

The CDS Guideline

June 2023

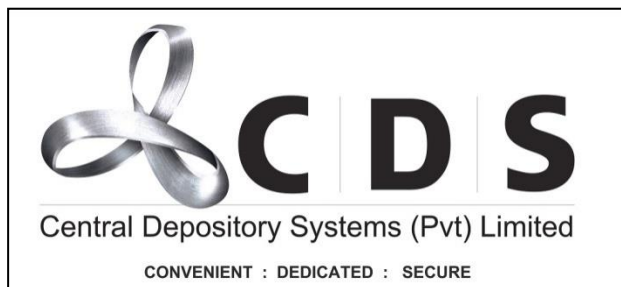


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1 Account Opening

1.1 Procedure for Opening Securities Accounts

There are two options for opening securities accounts in the CDS.

01) Decentralized account opening

- Online account opening

- Offline account opening

02) Centralized account opening

1.2 General Instructions on CDS Account Openings

- (i) The account holder is required to submit the duly completed account opening application together with the relevant supporting document to the Participant as set out below in section 1.3
- (ii) The Participant shall ensure that there is full compliance with the KYC/CDD rules of the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka in opening CDS accounts. All relevant KYC details shall be obtained by the participant and it shall be the Participants responsibility to verify the authenticity of the documents and accuracy of the details submitted.
- (iii) The Participant is required to place the rubber stamp in the space provided for this purpose in the application form and an authorized signatory of the Participant should sign on the rubber stamp which is considered as a certification of the account holder's signature.
- (iv) It is mandatory for all the Applicants to submit bank account details in their respective account opening forms (bank code, branch code and the 12-digit bank account number). This information will be used to remit dividends/coupons through direct bank transfers.

(v) It is mandatory for all the Applicants are required to submit their e-mail address and mobile number in the account opening form. This information will be used to update the contact details of the account holders in the CDS database for communication purposes.

(vi) It is the responsibility of the Participant to take all possible steps necessary to satisfy themselves of the identity of the applicant. The Participant should verify the applicant's identification documents to the best of their ability and identify the applicant based on an acceptable identification document. The authenticity of such document shall be examined by the investment Advisor or Officer responsible for this task.

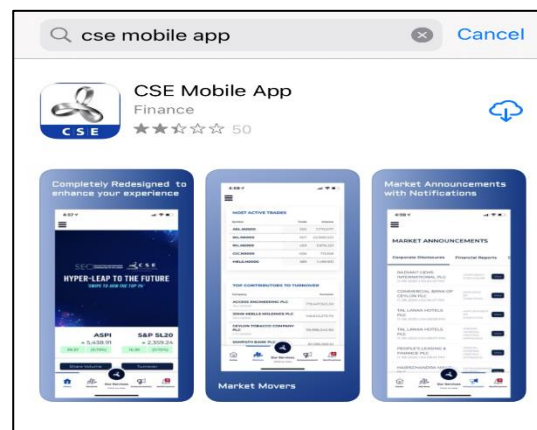
(vii) Once the registration process is completed the CDS system will generate an acknowledgement (CDS Form 13) with the CDS account number, and the details provided. The acknowledgement is communicated to the applicant and the participant via electronic means.

1.3 Procedure for Decentralized Account Opening

1.3.1 Online Account Opening

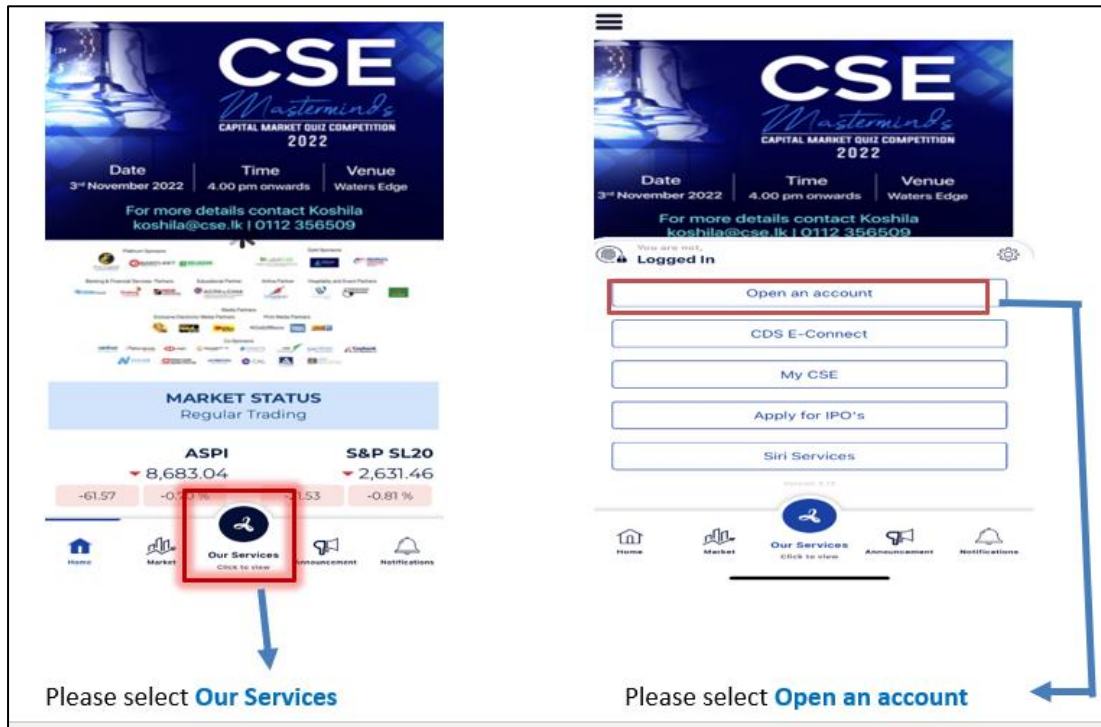
1.3.1.1 Resident Individual Account Opening

Prospective investors can easily open a CDS account by using the CSE Mobile Application. CSE mobile app is available in Google Play store and Apple app store.



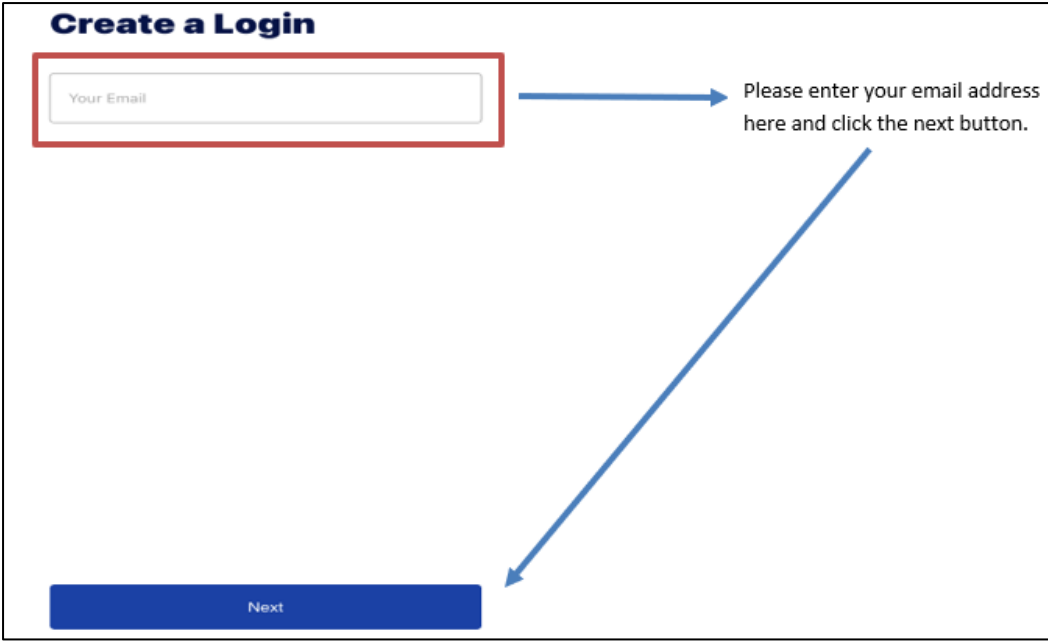
1.3.1.2 Resident Individual Account

Once the App is downloaded to the mobile phone individuals can open their CDS account.



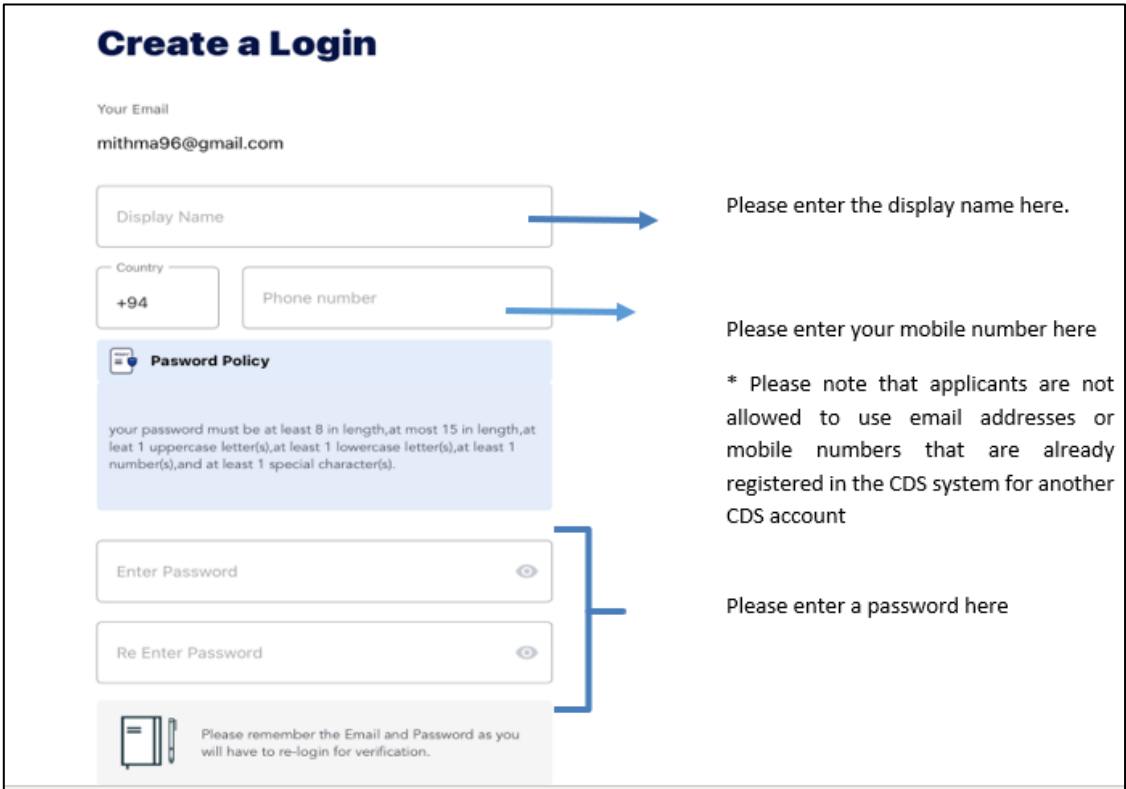
Once the applicant selects the 'open an account', the App will request the applicant to create a login.

The applicant needs to provide his/her email for the user login creation and please note that applicants shall not use email addresses or mobile numbers that are already registered in the CDS system for another CDS account.



After entering the email address next screen appear as follows.

- Password should be at least 8 in length, at most 15 in length, at least 1 uppercase letter(s), at least 1 number(s) and at least 1 special character(s).
- The applicant must remember the Email and password which was entered to the CSE app as re-login is required for verification.



If you wish to receive marketing materials from CSE and CDS ('CSE Group') such as market updates, announcements, educational content, communications on market awareness programmes, etc. please tick the box below.

(By ticking the box below, you give your consent to CSE and CDS to share your contact details such as telephone number, email address and the correspondence address within the CSE Group, subject to the condition that such details should not be shared outside the 'CSE Group' without your specific consent thereto.)

I Agree

You must read, agree with, and accept all of the **terms and conditions** contained in these Terms. By creating an account.

Create an account

Kindly read the CSE & CDS terms and conditions tick the both boxes.

If you wish to receive marketing materials from CSE and CDS ('CSE Group') such as market updates, announcements, educational content, communications on market awareness programmes, etc. please tick the box below.

(By ticking the box below, you give your consent to CSE and CDS to share your contact details such as telephone number, email address and the correspondence address within the CSE Group, subject to the condition that such details should not be shared outside the 'CSE Group' without your specific consent thereto.)

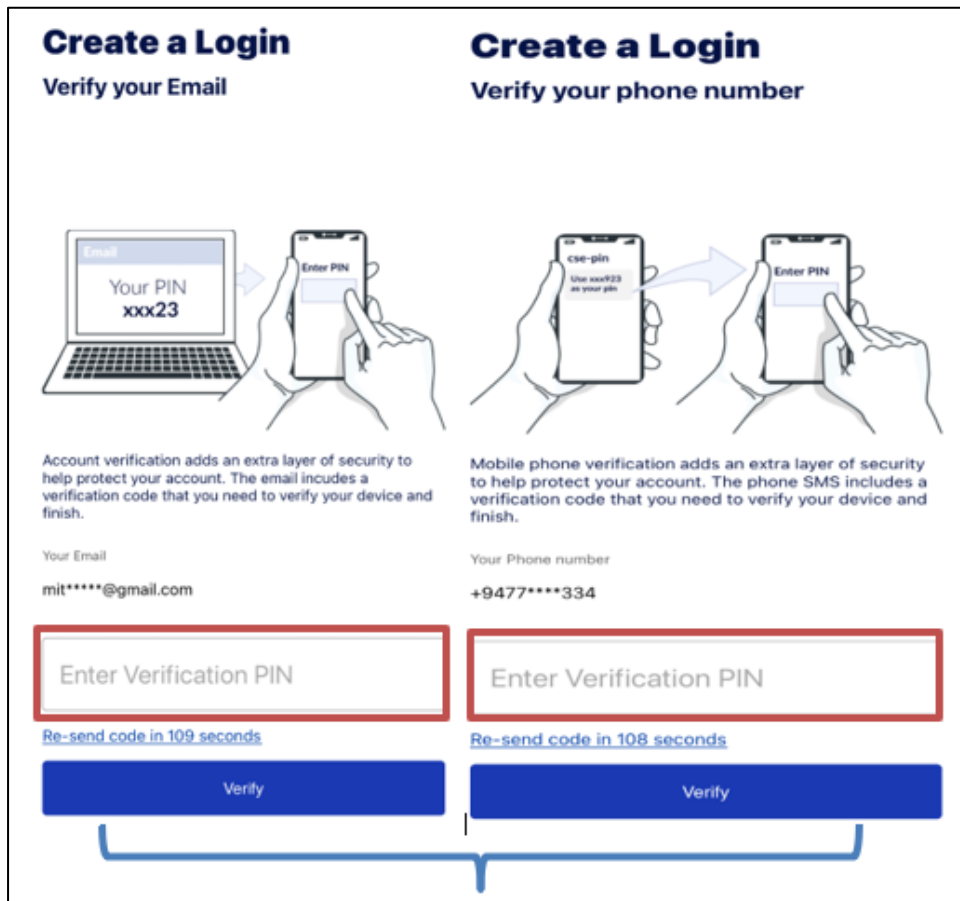
I Agree

You must read, agree with, and accept all of the **terms and conditions** contained in these Terms. By creating an account.

