

## **PROCEDURE TO BE FOLLOWED BY EXISTING CLIENTS OF ENTRUST CAPITAL MARKETS (PVT.) LTD. (ECM) WHEN TRANSFERRING THEIR SECURITIES PORTFOLIO/S HELD WITH THE CENTRAL DEPOSITORY SYSTEMS (PVT.) LTD. (CDS) THROUGH ECM**

All existing clients of Entrust Capital Markets (Pvt.) Ltd. (hereinafter referred to as 'ECM') are requested to follow the Procedure set out below, for the purpose of transferring the securities portfolio/s held with the Central Depository Systems (Pvt.) Ltd. (CDS) through ECM to another Stockbroker Firm(s)/Custodian Bank(s) of their choice:

1. In the event a client maintains a Securities Account with the CDS **only through ECM**, such client should take necessary steps to open a new CDS Securities Account with the CDS through another Stockbroker Firm(s)/Custodian Bank(s) of his/her/its choice, in accordance with the General Procedure, which is set out in the Rules of the CDS and the CDS Guidelines.
2. For the purpose of transferring the existing securities portfolio/s held through ECM to a CDS Account/s held through another Stockbroker Firm(s)/Custodian Bank(s) (hereinafter referred to as the "Receiving CDS Participant), all clients (hereinafter referred to as 'Account Holders') or their duly appointed Attorney/s (by way of a Power of Attorney, a certified copy of which should be submitted to the CDS) are requested to duly complete items 1 and 2 of the Transfer Form (enclosed as Annex 'A') and submit the Transfer Form to the Receiving CDS Participant for authorization of same.
3. Thereafter, the Account Holders are requested to submit the Transfer Form duly authorized by the Receiving CDS Participant, duly completed Letter of Indemnity (enclosed as Annex 'B') and other supporting documentation (hereinafter referred to as the 'relevant documents') to the CDS or to the nearest Regional Branch Office of the CSE, **in person, except** in the instances specified in items (i) to (iii) below:

[Please see [http://www.cse.lk/branch\\_offices.do](http://www.cse.lk/branch_offices.do) for the list of Regional Branch Offices of the CSE.]

In the event of a Joint CDS Account, the relevant documents should be submitted to the CDS, in person, by the person whose name appears first in the Account title (i.e. first named holder).

- i. Account Holders who are unable to submit documents in person (i.e. due to ill health or residency abroad)

The Account Holders who are unable to submit the relevant documents in person may send the required documents through;

- **Registered Post to the CDS** addressed as follows;

Mr. Nalin Fonseka  
Head of CDS  
Central Depository Systems (Pvt.) Ltd.  
#04-01, West Block  
World Trade Center  
Echelon Square, Colombo 01  
Sri Lanka

or;

- **A third party authorized by the Account Holder**

Such third party must produce a Letter of Authorization issued by the Account Holder indicating the name and NIC/Passport Number of the authorized person and proof of identity (i.e. NIC or Passport) at the time of handing over the relevant documents to the CDS or to the nearest Regional Branch Office of the CSE.

Such Account Holders are also required to submit an Affidavit in conformity with Annex 'C'.

ii. Body Corporates

a. Margin Trading Accounts and Accounts for Lending Purposes

The Margin Provider/Bank/Financial Institution should also submit to the CDS, a certified copy of the Board resolution authorizing;

- the transfer of the securities portfolio/s from ECM to the Receiving CDS Participant; and,
- an official/s of the Margin Provider/Bank/Financial Institution to execute the relevant documents and to liaise with the CDS for the purpose of effecting such transfer.

The duly appointed official/s of the Margin Provider/Bank/Financial Institution should submit the relevant documents to the CDS or to the nearest Regional Branch Office of the CSE, in person.

b. Other Corporate Accounts (including Segregated Accounts)

The body corporate should also submit to the CDS, a certified copy of the Board resolution authorizing;

- the transfer of the securities portfolio/s from ECM to the Receiving CDS Participant; and,
- an official/s of the body corporate to execute the relevant documents and to liaise with the CDS for the purpose of effecting such transfer.

