

Circular No.: NSDL/POLICY/2019/0041

July 15, 2019

Subject: Change in off-market transfers reason codes.

All Participants are hereby informed that pursuant to surveillance meeting at SEBI, it has been decided as follows:

1. Following changes will be made in off-market transfer's reason codes listed below with effect from August 3, 2019:

Existing Reason Code	Existing Reason Code Name	New Reason Code	New Reason Code Name	Change
2	Margin to stock broker	2	Margin to stock broker / PCM	Renamed
3	Margin returned by stock broker	3	Margin returned by stock broker / PCM	Renamed
5	Open Offer / Buy-back	12	Buy-back	Open Offer & Buy-back code separated
		13	Open offer for Acquisition	
		91	Payout - On payment for unpaid securities	New Reason Code
8	Gift / Donation	92	Gift	Gift & Donation code separated
		93	Donation	
11	Transmission	11	Transmission	Reason code available in respect of transfer of securities from BO account held in NSDL system to BO account held in other depository. Reason code is now enabled for transfer of securities between BO accounts held in NSDL system
		94	Refund of securities by IEPF Authority	New Reason Code
		95	ESOP/Transfer to employee	New Reason Code
96	Govt. / Regulatory directions orders	96	Implementation of Govt./Regulatory Direction/Orders	Renamed
97	Reversal of erroneous transfers	97	Erroneous Transfer pertaining to Client Securities	Renamed
98	Legitimate Dues of the stock broker	98	Meeting Legitimate Dues of Stock Broker	Renamed
99	Other (please specify)			Discontinued

2. The list of revised off-market transfer's reason codes applicable with effect from August 3, 2019 is enclosed as Annexure A in track change mode and as Annexure B without track change mode.


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3. Following changes will be made in off-market transfer's reason codes as listed below with effect from September 14, 2019:

Reason Code	Reason Code Name	Change
6	Transfers to PMS account	Discontinued
7	Transfers from PMS account	Discontinued
9	Account Closure	Discontinued
10	On-market Sale (Transfer towards Pay-in)	Discontinued
11	Transmission	Discontinued

4. The list of revised off-market transfer's reason codes applicable with effect from September 14, 2019 is enclosed as Annexure-C in track change mode and as Annexure-D without track change mode.
5. To discontinue the off-market reason codes mentioned above at point no.3, following system enhancements will be implemented with effect from September 14, 2019:
- i. SEBI registered Portfolio Managers will be given a facility to open pool account as currently available for clearing members. Accordingly, all debit and credit transfers from/to the pool account of Portfolio Manager will be considered as "Market" transfers, instead of "off-market" transfers. Post enhancement, off-market reason code 6 – 'Transfers to PMS Account' and 7 – 'Transfers from PMS account' will be discontinued.
 - ii. Enhancement will be carried out in respect of Inter Depository Transfer (IDT) module to identify Market transfers and off-market transfers separately in the DPM system. For this purpose, necessary changes i.e. Market Transaction flag will be incorporated in the IDT module of DPM system. Upon operationalization of aforesaid flag, transfers To / From the pool account held with other depository will be treated as "Market" transfers instead of "off-market" transfers. Post enhancement, off market reason code 10 - 'On-market Sale (Transfer towards Pay-in)' will be discontinued.
 - iii. Account closure and Transmission instructions under Transfer of Holding module of DPM system will be enhanced to facilitate inter-depository transfers in cases where the target account is held with other depository. Upon operationalisation, off-market transfers with reason code 9 - 'Account Closure' and 10 - 'Transmission' will be discontinued.
 - iv. Transmission instructions under Transfer of Holding module of DPM system will be enhanced to facilitate transfers in respect of Transmission cases with the reason as 'Transmission To Nomination' (i.e. Multiple Nominations) and 'Transmission To Court Order / Legal Heirs'. Upon operationalization of aforesaid facility, off-market transfers with reason code 10 - 'Transmission' will not be required.
6. Participants are requested to take note of the changes in the system for capturing revised reason codes and format of information of revised reason codes to be printed on the inside front cover of the Delivery Instruction Slip (DIS) booklet will be notified separately.
7. Participants are requested to take note of the aforesaid and are requested to inform their clients accordingly.

Participants are required to take note of above and ensure compliance.

For and on behalf of
National Securities Depository Limited

Chirag Shah
 Senior Manager

Enclosed: Four

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) (Quarterly)	By 15 th of the following month	By email at Participant-Interface@nsdl.co.in	Circular No. NSDL/POLICY/2019/0016 dated March 27, 2019
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15th of the following month.	By email at dpinfosec@nsdl.co.in	Circular No. NSDL/POLICY/2019/0039 dated July 9, 2019.
Compliance Certificate (January - June)	July 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in Alternatively, by hard copy to Inspection Department.	Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010 and Circular No. NSDL/ POLICY/2018/0028 dated May 21, 2018.