Create an account

Once you tick both boxes, the "Create an account" button will change to a distinctive blue color, indicating that it is now active. By clicking on this button, the applicant's account login will be successfully created.

After successfully creating the account, CSE mobile app will verify the applicant's email address and mobile number. CSE app adds an extra layer of security to help you protect your account. The email and SMS received include a verification code (OTP) to verify the device.




Please enter the PIN code sent to your email address first, followed by the PIN code sent to your mobile phone via SMS.

Next step is selecting the Authenticator type. Applicants must use their device authentication option for faster, easier access to the CSE account. There are mainly three authenticator types. They are biometrics, face ID and Passcode.

Create a Login

Login with your biometrics.




Use your device authentication options for faster, easier access to your CSE account.

All of the authenticator options on this device can be used to log into your CSE account.


[Link your Authenticator](#)

Select Your Authenticator Type



Face ID

Provides highest security the most convenient and the most recommended authentication.




Passcode

Provides medium security and less convenient authentication.

After selecting the CSE authenticator type, your digital login process will be successfully completed. After completing the login process applicants can access to their account opening application.

Create a Login

Your Digital Login process is Successful!.



Great!
You have successfully completed your Digital Login process.
To complete your account opening full process, you need follow few more steps.

I'll do it later

Continue to Account Opening

1.3.1.3 Account Opening

After creating the login successfully, the applicant gets below instructions for filling the application. The applicant needs to have a National Identity Card (NIC) to open an online CDS account. Investors' National Identity Card is verified from Department for Registration of Persons. Therefore, passports and Driving License are not acceptable for the online account opening process based on the Guideline **No. 03/2020, with Ref:037/05/006/0009/020** of the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka.

If the applicant's permanent address differs from the NIC, they must submit recent proof of residency such as a utility bill. Also, the applicant needs to capture a Selfie, front and back side of NIC's, Bank proof document and billing proof document (if required.).

Opening of a CDS Account for Local Individuals

1. You will need your National Identity Card [NIC] & a Document Confirming the bank account details.
2. If your permanent address differs from your NIC, you will need a recently (within 3 months) dated Proof of Residency document to confirm the address.
3. You will need to capture a Selfie as per the selfie guideline given within the app.
4. If there are any discrepancies between the English words in this application and Sinhala and/or Tamil translation, the English version will prevail. All fields to be completed should be filled only in English.

LEARN HOW TO OPEN A CDS ACCOUNT ONLINE WITH THE CSE MOBILE APP [Click here](#)

ExitProceed

To successfully complete your CDS account opening process, there are a few remaining steps. These include filling in the required details, uploading necessary documents, and providing a selfie as part of the verification process.

1.3.1.3.1 Personal Information

Personal Information

Title


Initials

Names Denoted by Initials

Surname

Mobile No

Telephone

Email Address
 

Identification Proof

Make sure that you have to enter your name according to the NIC.
Example: -
Name in NIC - Aseel Navindu Perera
Initials - A. N.
Names denoted by Initials - Aseel Navindu
Surname - Perera

Your e mail address and mobile number will automatically update for this Colum

ACCOUNT OPENING

NIC

NIC No

Date of Birth

Gender
 Male Female

Stock Broker Firm

Investment Advisor

Do you have CDS Account
 Yes No

TIN No

You can select any Broker Firm from the drop-down list as your preference.

If you are a Taxpayer, kindly input your tin number

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)
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Voice: (+94)112356455
Technical Support: (+94)112356450.

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1.3.1.3.2 Residential Information

Residential Information

Residential address is the same as the address on my NIC
If selected "No" Please upload a proof of residency under documents upload screen

Yes No

Status of Residential Address

Address Line 1

Address Line 2

Address Line 3

Town

District

Is the Correspondence Address same as the Residential Address?
 Yes No

If the customers residential address differs with the NIC, please select "NO".
Therefore, kindly upload a proof of residency under documents upload screen.
Kindly note that indirect documents (documents sent from CDS, CSE and Broker institution) are not acceptable.

Please select whether correspondence address same as the residential address. If same, please select yes. If not please select no and enter your correspond address.

1.3.1.3.3 Bank Account Details to Remit Dividends

Bank Account Details to Remit Dividends

Bank

Branch

Account No

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Voice: (+94)112356455
Technical Support: (+94)112356450.

Please enter your 12 digits' bank account. There are few of banks having 15 digits bank account. In such a situation, input your bank account number starting from the 4th digit from the left to the 15th digit. (Please ignore the first 3 digits)
Example for 15 digits' bank account: -
Bank Acc in passbook – 123-456789101-123
Account you have to enter to the app – 456789101123

Kindly note that CDS and broker institutions does not have any access to check whether your bank account numbers active/close/dormant. Therefore, make sure to provide active bank account numbers.

1.3.1.3.4 Employment Information

In 4th step, the applicant must provide their Employment information.

The screenshot shows the 'Employment Information' section of a form. It includes the following fields and callouts:

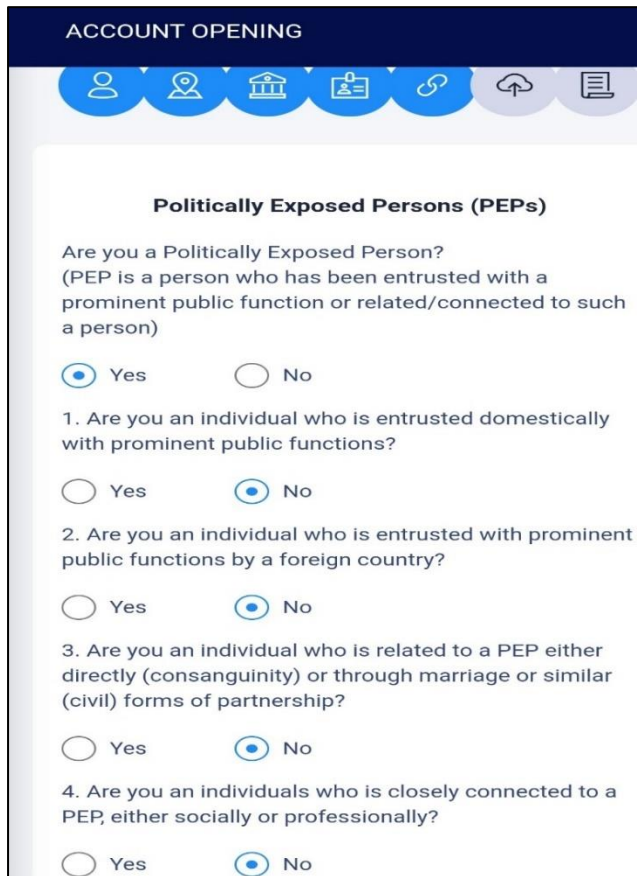
- Are you Employed:** Radio buttons for Yes (selected), No, Self Employed, and Student. Callout: "Please select the relevant category".
- Occupation:** Text input field.
- Name of Employer:** Text input field.
- Address of Employer:** Text input field. Callout: "Kindly input your company address here."
- Office Phone No:** Text input field.
- Office Email:** Text input field.
- Other Connected Business / Professional Activities:** Radio buttons for Yes and No (selected).
- Expected Value of Investment per annum:** Dropdown menu with "Please Select" as the current selection.

The screenshot shows the 'ACCOUNT OPENING' section of a form. It includes the following fields and callouts:

- Expected Value of Investment per annum:** Dropdown menu with "Please Select" as the current selection.
- Please select Source(s) of Funds:** A list of radio button options: Salary / Profit Income, Investment Proceeds / Savings, Sales and Business Turnover, Contract Proceeds, Sales of Property/Assets, Gifts, Donations / Charities (Local / Foreign), Commission Income, Family Remittance, Export proceeds, and Membership contribution. Callout: "Please select expected source/s of funds."
- What is your investment objective?:** Text input field.
- What is your investment strategy?:** Text input field.
- Are you an individual under the Foreign Account Tax Compliance Act (FATCA) of US?:** Radio buttons for Yes and No (selected). Callout: "This part is only for dual citizenship holders who possess USA and Sri Lankan citizenships. If FATCA is applicable to you, please disclose and share the relevant FATCA declaration with the Stockbroker Participant."
- Do you Possess Dual Citizenship:** Radio buttons for Yes and No (selected). Callout: "If the applicant is holding dual citizenship, please select 'Yes'. If yes, please mention the country and passport number."

1.3.1.3.5 Politically Exposed Person (PEPs)

PEP can define as a person who has been entrusted with a prominent public function or related/connected to such a person. If the applicant is a PEP, the relevant category needs to be indicated.



The screenshot shows a mobile application interface for 'ACCOUNT OPENING'. At the top, there is a dark blue header with the text 'ACCOUNT OPENING' in white. Below the header is a navigation bar with several icons: a person, a location pin, a building, a document, a link, a share icon, and a list icon. The main content area is titled 'Politically Exposed Persons (PEPs)'. It asks the user 'Are you a Politically Exposed Person?' and provides a definition: '(PEP is a person who has been entrusted with a prominent public function or related/connected to such a person)'. There are two radio buttons: 'Yes' (selected) and 'No'. Below this, there are four numbered questions, each with two radio buttons: 'Yes' and 'No'. The selected answers are: 1. No, 2. No, 3. No, and 4. No.

ACCOUNT OPENING

Politically Exposed Persons (PEPs)

Are you a Politically Exposed Person?
(PEP is a person who has been entrusted with a prominent public function or related/connected to such a person)

Yes No

1. Are you an individual who is entrusted domestically with prominent public functions?
 Yes No

2. Are you an individual who is entrusted with prominent public functions by a foreign country?
 Yes No

3. Are you an individual who is related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership?
 Yes No

4. Are you an individuals who is closely connected to a PEP, either socially or professionally?
 Yes No

1.3.1.3.6 Documents to be uploaded

There are few documents that the applicant needs to upload to the CDS account opening application. They are as follows.

(i) Selfie

Kindly upload a selfie taken at the time of completing the application. It should be clear, in focus & in color. The photo should not contain any other objects or people. It should be a full face & shoulder shot squarely facing the camera. Do not wear sunglasses or tinted glasses. The applicant can wear other glasses if need. However, the eyes must be visible without any glare or reflection.

(ii) Front & Back side of NIC

Make sure to upload clear image of NIC. CDS / Broker Institutions must verify the NIC details. (NIC number, Full name, Birth date, and address) and therefore make sure all details are clearly in order.

(iii) Bank Proof

Make sure that your Bank account number, Bank name, Branch name and applicant's name are clearly visible in the bank proof.

(iv) Billing Proof

If the residential address differs with the NIC, the applicant must upload a billing proof. Billing proof can be a utility bill, bank statement or any other valid document. Kindly note that secondary documents are not acceptable such as dividend warrants, letters from CDS/Broker institutions, bought note/sold note etc.

1.3.1.3.7 Terms, Conditions & Declarations

Terms, Conditions & Declarations

Terms & conditions for Digital Account Opening Facility
English

Terms & Conditions for CDS Account Opening
English/ සිංහල / தமிழ்

Declarations for opening of a CDS Account
English/ සිංහල / தமிழ்

Convictions & Pending criminal proceedings

I or any persons(s) associated with me and/or any entity connected to me (as a partner, shareholder, director) do not have against me or persons connected and/or associated as aforesaid any convictions/pending criminal proceedings in Sri Lanka or in any other part of the world.(If "Yes" please specify)

සිංහල / தமிழ்

Yes No

This is the final part of CDS account opening.

At the final steps applicants have to agree with terms & conditions for digital account opening facility, CDS account opening, declarations for opening of a CDS account and disclose any convictions & pending criminal proceedings if any.

Agreements between Stockbroker and the Clients

This Client Agreement to be entered into between the Client and the relevant Stockbroker Participant ('Agreement') is a conditional agreement.

This Agreement will complete due execution and be legally binding

- upon explaining Risk Disclosure Statements contained in this Agreement to the Client by an authorized Officer of the Stockbroker Participant via telephone; and,
- upon completion of the requirements set out in Rule 2.3.5 read together with Annexure 3 to the CSE Stockbroker Rules.

Therefore, the Client will receive an email communication from the Stockbroker Participant for this purpose subsequent to opening the CDS Account digitally.

Client Agreement [View](#)

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)

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Voice: (+94)112356455
Technical Support: (+94)112356450.

[PREVIOUS](#) [I AGREE & DECLARE](#)

This part for the agreements between stockbroker and the Clients. You have to tick the agreements.

Kindly tick this part and your CDS application will be Successfully submitted to the relevant broker with the digital signature.

After submission, an email notification will be received by the applicant with a copy of the application and contact details of the Stockbroker Participant.

1.3.1.4 Nonresident Individual Account Opening

Non-resident foreigners and non-resident Sri Lankans are eligible for opening the foreign individual (FI) accounts.

1.3.1.4.1 Login Creation

Once the investor enters the foreign mobile number to the mobile app, he/she is categorized as a foreign individual.



Create a Login

Your Email

Display Name

Country Phone number

Password Policy
 your password must be at least 8 in length, at most 15 in length, at least 1 uppercase letter(s), at least 1 lowercase letter(s), at least 1 number(s), and at least 1 special character(s).

Enter Password

Re Enter Password

Please remember the Email and Password as you will have to re-login for verification.

Please enter your display name here. It can be the name that you prefer.

Please enter your foreign mobile number here and make sure to select your **country code** carefully.

- Kindly note that applicants may not use existing mobile numbers that are already registered with other accountholders

- Password should be at least 8 in length, at most 15 in length, at least 1 uppercase letter(s), at least 1 number(s) and at least 1 special character(s).
- Kindly note that investor has to remember the Email and password which you have entered to the CSE app as you will have to re-login for verification

Enter Password

Re Enter Password

Please remember the Email and Password as you will have to re-login for verification.

If you wish to receive marketing materials from CSE and CDS ('CSE Group') such as market updates, announcements, educational content, communications on market awareness programmes, etc. please tick the box below.

(By ticking the box below, you give your consent to CSE and CDS to share your contact details such as telephone number, email address and the correspondence address within the CSE Group, subject to the condition that such details should not be shared outside the 'CSE Group' without your specific consent thereto.)

I Agree

You must read, agree with, and accept all of the **terms and conditions** contained in these Terms. By creating an account.

Create an account

Enter Password

Re Enter Password

Please remember the Email and Password as you will have to re-login for verification.

If you wish to receive marketing materials from CSE and CDS ('CSE Group') such as market updates, announcements, educational content, communications on market awareness programmes, etc. please tick the box below.

(By ticking the box below, you give your consent to CSE and CDS to share your contact details such as telephone number, email address and the correspondence address within the CSE Group, subject to the condition that such details should not be shared outside the 'CSE Group' without your specific consent thereto.)

