

## SECTION 11

### CDS ACCOUNT STATEMENTS

#### 11.1 Periodic CDS Account Statements

##### *A. Methodology of forwarding CDS Account Statements*

The CDS shall send Account Holders a CDS account statement which includes;

- a) all listed Securities held by the Account Holder and,
- b) the quantity of such listed Securities in such Client Account.

The CDS account statement will be forwarded to the Account Holder directly by the CDS *in electronic form to an e-mail address provided by the Account Holder through the relevant participant*. Where the Client Account is maintained through a Custodian Bank, the statements will be forwarded to the Account Holder through the relevant Custodian Bank, through whom the Client Account is maintained on behalf of the CDS.

*The Participants shall ensure that the e-mail addresses provided to the CDS have been obtained from the relevant CDS Account Holders.*

In the event an Account Holder requests in writing through the relevant Participant, the CDS shall forward the CDS account statements in printed form to such Account Holder.

##### **B.** *Transitional Provisions pertaining to forwarding CDS Account Statements in respect of Client Accounts maintained in the CDS prior to the implementation of Rule 11.1.A*

*In respect of Client Accounts maintained with the CDS prior to the implementation of Rule 11.1.A above, the following provisions shall apply;*

- (i) Up to 30<sup>th</sup> June 2020, the CDS account statements will be forwarded to the relevant Account Holder in printed form, unless there is a request in writing to the CDS by the Account Holder to forward the CDS account statements in electronic form;*

*And,*

- (ii) With effect from 30<sup>th</sup> September 2020, the CDS account statements will be forwarded to the relevant Account Holder in electronic form, unless there is a request in writing to the CDS by the Account Holder to forward the CDS account statements in printed form.*

##### **C.** *Frequency of Issuing CDS Account Statements*

The frequency of issuing CDS account statements shall be as follows:

- a) The CDS shall forward to the Account Holder a monthly statement if such account was active during a particular month (monthly statement).

*For the purpose of rule (a) above an active account shall be an account with at least one transaction (purchase / sale / deposit / withdrawal / transfer) during a particular month.*

- b) The CDS shall forward a statement annually as at 31<sup>st</sup> March to *all Account Holders in respect of their Client Accounts having credit balances.*

*Provided however, the CDS may, at its discretion, forward statements in electronic form to Account Holders in respect of their Client Accounts having credit balances in a more frequent manner.*

## **11.2 Returned CDS Account Statements**

### **a) CDS account statements sent in electronic form**

In the event a CDS account statement forwarded to the email address registered with the CDS is returned to the CDS or where an Account Holder informs the CDS in writing that the CDS account statement was not received by such Account Holder, the CDS shall require the relevant Participant to obtain in writing an alternate email address from the Account Holder to which the statement shall be forwarded. In the event that the Participant does not furnish an alternate email address to the CDS as set out herein within one (01) week of such request, the CDS shall send the CDS account statement in printed form to the postal address registered with the CDS.

### **b) The CDS account statements sent in printed form**

In the event a statement forwarded to the address registered with the CDS is returned to the CDS, the CDS shall require the relevant Participant to obtain in writing an alternate address from the Account Holder to which the statement shall be forwarded. In the event that the Participant does not furnish an alternate address to the CDS as set out herein within two weeks of such request, the CDS shall suspend dealings of the relevant Client Account. The CDS shall not thereafter forward the CDS account statements to the registered address of the Account Holder, until such time the Account Holder informs the CDS, through the relevant Participant, of an alternate address in writing which address shall be considered thereafter as the registered address of the Account Holder. Upon the Account Holder informing an address where the statements can be forwarded, the CDS shall remove the suspension on dealings of the relevant Client Account.

Provided however, The CDS may, on a request made by a Stockbroker Participant, remove the suspension of a Client Account imposed in terms of this Rule where the continuance of the suspension would result

in a restriction on the Stockbroker Participant's rights to recover sums due to the Stockbroker Participant from the Account Holder.

Prior to the removal of suspension, the CDS shall obtain an affidavit from the Chief Executive Officer of the Stockbroker Participant setting out the following:

- the Stockbroker Participant has adopted reasonable measures to comply with the 'know your customer' requirements at the time of opening the CDS Account,
- the Account Holder owes moneys to the Stockbroker Participant,
- the Stockbroker Participant undertakes to indemnify the CDS and/or the CSE against any exposure in the event a claim is made by the Account Holder, and;
- the Stockbroker Participant has made adequate efforts to trace the Account Holder, which include the following steps taken by the Stockbroker Participant:
  1. the Stockbroker Participant has taken efforts to contact the Account Holder through audio communication and/or via email (proof of communication via email should be attached to the affidavit)
  2. the Stockbroker Participant has sent a communication to the Account Holder via registered post to the address registered with the CDS regarding returning of the CDS Account Statement (proof of communication via registered post should be attached to the affidavit)
  3. any other steps taken by the Stockbroker Participant to trace the Account Holder (where applicable).

### **11.3 Copies of CDS Account Statements**

If an Account Holder wishes to obtain a printed copy of a CDS account statement, the Account Holder may either request through the relevant Participant or call over personally at the office of the CDS and obtain such statement, upon proving his/her identity.

In the alternative, Account Holders may write to CDS requesting for a copy of the CDS account statement. The CDS shall mail such CDS account statement to the postal address or the email address registered with the CDS, as requested by the Account Holder.

The CDS may charge a fee from the Account Holders for providing printed copies of CDS account statements.

