

1. Addition of new sub-types in DPM system:

To facilitate Participants for opening of new demat accounts in respect of Handling of Clients' Securities by Trading Members/Clearing Members, following new sub-types will be added in the Client Maintenance module of Local DPM system:

Client Type Description	Static Code	Client Sub-type Description	New Static Code
Resident	1	Client Margin Trading Securities account	10
Resident	1	Client collateral account	11
Body Corporate	5	Client Margin Trading Securities account	37
Body Corporate	5	Client collateral account	38

2. Opening of Clearing Member account in respect of Clients Unpaid Securities Account (CUSA):

As per the procedure mentioned at Annexure 1, NSDL will provide CC wise new CM BP ID to the Participants for opening CUSA for their Trading Members/Clearing Members. The Participants shall open CUSA in the Clearing Member account opening module under Client Creation option in Local DPM system as per the below mentioned details:

Client Type Description	Static Code	Client Sub-type Description	New Static Code
CM	6	Client Unpaid securities account	-

3. Incorporation of validations for transfer of securities in respect of Clients Unpaid Securities Account (CUSA):

- a) NSDL will provide one CM BP ID for CUSA per CC, the existing market types of CCs i.e. NCL, ICCL and MCCIL shall be used for transactions in respect of CUSA. The settlement details in respect of transactions to be carried out in CUSA will be as per the settlement calendar uploaded by the respective CCs on monthly basis.
- b) The transfer of the securities from CUSA Pool account to another CM Pool account & vice versa and CUSA Pool account to Client account shall be allowed.
- c) The transfer of the securities from CUSA Pool account in respect of Inter Settlement instructions, Delivery Out (DO) / Irreversible Delivery Out (IDO) / AUTO DO instructions shall not be allowed.
- d) The transfer of the securities from Client BO account to CUSA Pool account (i.e. Client to CM instructions) shall not be allowed.

4. Incorporation of validations for transfer of securities in respect of Client collateral account, Client margin trading securities account and Client unpaid securities account:

At point no 6 (c) of aforesaid SEBI circular dated June 20, 2019, it has been stated that *“Securities lying with TM/CM in client collateral account, client margin trading securities account and client unpaid securities account shall not be permitted to be pledged/transferred to Banks/NBFCs for raising funds by TM/CM.”*

Accordingly, system validations will be implemented to disallow the Pledge and Account Transfer (within NSDL) instruction pertaining to below mentioned demat accounts:

Source / Pledger demat accounts	Target / Pledgee demat accounts
Clients Collateral Account	Bank / NBFC
Clients Margin Trading Securities Account	
Clients Unpaid Securities Account (CM Pool)	

Further, the Inter Depository Transfer (IDT) instructions from aforesaid Source demat accounts shall not be validated in DPM system as the client details viz., Client Type/Sub-type of Target demat accounts pertaining to Bank/NBFC are not known to NSDL.

In this context, Participants are advised to device a mechanism to verify the details of target demat accounts pertaining to Bank/NBFC to ensure that such IDT instructions are executed as per the guidelines prescribed by SEBI at point no. 6 (c) mentioned above.