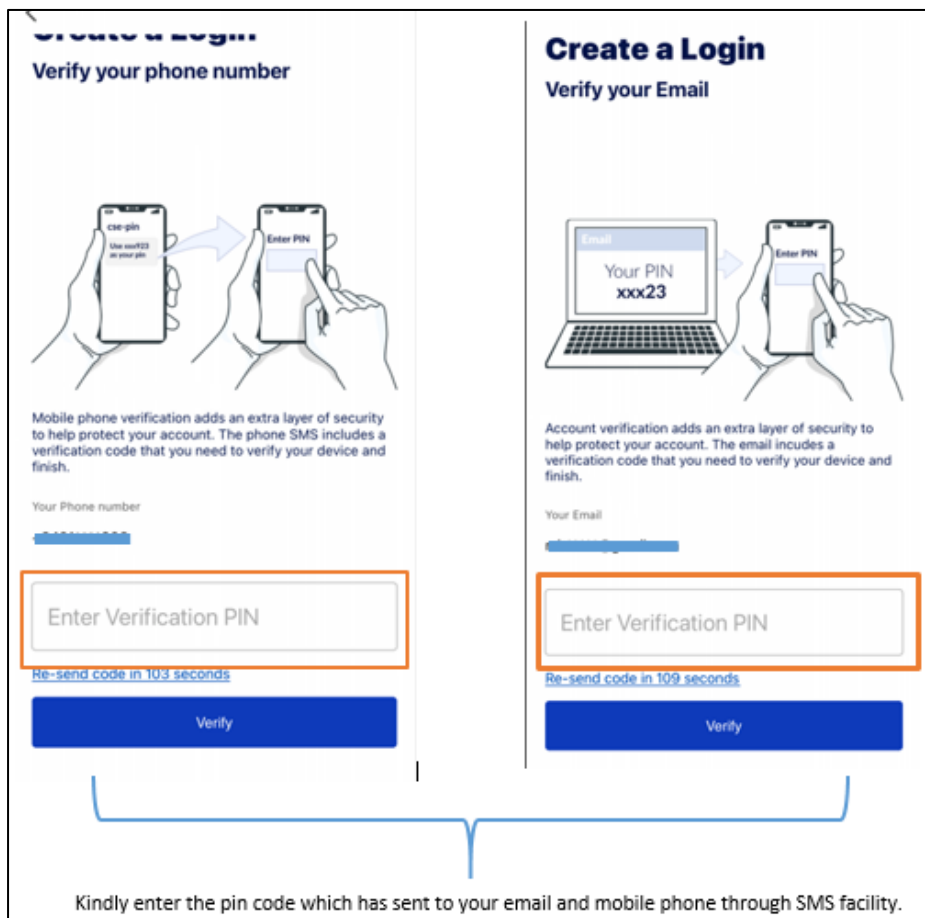
I Agree

You must read, agree with, and accept all of the **terms and conditions** contained in these Terms. By creating an account.

Create an account

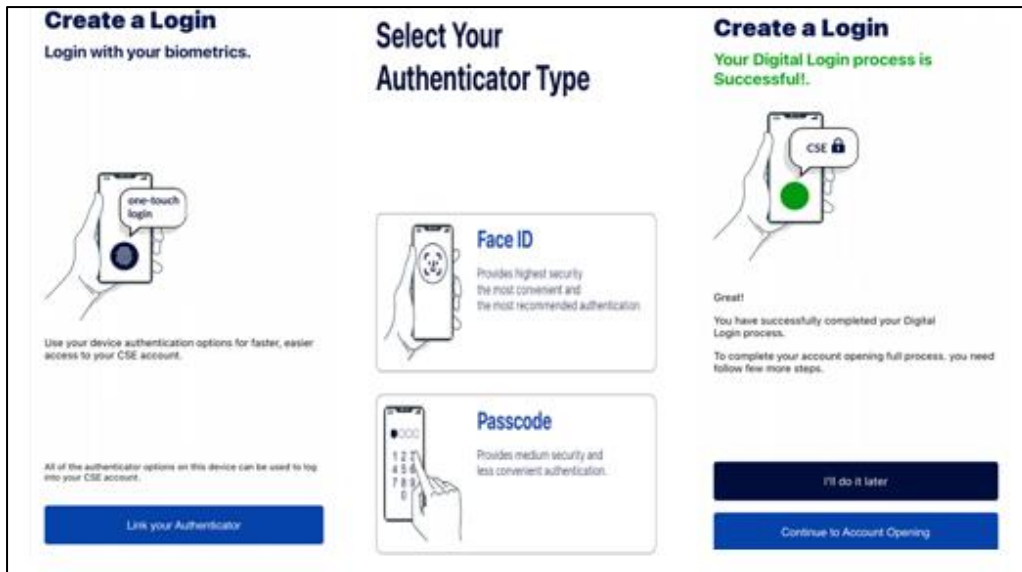
Kindly read the CSE & CDS terms and conditions tick both boxes. Once you tick both boxes, “Create an account” box will turn to blue color and by clicking on this box your account login will be created.

After successfully create the account, CSE mobile app will verify the client email address and mobile numbers. CSE app make sure to adds an extra layer of security to help protect your account. The email and phone SMS include a verification code that investors need to verify your device and finish.



Next step is Authenticator type. Customers must use their device authentication options for faster, easier access to CSE account.

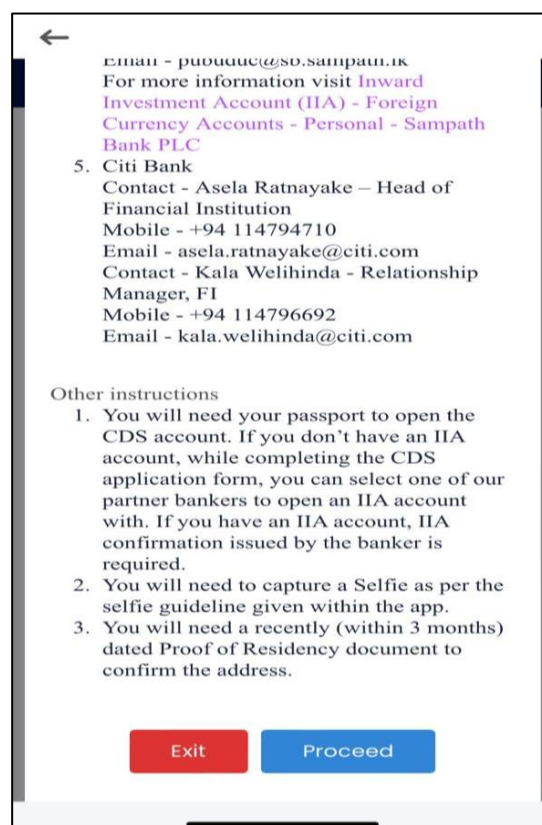
As an example, if applicant has a PIN password on his/her lock screen he/she must use that PIN code for the CSE authenticator as well.



After selecting the CSE authenticator type your digital login process will be successfully completed. After completing the login process, investors can open their account opening.

1.3.1.4.2 FI Account Opening

Non-resident foreigners and non-resident Sri Lankans can open CDS accounts under the FI category. In the event a resident Sri Lankan becomes a non-resident, that person shall open a new CDS FI account as well. Below screen appears after the authentication.



There are only few more steps to complete your CDS account opening process. There are some documents along with a selfie which you must upload to the mobile app.

(i) Personal Information

Personal Information

Title
SELECT TITLE

Initials
A.B.C.

Names Denoted by Initials

Surname

Mobile No

Telephone
OPTIONAL

Email Address

Identification Proof
Passport

Make sure that you have to enter your name according to according to the Passport.

Example: -
Name in Passport - Asel Navidnu Perera

Initials - A. N.

Name denoted by initials - Asel Navindu

Surname - Perera

Nationality
Select Nationality

Are you Sri Lankan Passport Holder
 No

Passport No

Passport Expiry Date
YYYY/MM/DD

Date of Birth

Gender
 Male Female

Stock Broker Firm
Select Stock Broker Firm

Investment Advisor

Do you have CDS Account
 Yes No

TIN No
OPTIONAL

If you are Sri Lankan passport holder, kindly input your passport details here.

Please select your Broker firm as per your preference.

If you are a Taxpayer, kindly input your Tax Identification Number (TIN)

Do you have CDS Account

Yes No

CDS Account No

123456789-VN OR 123456-LI

If you are an existing account holder with CDS, kindly put your CDS account number here (The Prefix & the Suffix only).

(ii) Residential Information

Please fill in the Residential & Correspondent address details in this section.

Residential Information

Residency

Non-Resident

Status of Residential Address

Please Select

Address Line 1

Address Line 2

Address Line 3

Town

Country

Select Country

Is the Correspondence Address same as the Residential Address?

Yes No

ACCOUNT OPENING

Is the Correspondence Address same as the Residential Address?

Yes No

Address Line 1

Address Line 2

Address Line 3

Town

Country

Select Country

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Voice: (+94)112356455

Technical Support: (+94)112356450.

PREVIOUS

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(iii) Bank Account Details to Remit Dividends

You need to have an IIA / CTRA bank account, for the CDS account opening.

IIA Account

As per the CBSL regulations authorized dealers are permitted to open and maintain **Inward Investment Accounts (IIA's)** in the domestic banking units subject to the following.

Eligible Category

- A non-national, resident in or outside Sri Lanka.
- A Sri Lankan dual Citizen, resident in or outside Sri Lanka.
- Sri Lankan national who has obtained permanent residency status or citizenship in another country, resident in or outside Sri Lanka.
- A Sri Lankan citizen employed abroad, resident outside Sri Lanka. (excluding emigrants)

For more information, kindly visit <https://www.dfe.lk/>

CTRA Account

In terms of the Foreign Exchange regulations, authorize dealers are permitted to open and maintain **Capital Transaction Rupee Account (CTRA)** in the domestic banking unit, subject to the following.

Eligible Category

- An emigrant, resident in or outside Sri Lanka.
- A non-national resident in or outside Sri Lanka including minors of such person.
- An individual Sri Lankan resident in or outside Sri Lanka who has obtained temporary resident visa in another country, aged 18 years or above.
- An individual Sri Lankan resident in Sri Lanka who is a prospective migrant under the parent migration scheme.
- An administrator or executor of the estate of a deceased person who was an emigrant.

For more information, kindly visit <https://www.dfe.lk/>

Bank Account Details to Remit Dividends

Do you have IIA/CTRA Account?

Bank

Branch

Account No

The CDS account can only be opened after the selected banker confirms the details you submitted.

Account Type
 IIA CTRA

I hereby authorize the CDS and the CDS participant that I have selected, to obtain necessary confirmations from the selected Banking Partner.

Reach us through cdsonlinehelp@cse.lk or connect with us on
 (weekdays from 8.30am to 4.30pm)
 Whatsapp : (+94)741766437, (+94)775241817, (+94)789044094,
 (+94)740449383.
 Voice: (+94)112356455
 Technical Support: (+94)112356450.

If you already maintain an IIA/CTRA account, please select "Yes" and kindly put your IIA/CTRA bank account details in here.

Please select your account type here. (Whether is it an IIA account or a CTRA account.)

Save the details and move to the next section.

Kindly note that CDS and Broker institutions does not have any access to check whether your bank account number is active/closed/dormant. Therefore, make sure to enter an active bank account number to the CSE mobile app.

Bank Account Details to Remit Dividends

Do you have IIA/CTRA Account?

No ✓

The CDS account can only be opened after the selected banker opens an IIA account & confirm the same to the CDS Participant.

Preferred Bank to Open IIA

--Select Bank--

I understand that the Preferred Bank that I have selected will open an Inward Investment Account (IIA) after completing the KYC & due diligence. I hereby authorize the CDS and the CDS participant that I have selected, to obtain necessary confirmations from the selected Banking Partner. Further I authorize the CDS Participant to update my IIA account number as the bank account number for dividend/coupon payments.

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)
 Whatsapp : (+94)741766437, (+94)775241817, (+94)789044094, (+94)740449383.
 Voice: (+94)112356455
 Technical Support: (+94)112356450.

PREVIOUS
SAVE & NEXT

If the applicant does not have an IIA /CTRA account, while completing the CDS application form, the applicant can select one of our partner bankers to open an IIA account with.

Our partner bankers are: -

- HSBC Bank
- Standard Chartered Bank
- Hatton National Bank
- Sampath Bank
- Citi Bank

Save the details and move to next section

Note for Stockbroker Participants: - You need to get the following details confirmed by the applicant's Bank on which the participant will rely to perform the Customer Due Diligence (CDD), in addition to the given IIA / CTRA bank account details.

- Full name
- Residential Address
- Correspondence Address
- Passport Number, Issued date & expiry date
- Source of funds
- the given IIA / CTRA bank account details with the relevant bank for KYC & CDD purposes.

Partner Banks have agreed to provide the above details to the CDS Participants on request. However, the applicant's support will be required to obtain the above details from a non-partner Bank.

(iv) Employment Information

Employment Information

Are you Employed

Yes No Self Employed Student

Occupation

Name of Employer

Address of Employer

Office Phone No

Office Email

Other Connected Business / Professional Activities

Yes No

Expected Value of Investment per annum

Please select Source(s) of Funds

Salary / Profit

Please select Source(s) of Funds

Salary / Profit Income

Investment Proceeds / Savings

Sales and Business Turnover

Contract Proceeds

Sales of Property/Assets

Gifts

Donations / Charities (Local / Foreign)

Commission Income

Family Remittance

Export proceeds

Membership contribution

What is your investment objective?

What is your investment strategy?

Are you an individual under the Foreign Account Tax Compliance Act (FATCA) of US?

Yes No

Do you Possess Dual Citizenship

Yes No

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)

Whatsapp : (+94)741766437, (+94)775241817, (+94)789044094, (+94)740449383.

Voice: (+94)112356455

Technical Support: (+94)112356450.

For the source of funds, please select expected source/s

Are you an individual under the Foreign Account Tax Compliance Act (FATCA) of US?

Yes No

USA Tax Identification No

FACTA Declaration

I AGREE & DECLARE

[Download](#)

→

If the applicant is a US citizen complying FATCA (Foreign Account Tax Compliance Act) of US, he/she has to submit the USA tax identification number in here and agree for the FATCA declaration. The relevant FATCA declaration should be submitted to the Participant.

Do you Possess Dual Citizenship

Yes No

Country

Passport No

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)
 Whatsapp : (+94)741766437, (+94)775241817, (+94)789044094, (+94)740449383.
 Voice: (+94)112356455
 Technical Support: (+94)112356450.

PREVIOUS **SAVE & NEXT**

If someone holding dual citizenship, please select "Yes". If yes, the applicant has to mentioned their country and passport number.

(v) Political Exposed Person

PEP can define as a person who has been entrusted with a prominent public function or related/connected to such a person.