Digitally signed by

Name : Chirag Shah
 Date : 7/15/2019 5:50:39 PM
 Reason : Authentication

Annexure A

Revised off-market transfer's reason codes applicable with effect from August 3, 2019 with track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	Reasons / purpose to be selected	Reason Code	Reasons / purpose to be selected
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
5	Open Offer / Buy-back	5	Open Offer/Buy-back
6	Transfers to PMS account	6	Transfers to PMS account
7	Transfers from PMS account	7	Transfers from PMS account
8	Gift / Donation	8	Gift / Donation
11	Transmission	9	Account Closure
12	Buy-back	10	On-market Sale (Transfer towards Pay-in)
13	Open offer for Acquisition	11	Transmission
91	Payout - On payment for unpaid securities	12	Buy-back
92	Gift	13	Open offer for Acquisition
93	Donation	91	Payout - On payment for unpaid securities
94	Refund of securities by IEPF Authority	92	Gift
95	ESOP/Transfer to employee	93	Donation
96	Govt. / Regulatory directions orders	94	Refund of securities by IEPF Authority
	Implementation of Govt./Regulatory Direction/Orders		
97	Reversal of erroneous transfers	95	ESOP/Transfer to employee
	Erroneous Transfer pertaining to Client Securities		
98	Legitimate Dues of the stock broker	96	Govt. / Regulatory directions orders
	Meeting Legitimate Dues of Stock Broker		Implementation of Govt./Regulatory Direction/Orders
99	Other (please specify)	97	Reversal of erroneous transfers
			Erroneous Transfer pertaining to Client Securities
		98	Legitimate Dues of the stock broker
			Meeting Legitimate Dues of Stock Broker
		99	Other (please specify)

Annexure B

Revised off-market transfer's reason codes applicable with effect from August 3, 2019 without track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	Reasons / purpose to be selected	Reason Code	Reasons / purpose to be selected
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
6	Transfers to PMS account	6	Transfers to PMS account
7	Transfers from PMS account	7	Transfers from PMS account
11	Transmission	9	Account Closure
12	Buy-back	10	On-market Sale (Transfer towards Pay-in)
13	Open offer for Acquisition	11	Transmission
91	Payout - On payment for unpaid securities	12	Buy-back
92	Gift	13	Open offer for Acquisition
93	Donation	91	Payout - On payment for unpaid securities
94	Refund of securities by IEPF Authority	92	Gift
95	ESOP/Transfer to employee	93	Donation
96	Implementation of Govt./Regulatory Direction/Orders	94	Refund of securities by IEPF Authority
97	Erroneous Transfer pertaining to Client Securities	95	ESOP/Transfer to employee
98	Meeting Legitimate Dues of Stock Broker	96	Implementation of Govt./Regulatory Direction/Orders
		97	Erroneous Transfer pertaining to Client Securities
		98	Meeting Legitimate Dues of Stock Broker

Annexure C

Revised off-market transfer's reason codes applicable with effect from September 14, 2019 with track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	Reasons / purpose to be selected	Reason Code	Reasons / purpose to be selected
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
6	Transfers to PMS account	6	Transfers to PMS account
7	Transfers from PMS account	7	Transfers from PMS account
14	Transmission	9	Account Closure
12	Buy-back	10	On-market Sale (Transfer towards Pay-in)
13	Open offer for Acquisition	14	Transmission
91	Payout - On payment for unpaid securities	12	Buy-back
92	Gift	13	Open offer for Acquisition
93	Donation	91	Payout - On payment for unpaid securities
94	Refund of securities by IEPF Authority	92	Gift
95	ESOP/Transfer to employee	93	Donation
96	Implementation of Govt./Regulatory Direction/Orders	94	Refund of securities by IEPF Authority
97	Erroneous Transfer pertaining to Client Securities	95	ESOP/Transfer to employee
98	Meeting Legitimate Dues of Stock Broker	96	Implementation of Govt./Regulatory Direction/Orders
		97	Erroneous Transfer pertaining to Client Securities
		98	Meeting Legitimate Dues of Stock Broker

Annexure D

Revised off-market transfer's reason codes applicable with effect from September 14, 2019 without track changes mode:

Reasons/purpose of the transfer of securities between BO accounts held in NSDL system.		Reasons/purpose of the transfer of securities from BO account held in NSDL system to account held in other depository.	
Reason Code	Reasons / purpose to be selected	Reason Code	Reasons / purpose to be selected
1	Off-market Sale	1	Off-market Sale
2	Margin to stock broker / PCM	2	Margin to stock broker / PCM
3	Margin returned by stock broker / PCM	3	Margin returned by stock broker / PCM
4	Transfer to Own account	4	Transfer to Own account
12	Buy-back	12	Buy-back
13	Open offer for Acquisition	13	Open offer for Acquisition
91	Payout - On payment for unpaid securities	91	Payout - On payment for unpaid securities
92	Gift	92	Gift
93	Donation	93	Donation
94	Refund of securities by IEPF Authority	94	Refund of securities by IEPF Authority
95	ESOP/Transfer to employee	95	ESOP/Transfer to employee
96	Implementation of Govt./Regulatory Direction/Orders	96	Implementation of Govt./Regulatory Direction/Orders
97	Erroneous Transfer pertaining to Client Securities	97	Erroneous Transfer pertaining to Client Securities
98	Meeting Legitimate Dues of Stock Broker	98	Meeting Legitimate Dues of Stock Broker