The duly appointed official/s of the body corporate should submit the relevant documents to the CDS or to the nearest Regional Branch Office of the CSE, in person.

iii. Deceased Accounts

In the event of a Deceased Account Holder, the Executor/Administrator or legal heir/s (where an Executor/Administrator has not been appointed) should directly inform the CDS regarding the death of the Account Holder and submit a certified copy of one of the following documents, for the purpose of converting such Account into a “Deceased Account”:

- Certificate of Death issued by the District Registrar/Additional District Registrar/Registrar in accordance with the Births and Deaths Registration Act (CAP 110)
- Probate
- Letters of Administration

Upon conversion of the Account into a Deceased Account;

a. **the Executor/Administrator may;**

- transfer the securities portfolios/s held in the Deceased Account to the beneficiary(ies)/heir(s), as applicable, in accordance with CDS Guidelines by submitting the duly completed CDS Form 19 (enclosed as Annex ‘D’) and the Letter of Indemnity (enclosed as Annex ‘B’) to the CDS or to the nearest Regional Branch Office of the CSE; or
- if permitted by a Court of Law, sell the securities in the Deceased Account after transferring same from ECM to the Receiving CDS Participant by submitting the duly completed relevant documents to the CDS or to the nearest Regional Branch Office of the CSE.

b. **the heir/s (where an Executor/Administrator has not been appointed)** should take necessary steps to transfer the securities portfolios/s held in the Deceased Account to their CDS Account/s held with another Stockbroker Firm(s)/Custodian Bank(s) in accordance with the CDS Guidelines by submitting the duly completed CDS Form 19 (enclosed as Annex ‘D’) and the Letter of Indemnity (enclosed as Annex ‘B’) to the CDS or to the nearest Regional Branch Office of the CSE.

All aforesaid documents including a certified copy of the Probate/Letters of Administration (where applicable) must be submitted to the CDS or to the nearest Regional Branch Office of the CSE, in person, by the Executor/ Administrator or heir/s (where an Executor/Administrator has not been appointed) as applicable.

In the instances referred to in items (ii) and (iii) above, the Account Holders are also required to submit an Affidavit in conformity with Annex ‘E’.

4. Where the documents are signed under a Power of Attorney, Board Resolution, Probate or Letters of Administration, the capacity in which the documents are signed should be indicated by the signatory/ies on all such documents.
5. Upon receipt of the relevant documents, an authorized officer/s of the CDS will peruse the relevant documents and accept/reject same.
6. In the event the relevant documents are accepted by the CDS, the CDS will issue an acknowledgement in writing.

Where the documents are rejected, the CDS will provide the reason/s for rejection in writing and the Account Holder is required to resubmit the relevant documents upon rectifying same.

7. Upon accepting the relevant documents, the authorized Officer/s of the CDS will sign the Transfer Form/CDS Form 19 (as applicable).
8. The CDS will effect the transfer of securities from ECM to another Stockbroker Firm(s)/Custodian Bank(s) according to the instructions given by the Account Holder/s in accordance with the applicable Rules of the CDS and the CDS Guidelines.
9. The successful completion of the transfer of securities will be reflected in the next monthly CDS Account Statement sent to the Account Holder by the CDS.

Additionally, an SMS Alert indicating same will be sent to the Account Holders, who have subscribed to the CDS SMS Alert Service, on the same day (end of day), the transfer was effected.



(2) \*I/We request that the securities mentioned in (1) above be transferred to my/our\*

Account No: 

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With -----  
(Name of Stockbroker/Custodian Bank)

Signature/s of individual/joint account holders/signature(s) of authorized officer(s) and/or Common Seal for body corporates.

1. ----- 2. ----- 3. -----

Date : -----

Authorised Signature and Stamp of the Stockbroker Firm/ Custodian Bank
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**(3) Official Use**

Checked by: -----  
Name Signature Date

Authorized by: -----  
Name Signature Date

-----  
Name Signature Date

**Remarks (if any):**

.....  
.....  
.....

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\*Delete inapplicable words

..... 2016

To: Central Depository Systems (Pvt.) Ltd.  
#04-01, West Block  
World Trade Center  
Echelon Square, Colombo 01  
Sri Lanka

Dear Sir/Madam,

**LETTER OF INDEMNITY**

In consideration of the Central Depository Systems (Pvt.) Ltd. (the CDS) permitting me/us\* to transfer the securities held by me/us/(Name of the Deceased Account Holder)\* in the CDS through Entrust Capital Markets (Pvt.) Ltd (ECM) to .....[Name of the Stockbroker Firm(s)/Custodian Bank(s)\*]....., I/we\* hereby irrevocably and unconditionally undertake to hold the CDS, its Directors and Officials harmless and indemnified against all actions, claims and demands (including the cost of defending or settling any action, claim or demand) which may be instituted against the CDS, its Directors and Officials as a result of transferring the securities from ECM to the abovementioned Stockbroker Firm(s)/Custodian Bank(s) on my/our instructions.

Yours faithfully,

Signature/s\*\* .....

Full Name/s\*\* .....

NIC/Passport No.\*\* .....