Politically Exposed Persons (PEPs)

Are you a Politically Exposed Person?
 (PEP is a person who has been entrusted with a prominent public function or related/connected to such a person)

Yes No

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)
 Whatsapp : (+94)741766437, (+94)775241817, (+94)789044094, (+94)740449383.
 Voice: (+94)112356455
 Technical Support: (+94)112356450.

PREVIOUS **SAVE & NEXT**

Politically Exposed Persons (PEPs)

Are you a Politically Exposed Person?
 (PEP is a person who has been entrusted with a prominent public function or related/connected to such a person)

Yes No

1. Are you an individual who is entrusted domestically with prominent public functions?

Yes No

Please Specify

2. Are you an individual who is entrusted with prominent public functions by a foreign country?

Yes No

3. Are you an individual who is related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership?

Yes No

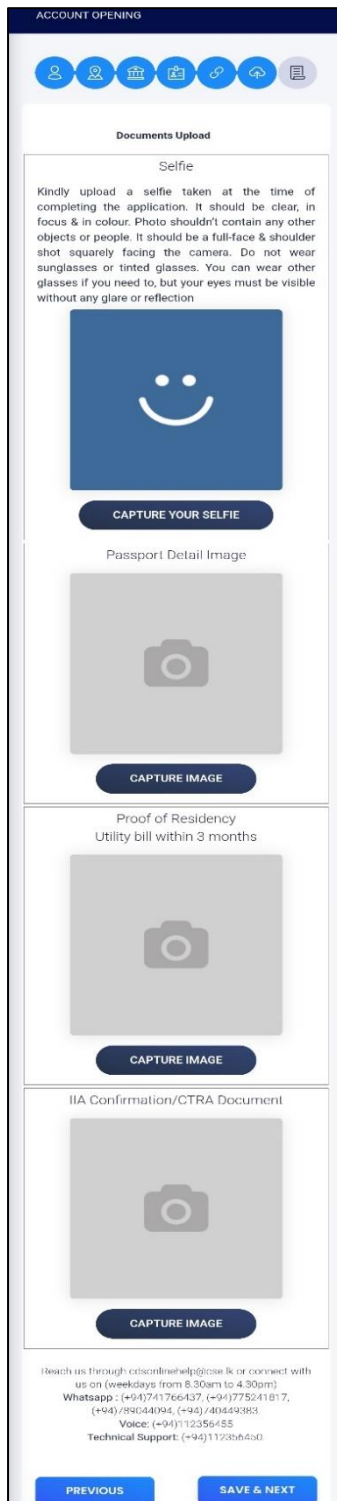
4. Are you an individuals who is closely connected to a PEP, either socially or professionally?

Yes No

If an applicant is a politically exposed person, he/she must select “Yes” and kindly answer to the other questions. If an applicant is not a politically exposed person, kindly select “No”.

(vi) Document uploading

There are only few documents that investors must upload to the CDS account opening application. They are: -



- A Selfie

Kindly upload a selfie taken at the time of completing the application. It should be clear, in focus and in color. Photo shouldn't contain any other objects or people. It should be a full-face and shoulder shot squarely facing the camera. Do not wear sunglasses or tinted glasses. You can wear other glasses if you need to, but your eyes must be visible without any glare or reflection.

- Image of the Passport

Make sure to upload clear image of the Passport. CDS / Broker Institutions must verify the Passport details. (Passport number, Full name, Birth date, and address) and therefore make sure all details are clearly in order.

- Bank Proof

Make sure that your bank account number, account type, Currency, Bank name, Branch name and customer name and must clearly be visible in the bank proof.

- Billing Proof

Billing proof of residency documents must submit as per the Rules issued by the Financial intelligence unit of Sri Lanka. Kindly note that secondary documents are not acceptable such as dividend warrants, letters from CDS/Broker institutions, bought note/sold note etc.

If a non-national wishes to be giving a local correspondence address that person should provide sufficient information regarding the correspondence address (with valid residential visa).

(vii) Terms, Conditions & Declarations

Terms, Conditions & Declarations

Terms & conditions for Digital Account Opening Facility
English

Terms & Conditions for CDS Account Opening
English/ සිංහල / தமிழ்

Declarations for opening of a CDS Account
English/ සිංහල / தமிழ்

Convictions & Pending criminal proceedings

I or any persons(s) associated with me and/or any entity connected to me (as a partner, shareholder, director) do not have against me or persons connected and/or associated as aforesaid any convictions/pending criminal proceedings in Sri Lanka or in any other part of the world.(If "Yes" please specify)
සිංහල / தமிழ்

Yes No

This is the final part of CDS account opening.
At the final steps customers have to agree with terms & conditions for digital account opening facility, CDS account opening, declarations for opening of a CDS account and disclose convictions & pending criminal proceedings if any.

Agreements between Stockbroker and the Clients

This Client Agreement to be entered into between the Client and the relevant Stockbroker Participant ('Agreement') is a conditional agreement.
This Agreement will complete due execution and be legally binding

- upon explaining Risk Disclosure Statements contained in this Agreement to the Client by an authorized Officer of the Stockbroker Participant via telephone; and,
- upon completion of the requirements set out in Rule 2.3.5 read together with Annexure 3 to the CSE Stockbroker Rules.

Therefore, the Client will receive an email communication from the Stockbroker Participant for this purpose subsequent to opening the CDS Account digitally.

Client Agreement [View](#)

Reach us through cdsonlinehelp@cse.lk or connect with us on (weekdays from 8.30am to 4.30pm)
Whatsapp : (+94)741766437, (+94)775241817, (+94)789044094, (+94)740449383.
Voice: (+94)112356455
Technical Support: (+94)112356450.

This part is for the agreements between stockbroker and the Clients. You have to tick the agreements.

Kindly tick this part and your CDS application will be successfully submitted to the relevant Stockbroker.

After submission, an email notification will be received by the applicant with a copy of the application and contact details of the Stockbroker Participant.

Participant's Approval

In the 3rd tab Broker Firm's 1st user need to add the bank account details to the System.
(Account No., Bank & Branch is editable in the system)

Foreign Individual
CSE MOBILE APP - Ref. No :- 3855

Bank Account Details to Remit Dividends

IIA Bank Account Status: No
Preferred IIA Bank: HSBC

Account No: _____ Bank: --- Select --- Branch: --- Select ---

Account Type: IIA

Is KYC Checked Is Investor Editable

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The Participant user needs to upload the Bank Confirmation into the system as follows.

Foreign Individual
CSE MOBILE APP - Ref. No :- 3855

History Details

Call History: No Any Call History! [ADD NEW ENTRY](#)

Previous Verified Broker Return Reasons: No Any Previous Return Reasons!

Other Parameters: Broker Parameters Not Configure!

Previous Approved Broker Return Reasons

Date	Return User	Remark
2022/05/21 18:33	MSB_TEST2	.

Decision

Additional Documents Upload

BANK CONFIRMATION - Copy.pdf

[UPLOAD / DOWNLOAD DOCUMENT](#)

Previous Reject Reasons

Date	Reject User	Reject Remark
2022/07/24 22:58	MSB_TEST1	TEST

Client Search

Existing Prefix Existing Suffix

Prior to the approval, the participant user needs to confirm that necessary confirmations listed below from the applicant's Bank on which the participant will rely to perform the Customer Due Diligence (CDD), in addition to the given IIA / CTRA bank account details.

- Full name
- Residential Address
- Correspondence Address
- Passport Number, Issued date & expiry date
- Source of funds

The given IIA / CTRA bank account details with the relevant partner Banks have agreed to provide the above details to the CDS Participants on request. However, the applicant's support will be required to obtain the above details from a non-partner Banks.

The screenshot shows a web interface for client search and broker decision. At the top, there is a blue button labeled "UPLOAD / DOWNLOAD DOCUMENT". Below this is the "Client Search" section, which includes input fields for "Existing Prefix" and "Existing Suffix", and dropdown menus for "Master File Status" and "Broker Level Status". There are "SEARCH" and "CLEAR" buttons. Below the search fields, there are two red text items, each with a checked checkbox: "Client not identified in the UN Sanctions list circulated by the FIU." and "We hereby confirm that we have obtained necessary confirmations from the banker with regard to the Inward Investment Account (IIA) of this applicant". A green arrow points to the second checkbox. Below this is the "Broker Decision" section, which has three radio buttons: "Return To Investor", "Accept", and "Reject". The "Accept" radio button is selected. Below the decision section is a "Remarks" field. At the bottom, there is a blue "SUBMIT" button. A green banner at the very bottom of the form displays the text "Successfully Accepted!".

1.3.1.5 Local Company Account Opening

If you are an institution incorporated in Sri Lanka & falling under one of the following categories, you can initiate the CDS account opening process online through our digital onboarding platform.

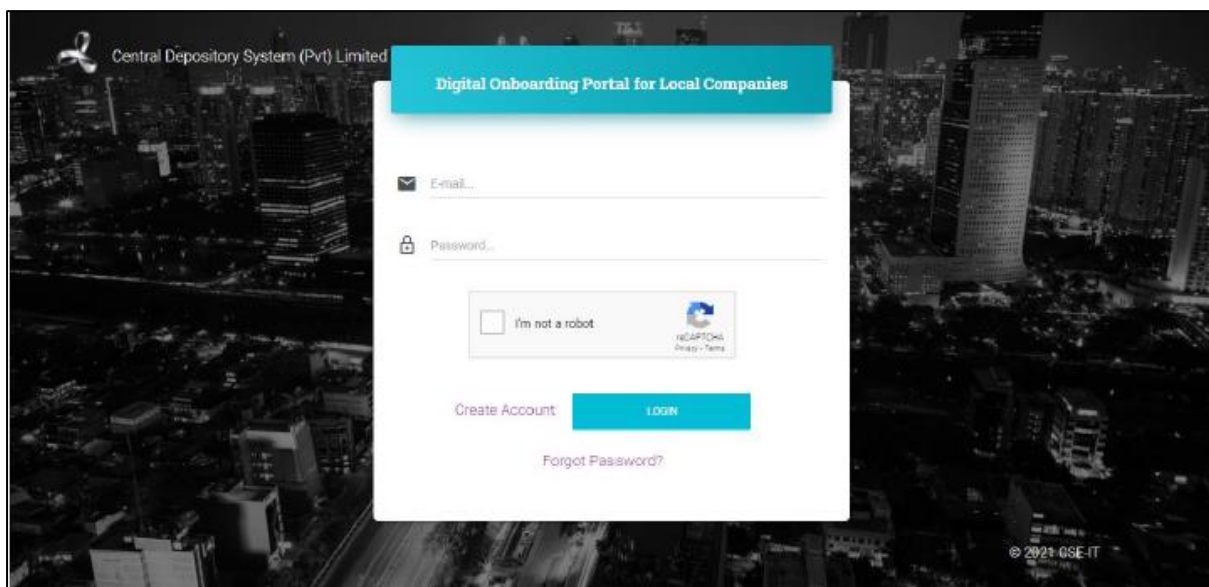
- Private limited liability company
- Public limited liability company
- Statutory board
- A body established under an act of parliament

An authorized person from the institution can initiate the process online (Initiator). The initiator first has to self-register and obtain access to the digital platform. The Initiator will first have to register himself/herself, prior to starting the application process.

Step 01

Log in to the official web site of “**Central Depository System**” (<https://www.cds.lk/>) and from home page select “**Open Account Online**”. From the next window, select the section “**For Companies**” (<https://www.cds.lk/for-companies/>)

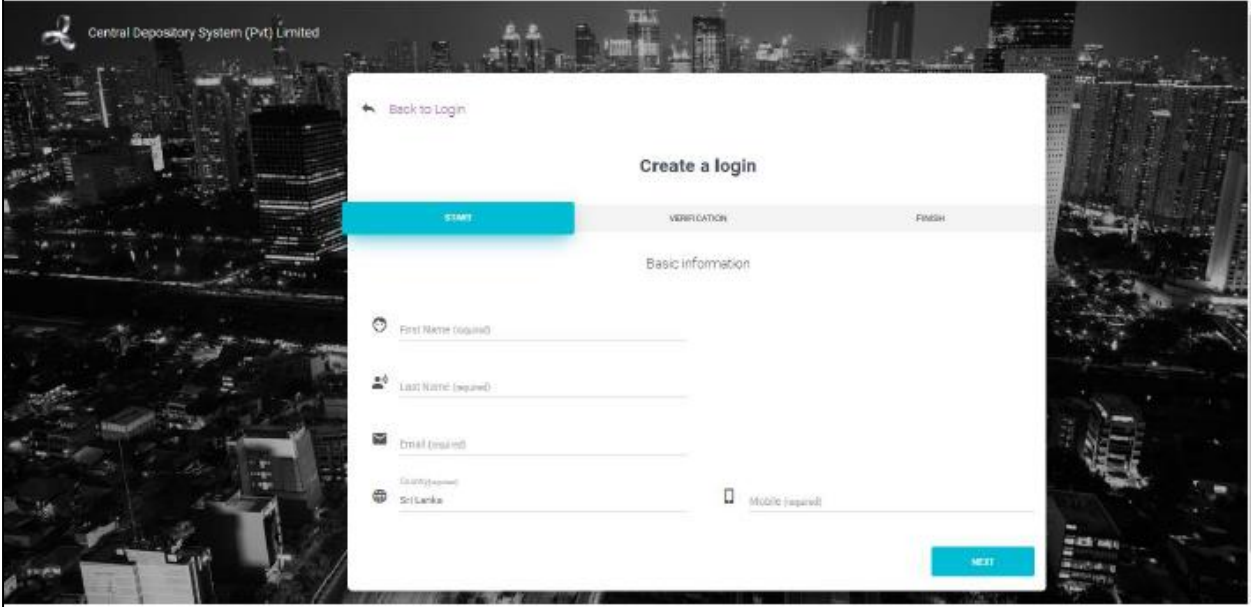
For self-registration, please click on the “**Apply Now**” option. You will be directed to the following screen.



Step 02

New users are required to click on the **"Create Account"** option, which will direct them to the following screen.

The screen is divided into three sections (tabs) to complete. The first section prompts the applicant to provide their basic information, including First Name, Last Name, Email address, and Mobile Number.



Once the basic information section is completed, the Initiator should click on the "Next" option located at the bottom of the screen. This will direct the user to the 'Verification' tab for further steps.

