for creation of pledge or hypothecation or hold, with effect from the date of receipt of notice of the termination of participantship, issued by the Depository to Participant, or from the date incorporated in the notice of termination of Participantship issued by Participant to the Depository, or, from the effective date of the order of Participant's Expulsion passed by the Disciplinary Action Committee ; or from the date of the receipt of the order of Participant's expulsion by the Disciplinary Action Committee of the Depository ; whichever is later; or from the date of the receipt of the order of cancellation of Participant's registration certificate passed by SEBI.

## **New Business Rules**

### **12.15 Hold on Securities for Non-Disposal Undertaking or Non-Disposal Agreement**

12.15.1. When a client intends to create a hold on his securities for non-disposal undertaking or non-disposal agreement in favour of another party, the client and the other party must have an account with the depository to create hold on securities. However, the client and the other party may have accounts with two different Participants.

12.15.2. The Participant of the Client shall request creation of hold on the securities of Client in favor of other party on receipt of hold creation form as laid out in FORM 39 jointly from the Client and the other party specifying the cooling period for release of hold.

Explanation:

(1) The cooling period for release of hold must be specified by the client and the other party, which must be in number of clear business days, which may either be two, three or four clear business days.

(2) Clear business days shall mean all days other than Saturdays, Sundays and trading holidays for cash equities.

12.15.3. The Participant of other party shall request confirmation of creation of hold on receipt of form as laid out in FORM 39.

12.15.4. On receipt of the request and confirmation for creation of hold from the Client and other party respectively through their Participants, the Depository may create the hold on the securities.

- 12.15.5. The Participant of the Client shall request release of hold on receipt of the hold release form as laid out in FORM 39 jointly from the Client and other party for specified securities.
- 12.15.6. For hold release request received from the Client and other party, the Participant of the other party shall request confirmation of hold release on receipt of the hold release confirmation form as laid out in FORM 39, from the other party.
- 12.15.7. On receipt the request and confirmation of hold release from the Client and other party respectively through their Participants, the Depository may release the hold for specified securities on the next business day of the expiry of cooling period specified.
- 12.15.8. The aforementioned forms submitted by the Client and other party shall be checked by the Participant to ensure the completeness of the form and validity of the signature of the Client as well as other party before the requests on these forms are executed.