

01 July 2025

TO : All CEOs & Heads of Depository Participants

CIRCULAR NO: 08-06-2025

Dear Sir/Madam,

NEW CDS RULE 3.5 - KEY INFORMATION UPDATE

In terms of the rules approved by the **Securities and Exchange Commission**, all Depository Participants are hereby required to ensure the update of key information of their existing account holders **on or before 31st December 2025**.

The required key information includes the following:

- **Email Address**
- **Mobile Number**
- **Bank Account Number**

These measures are being introduced to enhance the security, accuracy, and efficiency of account management across the CDS system, and to ensure compliance with regulatory standards for investor protection and service delivery.

Please be advised that the following rules, duly approved by the Securities and Exchange Commission, shall govern this requirement and will be enforced from the date of this circular:

New Rule 3.5

Maintenance of Key Information pertaining to clients

(A) Depository Participants shall;

- i. on a continuous basis, maintain and update the CDS by providing the following key information pertaining to its clients:***
 - (a) Contact number;***
 - (b) Email address; and,***
 - (c) Bank account details.***
- ii. ensure that key information referred to in Rule 3.5 (A) (i) above is accurate and specific to the client.***

(B) If the CDS has reasonable grounds to believe that the information referred to in Rule 3.5 (A) (i) above;

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(i) *has not been provided by the Depository Participant to the CDS due to unavailability of such key information with the Depository Participant or any other reason, or*

(ii) *is inaccurate.*

the CDS shall notify the Depository Participant to provide accurate key information.

(C) Where the Depository Participant is unable to provide the key information referred to in Rule 3.5 (A) (i) above within a period of thirty (30) Market Days from the date of notification by the CDS referred to in Rule 3.5 (B) above, the CDS shall temporarily suspend the Client Account in terms of Rule 3.9 (a) of these Rules, until such time the information is provided.

Rules 3.5 (B) and (C) shall be effective upon the expiry of six (6) months from the date of implementation of Rule 3.5.

All Participants are requested to give their **immediate and highest attention** to this matter and to initiate the necessary communications with account holders to facilitate the timely update of their records.

We trust in your cooperation in giving full effect to this initiative and in maintaining the integrity of our market infrastructure.

Yours faithfully,



Nadeera Athukorale
Head – CENTRAL DEPOSITORY SYSTEMS

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