Step 03

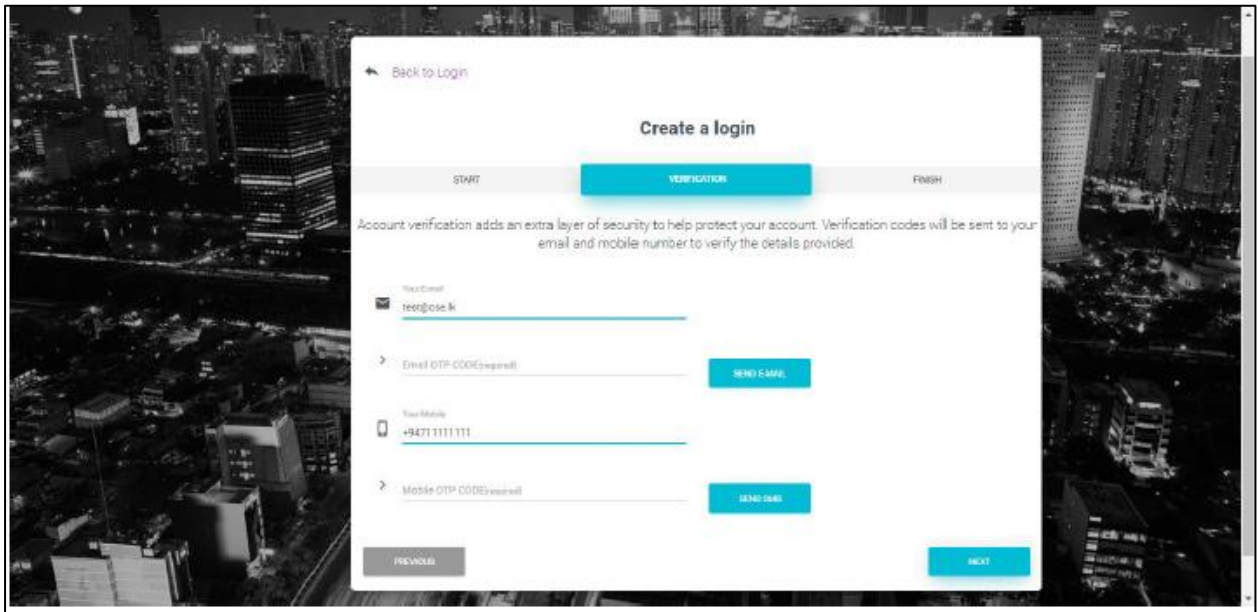
The second tab is named "Verification"

Email address and mobile number entered in the Basic Information section will be reflected here and validated using One-Time-Passwords (OTPs)

The user must first click on the "Send email" option and an OTP will be sent to the email address of the user. The OTP must be entered into the field written "Email OTP Code Required" and if the OTP fails, the user may generate another OTP by clicking the "Send Email" Option.

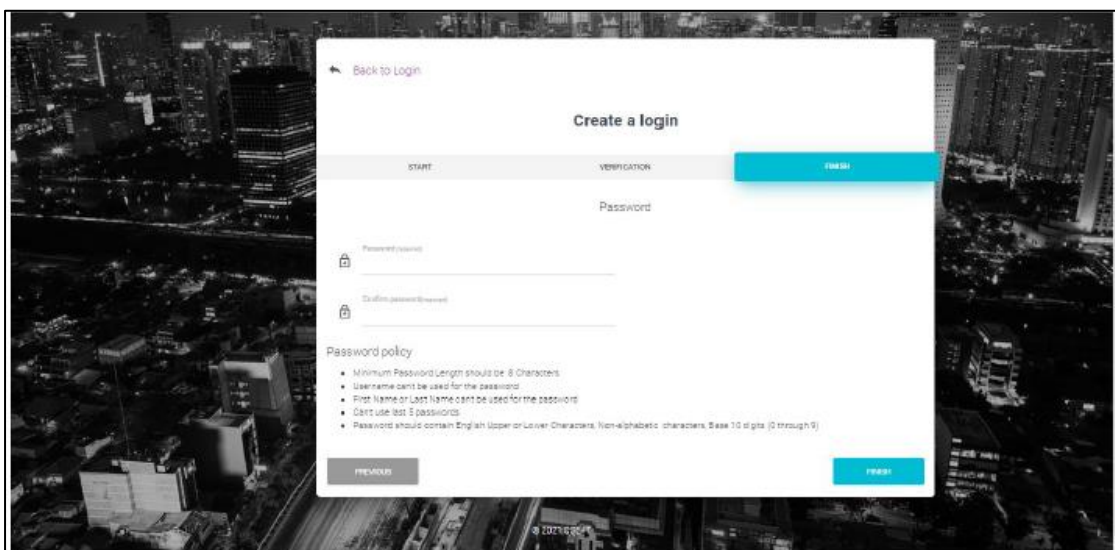
Once the email is validated, user must click on the “Send SMS” option and an OTP will be sent to the mobile number of the user. The OTP must be entered into the field written “Mobile OTP Code Required” and if the OTP fails, the user may generate another OTP by clicking the “Send SMS” Option.

After validating the email address & mobile number the user must click on the “Next” option at the bottom of the page. This would lead the user to the third tab.



Step 04

The third tab is named ‘Password’



The user should create a password according to the password policy provided on the screen. After creating a suitable password, the user must click on the “Finish” option on the bottom of the page. Now the initiator has successfully self-registered.

After completing the Initiator’s information page This would lead the user to the Information of the Institution page.

After the successful Self Registration Process of the Initiator the following information required to complete by the initiator.

(i) Name of the Initiator

Initiator required to select the Title from the drop-down list and type the full name.

(ii) Designation of the Initiator

Initiator required to type the Designation

(iii)NIC/Passport Number of the Initiator.

Initiator required to select the two options NIC or Passport.

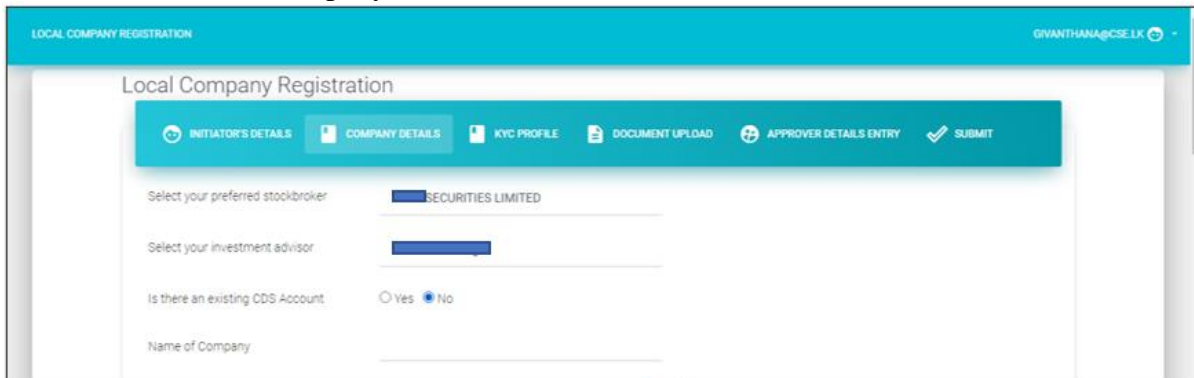
The screenshot displays the 'Local Company Registration' web application interface. At the top, there is a teal header with the text 'LOCAL COMPANY REGISTRATION' on the left and a user profile 'GRVANTHANA@CSE.LK' on the right. Below the header, the main content area is titled 'Local Company Registration' and features a navigation bar with several steps: 'INITIATOR'S DETAILS' (active), 'COMPANY DETAILS', 'KYC PROFILE', 'DOCUMENT UPLOAD', 'APPROVER DETAILS ENTRY', and 'SUBMIT'. The 'INITIATOR'S DETAILS' form includes the following fields: 'Name' with a dropdown menu set to '-- Select Title --'; 'Designation' with a text input field; 'Mobile number' with a dropdown set to '+94' and a text input; 'Email address' with a dropdown set to '@cse.lk' and a text input; 'Which identification number do you prefer?' with radio buttons for 'NIC' (selected) and 'Passport'; and 'NIC number' with a text input field. A teal 'SAVE' button is located at the bottom right of the form.

After completing the Initiator’s information page This would lead the user to the Information of the Institution page and required to fill the below information of the Institution.

Information of the Institution

Initiator is required to fill the below details of the Company after the self-registration process.

- Preferred stockbroker
- Existing CDS account number (if any)
- Name of the Company



The screenshot shows a web interface for 'LOCAL COMPANY REGISTRATION'. The user is logged in as 'GIVANTHANA@CSE.LK'. The main heading is 'Local Company Registration'. Below this is a navigation bar with six steps: INITIATOR'S DETAILS, COMPANY DETAILS (active), KYC PROFILE, DOCUMENT UPLOAD, APPROVER DETAILS ENTRY, and SUBMIT. The 'COMPANY DETAILS' section contains the following fields:

- Select your preferred stockbroker: SECURITIES LIMITED
- Select your investment advisor: [Redacted]
- Is there an existing CDS Account: Yes No
- Name of Company: [Empty text box]

If there is an existing CDS account Registered Initiator required to mention the CDS account number and Name of the Company as follow.



This screenshot shows a close-up of the form fields for existing CDS account and company name:

- Is there an existing CDS Account: Yes No
- Existing CDS Account Number: 12345-LC
- Name of Company: [Empty text box]

- Registered Address
- Correspondence Address
- Nature of entity (select from given options on the form)

LOCAL COMPANY REGISTRATION GIVANTHANA@CSELK

Is the correspondence address as same as the Registered address Yes No

Registered Address

ADDRESS LINE 1

ADDRESS LINE 2

ADDRESS LINE 3

TOWN

DISTRICT

Sri Lanka

Nature of the entity

If the correspondence address differs with the Registered address, the initiator is required to provide both addresses as follow.

LOCAL COMPANY REGISTRATION GIVANTHANA@CSELK

Is the correspondence address as same as the Registered address Yes No

Registered Address	ADDRESS LINE 1	Correspondence Address	ADDRESS LINE 1
	ADDRESS LINE 2		ADDRESS LINE 2
	ADDRESS LINE 3		ADDRESS LINE 3
	TOWN		TOWN
	DISTRICT		DISTRICT
	Sri Lanka		Sri Lanka

- Name, Designation, NIC/Passport info & contact details of the persons authorized to give instructions to the CDS (One or two persons)
- NIC copies of the person(s) authorized to give instructions to CDS

Initiator required to attach a copy of NIC or Passport of the persons to give instruction to CDS based on the selection. If a person other than a Director of the company signs the CDS application form on behalf of the applicant company, A copy of the Power of Attorney/ Board resolution authorizing such person to sign on behalf of the company & a copy of the national identity card/passport of such person should be attached.

- Email to receive e statements.
- Please state a general corporate e-mail for the purpose of receiving e Statements.
- Date of incorporation
- Place of incorporation
- Company registration number

LOCAL COMPANY REGISTRATION GIVANTHANA@CSELK

Email to receive eStatement

Please state a general corporate e-mail for the purpose of receiving eStatements. If you require to receive CDS account statements pertaining to your CDS account in printed form, please submit a request in writing to the CDS after subscribing for the eStatement.

Company telephone

Company fax

Company mobile

Date of Incorporation

Place of Incorporation

Company Registration Number

- Bank details to receive dividend/coupon payments
- Documentary proof to verify the company Name, Bank, Branch & the Bank account number.

Account holder can add the Bank account number, Bank code and branch code together with the proof document (Copy of passbook or Bank statement).

Bank details to receive dividends & coupons

Bank code

Branch code

Account number

Please attach a proof to verify the Name,Bank, Branch & the Bank account number.

Attachment

KYC Profile Update

(i) Nature of the business

Explanation of the product or services provided by the company.

(ii) Expected value of investment per annum.

Company required to select the expected value of investment with the drop-down option.

(iii) Source of funds

To be selected from Business Ownership/ Business Turnover/Investments/ Contract Proceeds/ Investment Proceeds/ Savings/ Sale of Property/ Assets/ Gifts/ Donations/ Charities/ Commission Income/ Export Proceeds/ Profits/ Other).

The screenshot shows a web form titled 'LOCAL COMPANY REGISTRATION' with a user email 'GIVANTHANA@CSELK'. The main heading is 'Local Company Registration'. A navigation bar contains: INITIATOR'S DETAILS, COMPANY DETAILS, KYC PROFILE (active), DOCUMENT UPLOAD, APPROVER DETAILS ENTRY, and SUBMIT. The form fields include: 'Nature of the business (Product/Service provided)' with a text input; 'Expected value of investment per annum' with a dropdown menu showing '-- Select --'; and 'Source of funds' with a list of radio button options: Business Ownership (checked), Business Turnover, Investments, Contract Proceeds, Investment Proceeds/Savings, Sale of Property/Assets, Gifts, Donations/Charities (Local/Foreign), Commission Income, Export Proceeds, Profits, and Other.

(iv) US Tax Identification Number in compliance with Foreign Account Tax Compliance Act (FATCA) of US if a US entity.

(v) Information on Politically Exposed Persons (PEPs)

This screenshot shows a declaration form for a US person. It includes: a radio button for 'Other'; the question 'Are you a US person in terms of the Foreign Account Tax Compliance Act (FATCA) of the US?' with 'Yes' selected; a 'Tax Identification Number' text input; a declaration paragraph: 'We hereby declare that Tax Identification Number in USA and information provided are true and accurate. We understand that the CDS may be required to make disclosures in relation to the information contained herein to appropriate government authorities and/or other regulatory authorities locally/internationally and vide this document. We irrevocably permit the CDS to make such disclosures to any such authorities without obtaining further written or oral permission from me.'; an 'I Agree' checkbox; the question 'Politically Exposed Persons (PEPs)' with 'Yes' selected; a detailed paragraph defining PEPs: 'Do you have persons who are or have been entrusted domestically/internationally with a prominent public function (for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials) as members of senior management or individuals who have been entrusted with equivalent functions, i.e directors, deputy directors and members of the board or equivalent functions.'; and a 'Please clarify' text input.

This screenshot shows a declaration form for a non-US person. It includes: a radio button for 'Other'; the question 'Are you a US person in terms of the Foreign Account Tax Compliance Act (FATCA) of the US?' with 'No' selected; the text 'In the event if we become a US person under the FATCA of US, we hereby undertake to inform the said fact to the Participant immediately.'; the question 'Politically Exposed Persons (PEPs)' with 'No' selected; the same detailed PEP definition paragraph as in the previous form; and the question 'Any other Connected Business/Professional Activities' with 'No' selected.

(vi) Any other Connected Business/Professional Activities

Any other Connected Business/Professional Activities	<input checked="" type="radio"/> Yes <input type="radio"/> No
Please clarify	<input type="text"/>

Any other Connected Business/Professional Activities	<input type="radio"/> Yes <input checked="" type="radio"/> No
--	---

(vii) Name, Designation, NIC/Passport info & contact details of the Person(s) authorized to give instructions to the Participant (One or two persons).

Is the Person(s) authorized to give instructions to the Participant same as the Person(s) authorized to give instructions to the CDS?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Person(s) authorized to give instructions to the Participant	<input checked="" type="radio"/> One person <input type="radio"/> Two persons
Name	<input type="text"/>
Designation	<input type="text"/>
Telephone	<input type="text"/>
Fax	<input type="text"/>
Mobile number	<input type="text"/>
Email	<input type="text"/>
Available identification number	<input checked="" type="radio"/> NIC <input type="radio"/> Passport
NIC number	<input type="text"/>
Any other remarks/notes	<input type="radio"/> Yes <input checked="" type="radio"/> No
<input type="button" value="SAVE"/>	

Document Upload

Other supporting documents to be uploaded.

