

20 November 2025

To: The CEOs and the Heads of Depository Participants,

**CIRCULAR NO: 05-11-2025**

Dear Sir/Madam,

**Discontinuation of Passport Numbers as Client Identification for Local Individual CDS Accounts**

The Central Depository Systems (CDS) has streamlined the account opening process for Depository Participants (DPs) by integrating with the Department of Registration of Persons (DRP) online system from 2020 onwards.

This integration enables efficient digital Know Your Customer (KYC) checks for applications initiated through the CSE mobile app, in line with Financial Intelligence Unit (FIU) guidelines

Use of passport numbers as a means of primary Client Identification for Local Individuals poses a critical risk to the authenticity and genuineness of account holders as these numbers cannot be verified digitally. This limitation forces reliance on inefficient physical verification methods, inhibits the ability to offer fully digital account opening services and creates significant operational inefficiencies.


Further, the Passports are valid only for a period of 10 years and due to changes in passport numbers over the time and using it as the primary identifier of a CDS account creates administrative complexities, data reconciliation challenges, and increases the risk of data inconsistencies across systems, making it difficult to maintain a clean and reliable client database in the long term.

To address the above concerns, with effect from 1<sup>st</sup> January 2026, the submission of Passport Numbers will be discontinued and Passport Numbers will no longer be accepted as the primary client identification number for new local individual CDS accounts opened via all account opening channels.

All Depository Participants must immediately implement the necessary procedural changes within their operations to comply with this policy.

Your prompt cooperation in implementing this essential operational enhancement is highly valued. We appreciate your continued cooperation in maintaining market efficiency and compliance.

Yours faithfully,



Nadeera Athukorale

**Head - Central Depository Systems**

VC/ng

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