

Circular No.: NSDL/POLICY/DDP/0013

Date: October 19, 2020

**Subject: SEBI Circular regarding Framework for monitoring of foreign holding in Depository Receipts.**

Attention of Participants who are registered with SEBI as Designated Depository Participants (DDPs)/Custodian of securities (Custodians) are invited to SEBI circular no. SEBI/HO/MRD/DCAP/CIR/P/2020/190 dated October 1, 2020 (copy enclosed) regarding framework for monitoring of foreign holding in Depository Receipts. SEBI has laid down the operating guidelines as mentioned in the Annexure of aforesaid SEBI circular dated October 1, 2020

It is mentioned at **point no. 1, 2 and 3.3** of Annexure of aforesaid SEBI circular dated October 1, 2020 wherein it stated as under:

1. *"Listed Company shall appoint one of the Indian Depository as the Designated Depository for the purpose of monitoring of limits in respect of Depository Receipts.*
2. *The Designated Depository in co-ordination with Domestic Custodian, other Depository and Foreign Depository (if required) shall compute, monitor and disseminate the Depository Receipts (DRs) information as prescribed in the framework. The said information shall be disseminated on website of both the Indian Depositories. For this purpose, the Designated Depository shall act as a Lead Depository and the other depository shall act as a Feed Depository.*
- 3.3 *Domestic Custodian shall ensure that the underlying permissible securities, pertaining to a listed company, against which DRs are issued in the Permissible Jurisdiction, are held in a demat account, under a separate Type & Sub-Type as prescribed by the Indian Depositories for the purpose of issue of DRs".*

In this context, NSDL had vide circular no. NSDL/POLICY/2018/0012 dated February 8, 2018 facilitated Participants with new sub type viz., **"Overseas Depository - Underlying DR"** under client type viz., "Body Corporate" being incorporated in the NSDL DPM system (version release 6.7) for opening account to hold the Shares held by DR Holders. Further, NSDL had vide its circular no. NSDL/POLICY/2019/0055 dated August 21, 2019 facilitated Participants with reclassification utility to change existing client type & sub type with new client type & sub types in client maintenance module in NSDL depository system. The 'Reclassification utility' has been made available on NSDL site i.e. i-Assist under 'Utilities' menu along with user manual and sample input file. Custodians are requested to ensure that all the demat accounts of the foreign/Overseas depository holding the DR underlying securities (as prescribed above) be categorized or opened under the aforesaid client type & sub type in NSDL Depository system as prescribed by NSDL, at the earliest.



Further, the necessary operating guidelines with respect to operationalization of aforesaid SEBI circular will be issued by NSDL in due course.

DDP/Custodians are requested to take note of the same and ensure compliance.

For and on behalf of

**National Securities Depository Limited**

**Chirag Shah  
Senior Manager**

Enclosed: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 <sup>th</sup> of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Networth Certificate and Audited Financial Statements for the FY 2019-20	October 31 <sup>st</sup> , 2020	By hard copy to Inspection Department	Circular No. NSDL/PI/98/414 dated September 1, 1998 Circular No. NSDL/POLICY/2020/0131 dated September 30, 2020
Risk Assessment Template (April - September)	October 31 <sup>st</sup> , every year	Through e-PASS	Circular No. NSDL/POLICY/2018/0050 dated September 25, 2018
Internal/ Concurrent Audit Report (April - September)	November 15 <sup>th</sup> every year	Through e-PASS	Circular No. NSDL/POLICY/2020/0136 dated October 19, 2020