- Certificate of Incorporation
- If the company has done a name change Certificate of Name Change(s) A copy of the certificate of incorporation of the company. If the company has changed its name, a copy of the certificate of name change issued by the Registrar of Companies is required to attach.
- An extract of the resolution passed by the Board of Directors to open the CDS account.

LOCAL COMPANY REGISTRATION

Local Company Registration

INITIATOR'S DETAILS COMPANY DETAILS KYC PROFILE DOCUMENT UPLOAD APPROVER DETAILS ENTRY SUBMIT

Certificate of Incorporation

Certificate of Good Standing

Has the company changed its name Yes No

Is the company listed in the Colombo Stock Exchange Yes No

Board Resolution

- A letter, issued within the 3-month period preceding the date of the application to the CDS, issued by the Company Secretary indicating the names, addresses, NIC or passport numbers and occupations of all existing Directors.
- If the Director/s is/are also a company the following shall be furnished,
 - Name of the director of the company
 - Date of incorporation
 - Place of incorporation
 - Registered address
- A letter, issued within the 3-month period preceding the date of the application to the CDS from the Company Secretary confirming the top ten shareholders (names and addresses)
- For companies listed on the Colombo Stock Exchange, a directors list and a shareholders list are not applicable.

LOCAL COMPANY REGISTRATION

GIVANTHANA@CSE.LK

Certificate of Incorporation

Certificate of Good Standing

Has the company changed its name Yes No

Certificate of Name Change 1

Certificate of Name Change 2

Certificate of Name Change 3

Is the company listed in the Colombo Stock Exchange Yes No

Top 10 shareholders list (with Names & Addresses)

Directors list (with Names, Addresses, NIC/Passport numbers & occupation)

Articles of Association

Board Resolution

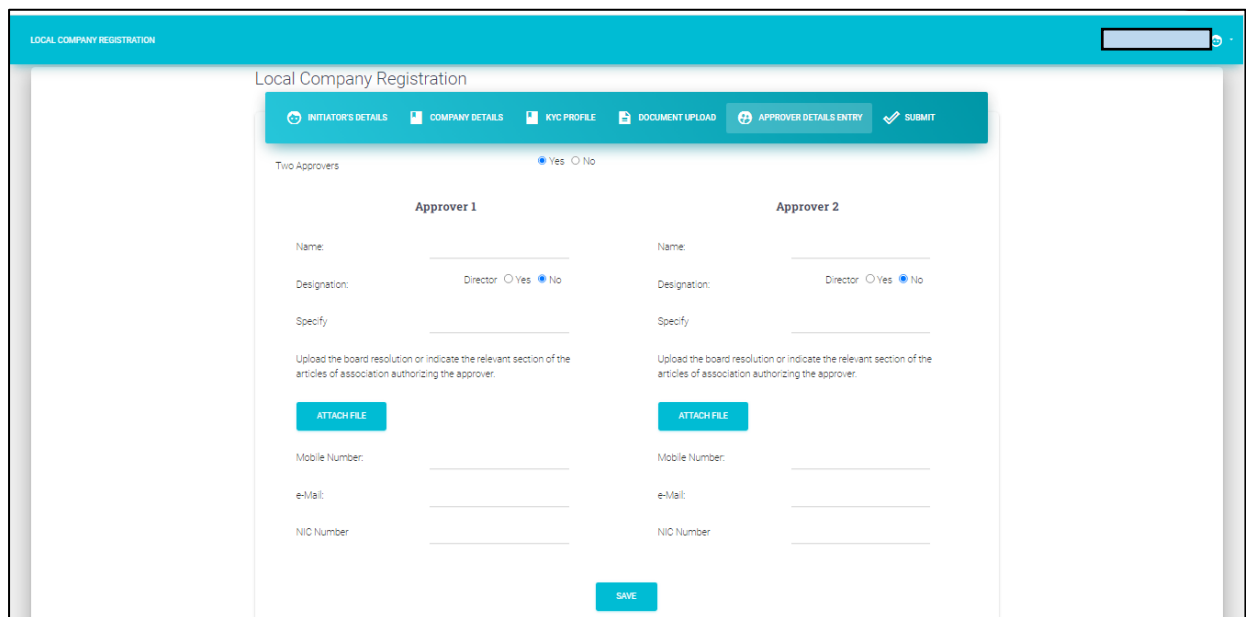
Approver Details

Authorized persons signing the physical application form. There could be a single approver or two approvers as per the articles of the company.

- Name
- Designation
- Mobile number
- Email address
- NIC/Passport Number
- Expiry date (If passport)
- Board resolution to indicate the relevant section of the articles of association authorizing the approver.

If only a single approver

- Documentary evidence to confirm that only one approver is sufficient.



The screenshot displays the 'Local Company Registration' web application interface. At the top, a teal header bar contains the text 'LOCAL COMPANY REGISTRATION' and a search icon. Below the header, a navigation bar includes several menu items: 'INITIATOR'S DETAILS', 'COMPANY DETAILS', 'KYC PROFILE', 'DOCUMENT UPLOAD', 'APPROVER DETAILS ENTRY' (which is highlighted), and 'SUBMIT'. The main content area is titled 'Local Company Registration' and features a sub-header 'Two Approvers' with radio buttons for 'Yes' (selected) and 'No'. The form is divided into two columns for 'Approver 1' and 'Approver 2'. Each column contains the following fields: 'Name' (text input), 'Designation' (radio buttons for 'Director', 'Yes', and 'No', with 'No' selected), 'Specify' (text input), a text prompt 'Upload the board resolution or indicate the relevant section of the articles of association authorizing the approver.' followed by an 'ATTACH FILE' button, 'Mobile Number' (text input), 'e-Mail' (text input), and 'NIC Number' (text input). A 'SAVE' button is located at the bottom center of the form.

Once all the information is duly filled and all documentary proof attached, the Initiator can submit the application online.

If it is successfully submitted a PDF document with all information will be available for you to download.

LOCAL COMPANY REGISTRATION

Local Company Registration

[INITIATOR'S DETAILS](#) [COMPANY DETAILS](#) [KYC PROFILE](#) [DOCUMENT UPLOAD](#) [APPROVER DETAILS ENTRY](#) [SUBMIT](#)

Terms and Condition for CDS Account Openings [Download](#)

Terms and Condition for Digital Account Opening Corporates [Download](#)

Declaration Part I [Download](#)

Declaration Part II [Download](#)

Declaration Part III [Download](#)

Litigation Yes No

[SUBMIT](#)

The Initiator must make sure the duly signed hard copy of the PDF is delivered to the selected stockbroker to finalize the process.

Upon receiving the signed hard copy of the PDF from the Initiator, the stockbroker is required to upload the PDF to the eConnect platform, by the verify user of the broker before accepting the account opening request.

Go to “**Broker**” and select “**LC Account Verification**”. Then from the available list of Account Opening Request, select the applicable account opening request.

To upload the signed PDF document, the broker must go to “**Verification Details**” tab in the relevant account opening request and select the below mentioned section.

Upload Final Account Opening Document

No Any Additional Document Uploaded!

[UPLOAD / DOWNLOAD DOCUMENT](#)

Call History

As part of the account opening process for institutional clients, the stockbroker is obligated to perform a thorough "**Client Search**" process prior to granting final approval.

This step ensures due diligence and assists in verifying the legitimacy and suitability of the institution for the account opening.

Client Search

Existing Prefix _____ Existing Suffix _____

Master File Status _____ Broker Level Status _____

SEARCH CLEAR

The broker must enter the necessary information into the designated fields and initiating a search by clicking the "Search" button.

If the requesting institution has existing records and is already registered with the CDS, the relevant information will be displayed. However, if there are no existing records, the broker will receive a notification indicating the absence of any matching records.

Clients Search

BLACK LIST SEARCH NORMAL SEARCH

Client / Company ID _____ Client Prefix _____ Date of Birth _____
YYYY/MM/DD

Surname _____ Other Names _____ Initials _____
ABC (Pvt) ABC (Pvt)

Client Suffix _____ Status --- Select --- Title _____

SEARCH CLEAR CLOSE

No Any Client Record!

Simultaneously, it is the obligation of the brokers to perform a **Blacklisted Client Search** to verify whether the institution seeking account opening is included in the list of **US sanctioned Organization** or individuals. By conducting this comprehensive search, brokers uphold their responsibility to prevent any potential engagement with blacklisted entities.

Clients Search

BLACK LIST SEARCH NORMAL SEARCH

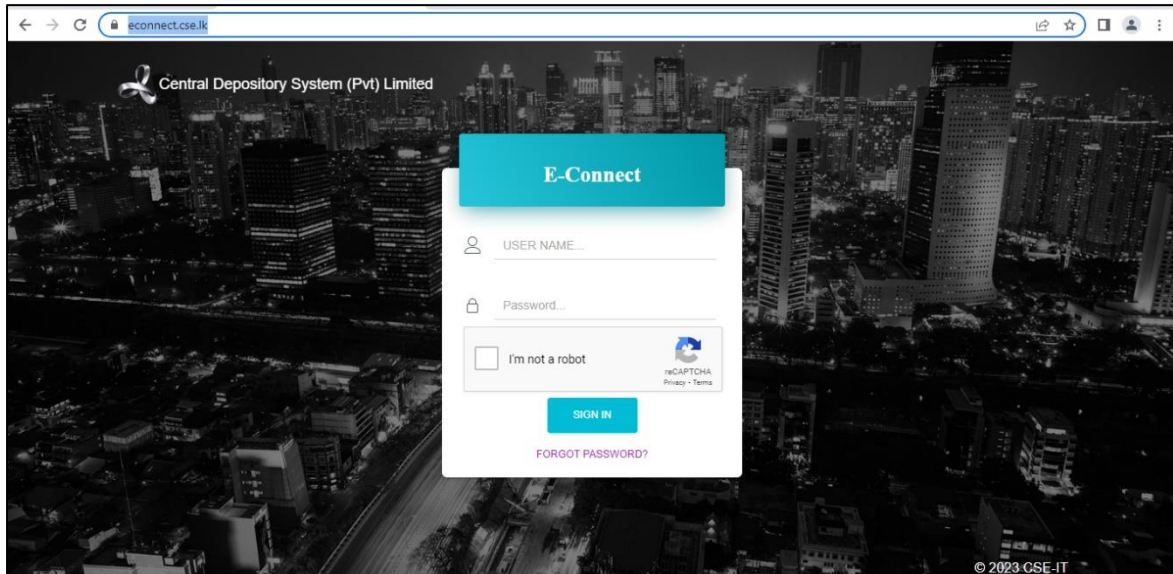
Initials Surname

Other Names

SEARCH CLEAR CLOSE

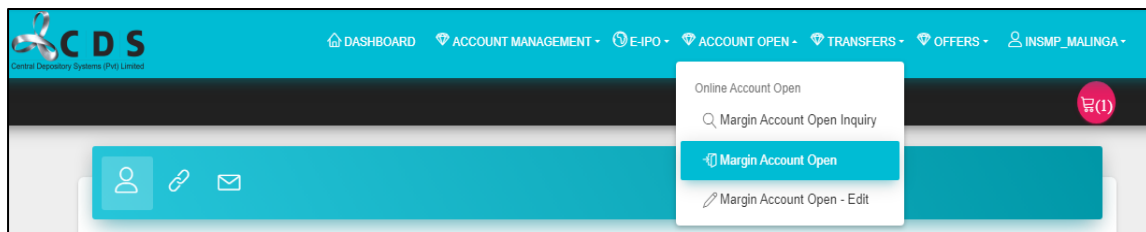
1.3.1.6 Margin Account Opening

Margin Account openings is enabled for Margin Providers who had obtained the CDS E-Connect facility. The CDS E-Connect can be obtained by submitting the CDS 29B form along with the Board resolution and the user details. <https://econnect.cse.lk/>



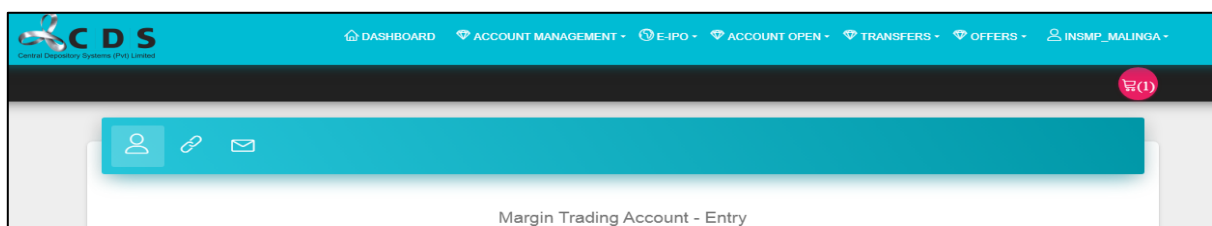
Margin Account Opening Process

- (i) Go to “Account Opening” and then select “Margin Account Open”



- (ii) Then a window like the below will open and user will be required to filled mainly 3 types of information in here.

- Initial Details
- Approver Details
- Verification Details



(a) Users need to select the “Preferred Brokers” from the drop-down list given.

The screenshot shows a form section titled "Account Type". At the top, there is a dropdown menu with the text "--- Select ---". Below this, a larger dropdown menu is open, displaying a list of options: "Individual", "Joint Account", and "Local Company". The "Individual" option is currently selected and highlighted in blue. Below the dropdown menu, there are two input fields labeled "Prefix" and "Suffix".

(b) Select the Type of Margin Account that the user wished to open from the drop-down list.

The screenshot shows a web application interface. At the top, there is a navigation bar with the CDS logo and several menu items: "E-IPO", "ACCOUNT OPEN", "TRANSFERS", "OFFERS", and "INSMP_MALINGA". Below the navigation bar, there is a dropdown menu for "Preferred Brokers" which is open, showing a list of broker names. The list includes: "ACUITY STOCKBROKERS (PVT) LTD", "ALMAS EQUITIES (PRIVATE) LIMITED", "AMBEON SECURITIES (PVT) LIMITED", "ASHA SECURITIES LIMITED", "ASIA CAPITAL STOCK BROKERS (PVT) LTD", "ASIA SECURITIES (PVT) LTD", "BARTLEET RELIGARE SECURITIES (PVT) LTD.", "C T C L S A SECURITIES (PVT) LTD", "CAPITAL ALLIANCE PLC", "CAPITAL ALLIANCE SECURITIES (PVT.) LTD.", "CAPITAL TRUST SECURITIES (PRIVATE) LIMITED", "ENTERPRISE CEYLON CAPITAL (PVT) LTD", "FIRST CAPITAL EQUITIES (PVT) LTD", "FIRST GUARDIAN EQUITIES (PVT.) LTD.", "J B SECURITIES (PVT) LTD", "JOHN KEELLS STOCK BROKERS (PVT) LTD.", "LANKA SECURITIES (PVT) LTD.", "LOLC SECURITIES LIMITED", and "N D B SECURITIES (PRIVATE) LIMITED". The "N D B SECURITIES (PRIVATE) LIMITED" option is currently selected and highlighted in blue. Below the dropdown menu, there is a text input field labeled "Margin Account - Entry".

