

Circular No.: NSDL/POICY/2020/0017

February 03, 2020

**Subject: Inter Depository Transfers of Government Securities.**

Attention of Participants is invited to RBI Circular No. RBI/2018-19/78 IDMD.CDD.No.1241/11.02.001/2018-19 dated November 16, 2018 (copy enclosed) issuing guidelines on Value Free Transfer (VFT) of Government Securities. At point no. 3 (ii) (b) of aforesaid RBI circular dated November 16, 2018 it is inter-alia mentioned that Inter Depository Transfers (between Constituent Subsidiary General Ledger Accounts of depositories) shall be eligible for VFT if such transfers are arising out of trades in exchanges between demat account holders of different depositories. In such case, depositories shall put in place suitable mechanisms to ensure, the bonafide nature of these transfers before effecting the VFT.

In view of the aforesaid, Participants shall obtain a one-time self-declaration (as per the format enclosed at **Annexure A**) from the demat account holders that the transactions involved is a **bonafide** transfer instruction before executing IDT instructions in Government Securities in their demat accounts. Participant shall verify the declaration before execution of every IDT instructions by retrieving such confirmation from its records.

NSDL vide its Circular No. NSDL/POLICY/2019/0034 dated June 14, 2019 has informed regarding the facility for Participants to capture one-time self-declaration from demat account holders in NSDL DPM. Participants are requested to note that IDT of Government Securities would be allowed only in the demat accounts that have one time self-declaration flag enabled. NSDL DPM will now be enhanced to allow market transfers for Government Securities between the Depositories through the "Inter Depository Transfer" module. The details in respect of facility to demat account holders to submit one-time self-declaration electronically through NSDL SPEED-e system will be notified separately.

Further, aforesaid RBI circular requires Participants to ensure board approved risk management processes and audit oversight are applied before transactions in Government Securities are accepted and confirm the same to depositories. In view of the aforesaid, Participants are advised to comply with the same and confirm compliance in the format enclosed at **Annexure B** to NSDL by email at Participant-Interface@nsdl.co.in to enable NSDL to facilitate IDT of Government Securities by the Participant .

Participants are advised to take note of the same and ensure compliance. The aforesaid feature has been released in DPM system at EOD of January 31, 2020. The detailed guidelines with respect to implementation of IDT of Government Securities would be notified separately.

For and on behalf of  
**National Securities Depository Limited**

**Chirag Shah**  
**Senior Manager**  
Enclosed: Three

**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


**National Securities Depository Limited**

4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India  
 Tel.: 91-22-2499 4200 | Fax: 91-22-2497 6351 | Email: [info@nsdl.co.in](mailto:info@nsdl.co.in) | Web: [www.nsdl.co.in](http://www.nsdl.co.in)  
 Corporate Identity Number: U74120MH2012PLC230380