

Circular No.: NSDL/POLICY/2021/0003

January 25, 2021

**Subject: Change in off-market transfer reason codes.**

Attention of Participants is invited to following NSDL Circulars regarding standardised reason codes for off-market transfers by both depositories:

- NSDL/POLICY/2019/0041 dated July 15, 2019
- NSDL/POLICY/2019/0047 dated July 31, 2019
- NSDL/POLICY/2019/0048 dated August 02, 2019
- NSDL/POLICY/2019/0049 dated August 02, 2019
- NSDL/POLICY/2019/0050 dated August 06, 2019
- NSDL/POLICY/2019/0053 dated August 14, 2019
- NSDL/POLICY/2019/0057 dated August 28, 2019
- NSDL/POLICY/2019/0062 dated September 24, 2019
- NSDL/POLICY/2019/0077 dated November 15, 2019
- NSDL/POLICY/2019/0087 dated December 13, 2019

Pursuant to the aforesaid Circulars, representations were received from market participants for providing additional reason codes to cover certain types of transactions. Accordingly, it has been decided as follows:

1. Following additional off-market transfer reason codes shall be added to the list of reason codes with effect from January 29, 2021:

New Reason Code	New Reason Code Name	Remarks
21	Transfer from Nominee/Surviving holder to beneficiary	To be used for transfer of securities from nominee/Surviving holder to actual beneficiary of assets. Participant needs to verify whether the source account has received the securities through transmission and only those securities are getting transferred.
23	Transfer of securities from/to account of PMS provider to/from the account of its various clients.	To be used for transfer of securities other than secondary market trades to be distributed by the PMS provider to its various clients and vice-versa such as subscription of

		mutual fund units, redemption of mutual fund units, primary market acquisition, rights shares, unlisted securities distribution, etc. Participant shall ensure to keep the copy of the SEBI registration certificate as PMS provider on record.
24	Margin to Custodian	As per point no. 13 of the SEBI Circular no SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System states that "Clients having arrangements with custodians registered with SEBI for clearing and settlement of trades shall continue to operate as per the extant guidelines". To be used by Custodial Participants.
25	Margin returned by Custodian	As per point no. 13 of the SEBI Circular no SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System states that "Clients having arrangements with custodians registered with SEBI for clearing and settlement of trades shall continue to operate as per the extant guidelines". To be used by Custodial Participants.
26	Change of nominee shareholder appointed under section 187(1) of Companies Act	To be used for transfer of shares inter-se between nominee shareholders or between the holding company and nominee shareholder. For these type of transfers, supporting documents like copy of the Board resolution of the company effecting change of nominee shareholders (evidencing change/ appointment of nominee shareholder) needs to be provided by transferor/transferee to Participant.
27	Off-Market Swap	To be used for off market sale of securities where consideration is in form of securities. Supporting documents like details of securities swapped to be obtained. Consideration field would be mandatory for this reason code. As consideration field would be mandatory, stamp duty as per prescribed rates shall be applicable.

28	Delisting - Exit offer	To be used for allowing tendering of shares by investors to special demat account opened by delisting company where stock exchange platform for tendering shares is not adopted. Supporting documents like Copy of the delisting offer/ public notice (sent by the company to the shareholder, having target demat account details of the company) needs to be provided by transferor to Participants.
29	Deposit of securities with Escrow Agent and its return	To be used for deposit of securities or its return thereof to an escrow account for a temporary period for any Offer for Sale, Off-market Sale or acquisition triggering SAST, etc.

2. Further, following reason codes will be discontinued w.e.f January 29, 2021

Existing Reason Code	Existing Reason Names to be discontinued
2	Margin to stock broker / PCM
20	Certificate of Deposit Redemption
22	Commercial Paper Issuance
91	Payout - On payments for unpaid securities
98	Meeting Legitimate Dues of Stock Broker

The aforesaid enhancements will be implemented in eDPM and SPEED-e system at EOD of January 29, 2021. Participants are requested to take note of the aforesaid and are requested to inform their clients accordingly.

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

**Chirag Shah**  
Senior Manager



### 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	January 31st, 2021	By hard copy to Inspection Department	1. Circular No. NSDL/PI/98/414 dated September 1, 1998 2. Circular No. NSDL/POLICY/2020/0131 dated September 30, 2020 3. Circular No. NSDL/POLICY/2020/0144 dated October 30, 2020
Compliance Certificate (July - December)	January 31st every year	Through e-PASS	Circular No. NSDL/POLICY/2020/0152 dated November 19, 2020.