(c) In “CDS Account Available” section, by default it is selected as “YES”.

The reason for that is, at present only the existing individual CDS account holders can open Margin Accounts. Hence to open a Margin Account it is must to have an existing CDS account and the details of the existing account needs to be entered in the below fields (Prefix & Suffix).

The screenshot shows a form section titled "CDS Account Available". There is a dropdown menu with the text "Yes" selected. Below this, there are two input fields labeled "Prefix" and "Suffix". To the right of these fields, there is a blue button labeled "GET CDS ACCOUNT DETAILS".

(d) Enter a valid E - mail address here since e – statements related to margin accounts sent to this mail address.

Email to receive eStatement

(e) Bank Information

Users' needs to select the "Bank" and "Branch" from the drop-down list and enter the Account Number.

Bank
--- Select ---

Bank Branch
--- Select ---

Account number

(f) Next, user need to upload a few documents as follows.

- A proof to verify the Name, Branch & the Bank account number
- Valid Margin Provider License issued by the SEC
- Margin Trading Agreement
- KYC Document

After the uploads the user needs save and click the "Next" button.

Please attach a proof to verify the Name, Branch & the Bank account number to receive Dividend/coupon payments.

ATTACH FILE

Valid License Issued By SEC

ATTACH FILE

Margin Trading Agreement

ATTACH FILE

KYC Document

ATTACH FILE

SAVE

Next Page - Approver Details

- (i) First, user needs to select having a “One Approver or Two Approvers”

Approver Details

Two Approvers Yes No

- (ii) Then each approver needs to update each field as follows.

Approver One

Name

Designation

- (g) Next, user needs to select which identification number preferred (NIC/Passport) and update the relevant fields based on the selection identification number.

Which identification number do you prefer ? NIC Passport

NIC number

Email

Contact Number

Mobile Number

Which identification number do you prefer ? NIC Passport

Passport number

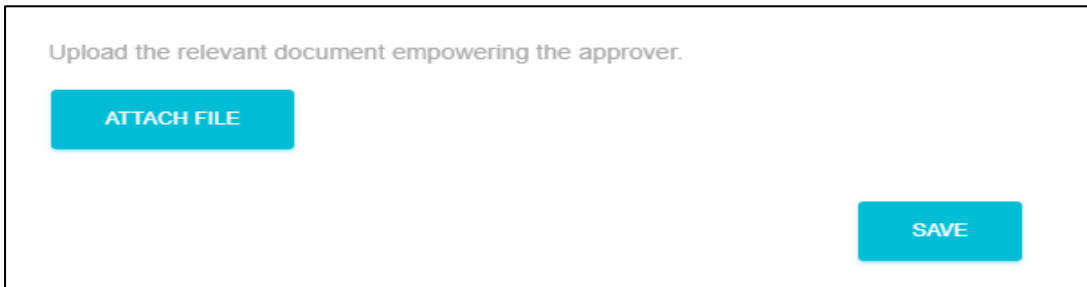
Passport expiry date
YYYY/MM/DD

Email

Contact Number

Mobile Number

(h) To upload the documents which gives the approver's authority (Board Resolution/Power of Attorney) needs to be upload by selecting the "Attach File" button and then user needs to click "Save" button.



Upload the relevant document empowering the approver.

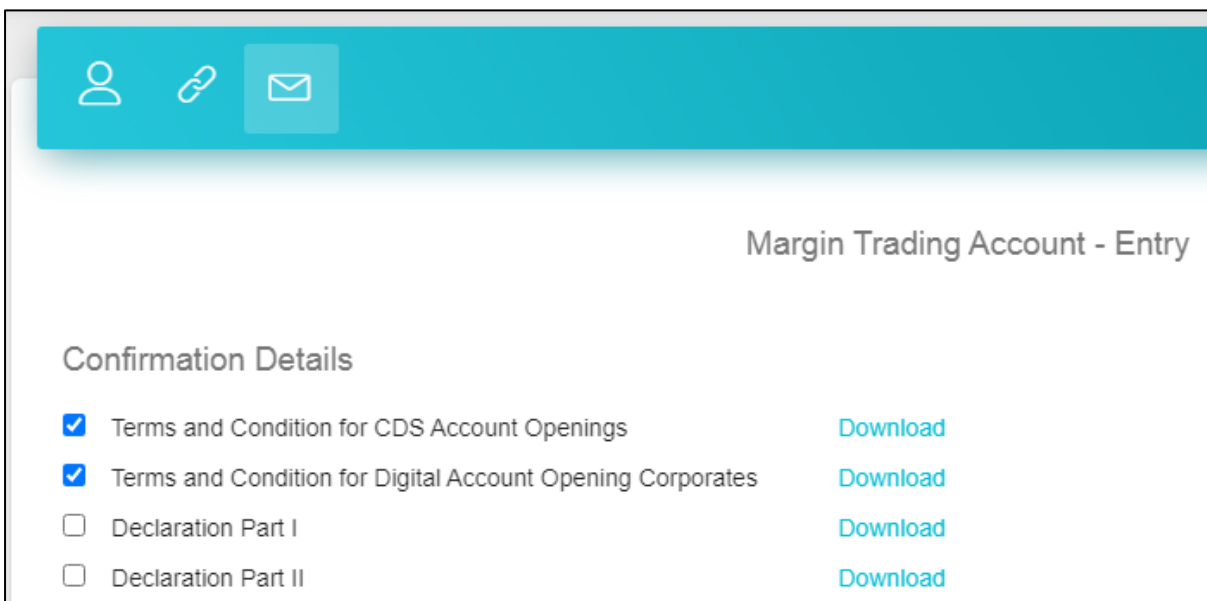
ATTACH FILE

SAVE

Next Page - Confirmation Details

In this page users need to "Agree" to the Terms & conditions and declarations applicable to Margin Account Opening.

Users must download the each of the Terms & conditions and declarations, read it and then must agree to it by putting a "Tick" in the checkbox in front of each terms & conditions and declarations.



Margin Trading Account - Entry

Confirmation Details

<input checked="" type="checkbox"/> Terms and Condition for CDS Account Openings	Download
<input checked="" type="checkbox"/> Terms and Condition for Digital Account Opening Corporates	Download
<input type="checkbox"/> Declaration Part I	Download
<input type="checkbox"/> Declaration Part II	Download

If the beneficiary has any legal limitations (litigation), then the user must disclose it by selecting “Yes or No”. If any case answer is “Yes” then the user must specify it by providing more information.

Litigation Yes No

Please specify

*

Next, as a final step user must click the “Submit” button and complete the margin account opening process.

1.3.2 Offline Account Opening (Physical Applications)

- (i) The Participant shall ensure that there is full compliance with the KYC/CDD rules of the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka in opening CDS accounts. All relevant KYC details shall be obtained by the participant and it shall be the Participants responsibility to verify the authenticity of the documents and accuracy of the details submitted.
- (ii) The Participant shall return incomplete account opening documentation to the applicant giving reasons for the return (A similar format to CDS Form 14 can be used for accounts received offline or physically).
- (iii) The Participant is required to place the rubber stamp in the space provided in the physically received application forms and an authorized signatory of the Participant should sign on the rubber stamp which is considered as a certification of the account holder’s signature, verification of the authenticity of the documents and accuracy of the KYC details submitted.
- (iv) The physically received account opening forms with the supporting documents should be scanned and submitted to the CDS in an electronic means prescribed by the CDS. The originals of the submitted documents should be kept with the participants as per the Section 4 of the Financial Transaction Reporting Act, No. 6 of 2006.
- (v) The Participants is only allowed to open offline CDS accounts for the local individuals. After carrying out the KYC procedure and obtaining the account opening documents and supporting documents from the client, the Participant may do the necessary entries in the CDS system and open the account.

- (vi) The participants shall always comply with the *Systems operation instructions issued by the CDS from time to time.
- (vii) The duration of the system availability to open the accounts will be decided by the CDS as per the general back-office operations requirements/special system updates/periodic system updates carried out by the CDS/CSE from time to time.
- (viii) Duly filled account opening form and the KYC documents obtained in respect of the account opening from investors shall be submitted to the CDS through the prescribed format when opening the account by the member firm.
- (ix) If the documents do not reach the CDS by prescribed time, the CDS shall take action to impose a Trading suspension to the new account. Once the documents reach the CDS, the CDS will take steps to remove the Trading suspension.
- (x) Information on received documents should match with the information fed into the CDS system when creating the respective client account. If the CDS finds any violation with regards to opening the account, steps shall be taken as per the CDS rules.

*A systems operation manual will be issued by the CDS from time to time to administrate the account opening process.

1.4 Procedure for Centralized Account Opening.

- (i) The Participant shall ensure that there is full compliance with the KYC rules of the Financial Intelligence Unit (FIU) of Sri Lanka in opening CDS accounts. All relevant KYC details shall be obtained by the participant and it shall be the Participants responsibility to verify the authenticity of the documents and accuracy of the details submitted.
- (ii) The Participant is required to place the rubber stamp in the space provided for this purpose in the application form and an authorized signatory of the Participant should sign on the rubber stamp which is considered as a certification of the account holder's signature. The account opening forms with the supporting documents should be scanned and submitted to the CDS in an electronic means prescribed by the CDS.
- (iii) The Participant is required to place the rubber stamp in the space provided for this purpose in the application form and an authorized signatory of the Participant should sign on the rubber stamp which is considered as a certification of the account holder's signature. The account opening forms with the supporting documents should be scanned and submitted to the CDS in an electronic means prescribed by the CDS.

- (iv) The originals of the submitted documents should be kept with the participants as per the Section 4 of the Financial Transaction Reporting Act, No. 6 of 2006.
- (v) The account opening forms with the supporting documents should be forwarded to the CDS under cover of the daily document received/returned form in duplicate (CDS form No 25) to the CDS counter. Participants must ensure that they retain copies of the identification documents and account opening forms of their clients. The CDS will acknowledge and return a copy of the CDS Form 25 to the Participant.
- (vi) The participants may also use the CDS Digital Front Desk logins, or any other prescribed platform provided by the CDS to them to upload clear and complete scanned copies of the account opening documents to the CDS.
- (vii) After scrutinizing the account opening documents inclusive of the supporting documents, the CDS shall register the applicant in the CDS system.
- (viii) Prior Approval of the Securities and Exchange Commission of Sri Lanka (SEC) is required to open a CDS account for an overseas fund. For this purpose, a Participant is required to forward the relevant documents to the CDS with a copy to SEC. On scrutiny of the documents and if the documentation conforms to the requirements set out in the FIU rules, the CDS shall write to the SEC and recommend the fund for SEC approval. After the receipt of the letter of approval granted by the SEC, the Participant shall forward the account opening documents to the CDS for opening of the account.
- (ix) It is the responsibility of the participant to take all possible steps necessary to satisfy themselves of the identity of the applicant. The Participant should verify the applicant's identification documents to the best of their ability and identify the applicant based on an acceptable identification document. The original of such document shall be examined by the investment advisor or officer responsible for this task.
- (x) The CDS shall reject incomplete account opening documentation giving reasons for rejection (CDS Form 14) and return the same to the Participant.

1.4.1 Documents required for New and Existing Applicants

1.4.1.1 Resident Individuals

(i) Residents with standard identification

- A clear photocopy of the National Identity Card (NIC).

If the NIC is not available, a copy of a valid Passport as at the date of the account being opened at the CDS.

- In the event an existing account holder has registered previously by giving his/her NIC copy before with another CDS participant and if that copy is available with the CDS, the account holder will not have to provide another copy to register again with a new participant. In case of an existing CDS account holder registered under a NIC has lost/misplaced the NIC and is unable to submit a copy through the new participant, the CDS shall accept a copy of a valid passport which bears the NIC number.
- Following applications are required.
 - (a) CDS Form 1
 - (b) CDS Form 1(A-1) – KYC Profile
 - (c) CDS Form 1(A-2)

Note: Instructions in Sinhala & Tamil to fill the Account opening application are available in the CDS Form 1(B).

- Proof of residency document as per the Rules issued by the Financial Intelligence Unit of Sri Lanka.

Note: If the account is to be opened using a Power of Attorney (POA) a copy of a valid POA.

(ii) Plantation Employees (If NIC is not available)

- A letter issued by the Superintendent of the estate confirming the applicant's EPF number and a copy of the EPF statement of the applicant.
- A copy of the proof of residency document as per the rules issued by the Financial Intelligence Unit of Sri Lanka.

Note: This type of accounts can be opened only for the purpose of sale of plantation employee shares.

(iii) Internal Displaced Persons (IDP)

- A copy of the special identification document issued under the authority of the government should be submitted for purposes of identification and as proof of residency.
- Alternatively, if the IDP does not possess the special identification document as above, a confirmation letter issued by the 'Grama Sevaka' of the area in which the IDP lives should be submitted.

- A copy of the birth certificate or in the absence of a birth certificate, an affidavit is acceptable.

1.4.1.2 Non-Resident Individuals

- A copy of a valid Sri Lankan passport for Sri Lankan nationals or
- A copy of a valid foreign passport for non-nationals
- Proof of residency document as per the Rules issued by the Financial Intelligence Unit of Sri Lanka
- If a non-resident applicant wishes to open an account giving a local correspondence address, that person should provide sufficient information regarding the correspondence address (e.g., Valid residence visa)

Note: If the account is to be opened using a Power of Attorney (POA) a copy of a valid POA supported by an affidavit is required

- CDS Form 1
- CDS Form 1(A-1) – KYC Profile
- CDS Form 1(A-2)
- Inward Investments Account (IIA)/Capital Transaction Rupee Account (CTRA) account details with documentary proof.
- In the event an Existing resident account holder opens a foreign individual account; CDS 1(C) must be submitted.
- In the event a resident Sri Lankan acquires nonresident status such person could open a non-resident (foreign) account. In such an instance the following documents relating to opening a non-resident account needs to be submitted.
- CDS Form1, CDS Form 1(A1) and CDS Form 1(A2)
- CDS Form 1 (C)
- Proof of residency document as per the rules issued by the Financial Intelligence Unit of Sri Lanka
- IIA account details with documentary proof
- Copy of a valid passport

Note: If a non-resident shareholder has obtained a certificate while being a resident of Sri Lanka, the shareholder is not able to deposit the said shares with the support of a IIA account;

since the share certificate was not obtained with foreign remittance (Since the sales proceeds cannot be deposited to IIA account)

In such cases shareholder should contact the ‘Migrant Fund Transfer Division of the Exchange Control Department of the Central Bank of Sri Lanka’ and obtain necessary instructions to open a “Capital Transaction Rupee Account (CTRA)” or an applicable another account.