\*Delete the inapplicable words

\*\*In the event of a;  
• Deceased Account Holder, the Letter of Indemnity should be issued by the Executor/Administrator/ heir(s), as applicable;  
• Joint CDS Account, the Letter of Indemnity should be issued by all the Joint Account Holders;  
• Margin Trading Account and Account for Lending Purposes, the Letter of Indemnity should be issued by the Margin Provider/Bank/Financial Institution, as applicable.

**ANNEX 'C'**

[To be submitted by Account Holders who are unable to handover the relevant documents, in person to the CDS or to the nearest Regional Branch Office of the CSE]

**AFFIDAVIT**

I, ..... (full name)..... (holder of National Identity Card/Passport\* bearing No. ....) of .....(address including the country of residence) ....., being a .....(Religion)..... do hereby swear/solemnly, truly declare and affirm\* as follows:

- 1) I am the Affirmant/Deponent\* above named.
- 2) I maintain the following securities account/s with Central Depository Systems (Pvt.) Ltd. (CDS) through Entrust Capital Markets (Private) Limited (ECM):

Account No:															
Account No:															
Account No:															
Account No:															
Account No:															

- 3) I am unable to submit the documents required for the transfer of securities held in the above CDS Account/s to the CDS, in person, due to .....
- 4) The relevant documents have been duly completed by me and will be submitted to the CDS or to the nearest Regional Branch Office of the CSE through registered post or Mr./Mrs./Ms\*.....(name of authorized person)..... (holder of National Identity Card bearing No. ....)\*.

Affirmed/sworn and signed on this..... )  
day of .....Two Thousand and Sixteen )  
(2016) at ..... )

.....  
Affirmant/Deponent

Before me

.....  
Commissioner for Oaths

\* Please delete the inapplicable words



To: Central Depository Systems (Pvt.) Limited (CDS)

**TRANSFER OF SECURITIES IN THE EVENT OF THE DEATH OF A CDS ACCOUNT HOLDER**

**PART A**

**To be completed by the Executor/Administrator/Legal Heir**

1. Name of Account Holder (Name of the deceased) :
2. Address of Account Holder:
3. Date of death :
4. CDS Securities Account No. :
5. Name of the Stockbroker/Participant :
6. Name (in full) Address and the NIC No. of Executor / Administrator :
7. Name (in full) Address and the NIC No. of the proposed Transferee/s:
8. Name of the listed company of which securities are to be transferred :
9. Number of Securities :

.....  
Signature of the  
Executor / Administrator / Legal Heir

.....  
Signature/s of the proposed  
Transferee/s

**PART B**

**To be completed by CDS**

We have examined the records maintained by the CDS and confirm the accuracy of the information provided in Part A, items 8 and 9.

.....  
Central Depository Systems (Pvt.) Limited  
Authorized Signatory

.....  
Date

**PART C**

**To be completed by the Listed Company**

We have examined documentation relating to the above estate and being satisfied that the proposed conveyance is in order, hereby authorize CDS to carry out the said conveyance.

.....  
Certificate lodged

.....  
Date

**[To be submitted by the Executor/Administrator (in the event of Deceased Accounts), authorized official/s of Margin Providers (in the event of Margin Trading Accounts) and authorized official/s of Banks (the event of Account for Lending Purposes)]**

**AFFIDAVIT**

I/we\*, ..... (full name/s)\*\*.....  
 (holder of National Identity Card/Passport\* bearing No. ....) of  
 ..... (address including the country of residence) ....., being a  
 .....(Religion)..... do hereby swear/solemnly, truly declare and affirm\* as follows:

- 1) I/we am the Affirmant(s)/Deponent(s)\* above named.
- 2) .....(name of the deceased account holder/body corporate)..... maintains the following securities account/s with Central Depository Systems (Pvt.) Ltd. (CDS) through Entrust Capital Markets (Private) Limited (ECM):

Account No:															
Account No:															
Account No:															
Account No:															
Account No:															

- 3) The beneficiary(ies)/heir(s)/beneficial owner(s) of the aforesaid deceased account holder /CDS Account/s\* has/have consented to the transfer of securities held in the above CDS Accounts maintained through ECM to .....(name of the Stockbroker Firm/Custodian Bank).....
- 4) All the beneficiaries/heirs/beneficial owners are as follows:  
 .....  
 .....  
 .....

Affirmed/sworn and signed on this..... )  
 day of .....Two Thousand and Sixteen )  
 (2016) at ..... )

.....  
 Affirmant/Deponent

Before me

.....  
 Commissioner for Oaths

\* Please delete as appropriate.

\*\* The capacity in which the Affidavit is submit should also be indicated (e.g. "... Executor of Late....." , "authorized officer/s of .....")