1.4.1.3 Body Corporates

(i) Local Institutions

- A copy of the certificate of incorporation of the company. If the company has changed its name, a copy of the certificate of name change issued by the Registrar of Companies is required.
- A copy of the Articles of Association of the company.
- An extract of the resolution passed by the Board of Directors to open the CDS account. In the alternative the company may provide a certification in the relevant section in the account opening form (CDS Form 2).
- A letter, issued within the 3-month period preceding the date of the application to the CDS issued by the Company Secretary indicating the names, addresses, NIC or passport numbers and occupations of all existing directors.
- If the Director/s is/are also a company the following shall be furnished.
 - (a) Name of the director of the company
 - (b) Date of incorporation
 - (c) Place of incorporation
 - (d) Registered address
- A letter, issued within the 3-month period preceding the date of the application to the CDS from the Company Secretary confirming the top ten shareholders (names and addresses)
- For companies listed on the Colombo Stock Exchange, a directors list and a shareholders list are not applicable.
- CDS Form 2 completed by the company in accordance with the provisions of the Articles of Association of the company and /or The Companies Act (No.7 of 2007) of Sri Lanka.

- CDS Form 2(A) completed by the company in accordance with the Know Your Customer (KYC) rules of the Financial Intelligence Unit of the Central Bank of Sri Lanka.
- CDS Form 2(B) completed by the company in accordance with the provisions of the Articles of Association of the company and /or the New Companies Act (No.7 of 2007) of Sri Lanka.

Note: If a person other than a Director of the company signs the CDS application form on behalf of the applicant company,

- (a) A copy of the Power of Attorney/ Board resolution authorizing such person to sign on behalf of the company
- (b) A copy of national identity card/passport of such person should be submitted.

(ii) Foreign Institutions

- A copy of the certificate of incorporation of the company or equivalent document, issued by the Registrar of Companies/applicable authority where the company is incorporated
- If the company has changed its name a copy of the certificate of name change issued by the Registrar of Companies/applicable authority where the company is incorporated
- A copy of the Articles of Association of the company or equivalent document
- A copy of the Certificate of Good Standing or an equivalent document issued within a period of one year by the Registrar of Companies/applicable authority where the company is incorporated.
- A certified extract of the resolution passed by the Board of Directors to open the CDS account. In the alternative the company may provide a certification in the relevant section in the account opening form (CDS Form 2).
- Certificate to Commence Business issued by the Registrar of Companies/applicable authority where the company is incorporated. (Where applicable)
- A letter, issued within the 3-month period preceding the date of the application to the CDS to the CDS from the Company Secretary confirming the names, addresses, occupations, and passport numbers of Directors of the company.
- If the company is listed in a regulated Stock Exchange only the names of directors and the name of the Stock Exchange (web site reference is sufficient) should be given.

- If the Director/s is/are also a company the following shall be furnished.
 - (a) Name of the director of the company
 - (b) Date of incorporation
 - (c) Place of incorporation
 - (d) Registered address
- A letter issued within the 3-month period preceding the date of the application to the CDS from the company confirming the top 10 shareholders/members. Names and addresses. (Not applicable if the company is listed in a Stock Exchange. In that event web Site reference is sufficient).
- Where the application includes a Global Custodian and the application is forwarded through a Custodian Bank, a copy of the SWIFT message or similar document issued by the Global Custodian instructing the local Custodian Bank to open the account on behalf of the beneficiary company should be submitted together with a declaration from the Global Custodian that a Custody arrangement or agreement exists between the Global Custodian and the beneficiary.
- CDS Form 2 completed by the company in accordance with the provisions of the Articles of Association of the company.
- CDS Form 2(A) completed by the company in accordance with the Know Your Customer (KYC) rules of the Financial Intelligence Unit of the Central Bank of Sri Lanka.
- CDS Form 2 (B)

Note: If a person other than a Director of the company signs the CDS application form on behalf of the applicant company.

- (a) A certified copy of the power of attorney/ board resolution authorizing such person to sign on behalf of the company
- (b) A copy of national identity card/passport of such person/s should be submitted.

(iii) Designated Accounts

(a) Margin Accounts

- A copy of the margin trading agreement
- The intention of the parties to open a margin trading account should be clearly stated in the agreement
- A copy of the license granted to the margin provider by the SEC.

- If the borrower is a company, Certificate of Incorporation, Articles Association, names, addresses and passport numbers of the Directors, and names and addresses of the top ten shareholders should be forwarded.
- CDS Form 2
- CDS form 2 (A) – KYC Profile
- CDS Form 2 (B)
- A copy of NIC /passport of the borrower should be submitted.

Note: The CDS forms should be completed and signed by the margin provider. The margin provider shall be the principal applicant.

The documentation applicable for institutions shall be applicable to the borrower in instances where the borrower is an institution.

(b) Accounts for lending purposes

(In the event listed securities are accepted by a Bank licensed by the Central Bank of Sri Lanka when granting a facility to a shareholder)

- CDS Form 2 completed by the first (registered) owner.
- CDS 2 (B) completed by the first (registered) owner.
- A certified copy of the agreement relating to the grant of the facility
- The intention of the parties to open accounts for lending purposes in the CDS should be stated in the Agreement.
- A copy of the Power of Attorney (POA) granted by the shareholder to the bank (Alternatively provisions in the POA may also be included in the Agreement).

To transfer shares from an individual/Body corporate account to the accounts for lending purposes, the CDS requires the under mentioned documents together with duly completed CDS transfer form.

- Original document of the approval granted by SEC
- Confirmation of stamp duty paid to the Department of Inland Revenue (if applicable)

(c) Segregated Accounts

In the event a company requires opening a segregated account, the company should pass a resolution to that effect. This resolution should clearly indicate the purpose of the segregation. Such company should instruct the CDS the title of such segregated account.

Documentation Required:

- CDS Form 2 completed by the applicant.
- CDS Form 2(A) – KYC Profile
- CDS Form 2(B) completed and signed by the applicant.
- If the account to be opened under a Power of Attorney a certified copy of the same is required.
- A copy of the resolution as mentioned above or a copy of the swift message

1.4.1.4 Funds

- Copy of the document relating to the name of the fund, place, and date of establishment of the Fund (Prospectus, Trust Deed, or another legal document)
- Copy of the document relating to appointment of the Manager of the Fund or Trustees
- If the Fund Manager/Trustee is a company,
 - (a) Name of the Fund Manager.
 - (b) Date of Incorporation.
 - (c) Place of Incorporation.
 - (d) Registered Address
- Sufficient proof that the Fund Manager/Trustee is incorporated – proof being incorporated. Certificate of incorporation from the Registrar of Companies or the relevant authority in its country of origin is required.
- If the Fund Manager/Trustee(s) is not an incorporated entity, individual names and addresses of the persons who are responsible for the management of the fund should be given.
- Source of the applicant fund where available
- Purpose/objective of the fund
- A copy of the letter issued by the supervisory authority of the relevant country (within a period of one year). However, where the applicant fund is exempted from regulation,

a confirmation must be provided of the Law under which the fund is exempted and other relevant proof.

- For Local Funds: A copy of the Certificate of Registration issued by the Securities and Exchange Commission of Sri Lanka.
- Where the application is titled in the names of the ‘Registered Holder/Global Custodian/Beneficiary’ and forwarded through a Custodian Bank, a copy of the SWIFT message or similar document issued by the Global Custodian instructing the local Custodian Bank to open the account on behalf of the beneficiary Company should be submitted together with a declaration from the Global Custodian that a Custody arrangement or agreement exists between the Global Custodian and the beneficiary.
- Copy/copies of the Custody Agreement/s.
- Details of beneficiaries/unit holders of the Fund
- Sufficient proof that the applicant fund is legally permitted to invest in securities outside the country of its incorporation or establishment – proof being, for example – in the form of Memorandum & Articles of Association, Prospectus or other relevant documents.
- CDS Form 2
- CDS Form 2(A) – KYC Profile
- CDS Form 2 (B)

Note: The person signing the documents on behalf of the applicant should be identified as follows,

- (i) A certified copy of the Board Resolution /Power of Attorney authorizing such person to sign on behalf of the Fund
- (ii) A copy of Passport of such person/s
- (iii) A letter from the Participant confirming the name of the applicant, registered address of the applicant, name of the Fund Manager, registered address of the Fund Manager, and the place and date of incorporation of the Fund Manager (where applicable)

Certification of non-resident applicants as per the FIU Guidelines

- (i) By the Company Registry or similar authority, where the documents were originally issued (applicable for Corporate Bodies), or

- (ii) By a Sri Lankan diplomatic officer or Sri Lankan consular officer in the country where the documents were originally issued, or
- (iii) By a Solicitor, Attorney-at-Law, Notary Public, practicing in the country where the applicant resides, or
- (iv) Custodian Bank, or
- (v) Global Custodian – The Custodian Bank should certify the authenticity of the signature of the Global Custodian or,
- (vi) Broker. (Applicable only in respect of Individuals.)

1.4.1.5 CDS Accounts for Trading in Multi Currency Board

- Only Custodian Participants are permitted to open and maintain Client Accounts in the CDS on behalf of non-resident body corporates and non-resident natural persons intending to trade in securities listed on the Multi-Currency Board of CSE.
- Multi-Currency CDS accounts can be opened only if the clients already have a normal CDS account in Dealings Allowed status, with the same Custodian Participant forwarding the request to open the account to trade in Multi Currency Board.
- The client should forward the duly completed CDS 33 Form through the Custodian participant to open the foreign currency CDS account.

2 Dematerialization (Deposit) of Securities Certificates

2.1 Procedure for Deposit of Securities Certificates

- (i) An account holder who wishes to deposit a securities certificate in the CDS is required to submit the following forms mentioned under 2.2.
- (ii) The Participant shall verify the accuracy of information provided in the CDS Form 3, 3(A), 4 and 4 (A) with the Securities Certificate (s). The documents [CDS Form 5, 5(A) and the CDS Form 3, 3 (A), 4, 4(A)] should be certified by an authorized signatory of the Participant.
- (iii) The Participant is required to forward the relevant documents to the CDS under cover of CDS Form 25 to the CDS counter.
- (iv) The CDS shall reject incomplete deposit documentation giving reasons for rejection (CDS Form 14) and return the same to the Participant.
- (v) After due examination of the documents, the CDS shall record the quantity stated in the securities certificate(s) to the relevant CDS account indicated in the CDS Form 3,3A,4,4A as a pending deposit of securities. The CDS shall inform the Company Secretary of the Listed Entity in writing regarding the pending deposit of securities. It is the responsibility of the Company Secretary to collect the documents from the CDS.
- (vi) The Company Secretary of the Listed Entity shall confirm/reject the registration of securities in the name of the CDS in the share register of the Listed Entity, in writing to the CDS within two (2) market days from the date of the written notice from the CDS.
- (vii) In the event the relevant Company Secretary of the Listed Entity rejects the registration of such securities in the name of the CDS in the share register of the Listed Entity, the Company Secretary shall indicate the reasons for such rejection. On receipt of such notification from the Company Secretary, the CDS shall cancel the pending deposit and return the securities certificate(s) to the Participant.
- (viii) The CDS shall credit the securities to the client account only upon written confirmation from the relevant Company Secretary.

(ix) If the Participant requires a deposit of securities to a client account on an urgent basis, the CDS 38 form shall be used to get a prior endorsement of the securities certificates from the relevant Company Secretary.

Note: CDS may accept securities directly from Listed Companies or such other Issuers of securities. Deposits of Provisional Allotment of Rights will not be kept as pending deposits.

2.2 Documents required

- (i) Form 3 - Transfer on Deposit to the tradable balance for Nationals
- (ii) Form 3 A - Transfer on Deposit to the locked balance for Nationals
- (iii) Form 4 - Transfer on Deposit to the tradable balance for Non-Nationals
- (iv) Form 4 A - Transfer on Deposit to the locked balance for Non-Nationals
- (v) Form 5 - Deposit Slip to the tradable balance
- (vi) Form 5A - Deposit slip to the locked balance

together with the relevant securities certificates to the relevant Participant.

Note: If the deposit is to be made by a person acting under a Power of Attorney, a copy of the Power of Attorney which is registered with the respective Company Secretary/Registrar should be attached with the above documents.

If the CDS account is opened with the NIC and if the securities certificate bears the EPF number, a EPF statement which carries both the EPF number and NIC number should be submitted. Alternatively, a letter from the Estate Superintendent can be submitted confirming that EPF holder and the NIC holder is one and the same.

If the CDS account is opened under the passport, to deposit certificates bearing the NIC number; a copy of the passport should be submitted with the deposit documentation to confirm that it relates to the same person. The NIC number should be indicated in the passport.

In the event of a discrepancy of a name between the CDS account, the CDS shall return the share certificate to the participant. In such an instance the share certificate would have to be referred to the relevant Company secretary for rectification or verification.

2.3 Deposit of securities to a Locked balance in the CDS

Account holders have the option of locking either wholly or in part any securities held in a CDS account. The locking facility is a method for shareholders of listed companies to hold securities that they would not wish to trade, in the CDS.

- The CDS would maintain two balances for each CDS account, namely a trading balance and a “locked” balance.
- Once deposited into a locked balance, securities can only be unlocked and made available for trading upon the written authorization given by the Account Holder.
- The locked balance will not be visible to the CDS participants (other than in the instances set out below) thereby maintaining the confidentiality of the information. Trading on locked balances would be suspended.

Note: The “locked” account balances will not be visible to CDS Participants except in the following instances.

- (i) When a deposit of a share certificate is made to a “locked” balance.
- (ii) When a transfer request is made to transfer securities from a trading balance to a “locked” balance or vice versa.
- (iii) When a withdrawal request is made to withdraw securities from a “locked” balance.

3 Transfer of Securities

This section describes the procedures to be complied with for transfers of securities between the Client accounts in the following instances:

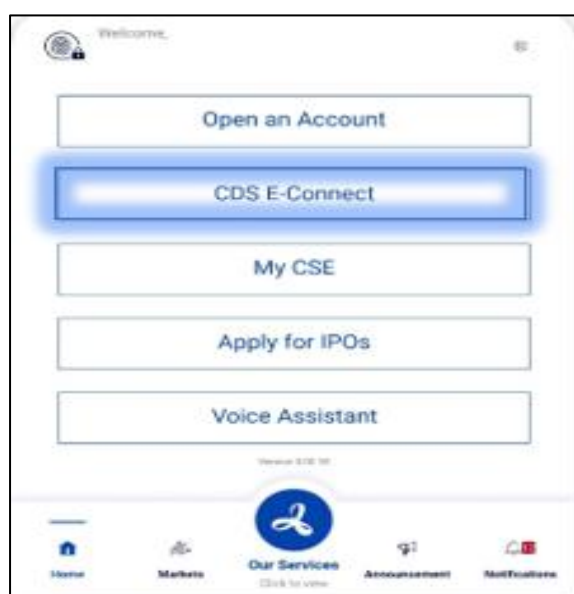
- Change of Participant- transfer of an account from one Participant to another
- Change of Beneficiary - transfer from one account holder to another in instances of a gift, on the death of an account holder or any other off market transfer approved by the SEC.
- Transfers pertaining to Takeovers, Mergers and Repurchases
- Transfer from locked balance to a tradable balance and vice versa
- Transfer from Locked balance of a one participant to another participant

3.1 Procedure for Transfer of Securities

Procedure for Transfer of Securities between Two Participants (Decentralized Intra Transfers)

3.1.1 Online Transfers

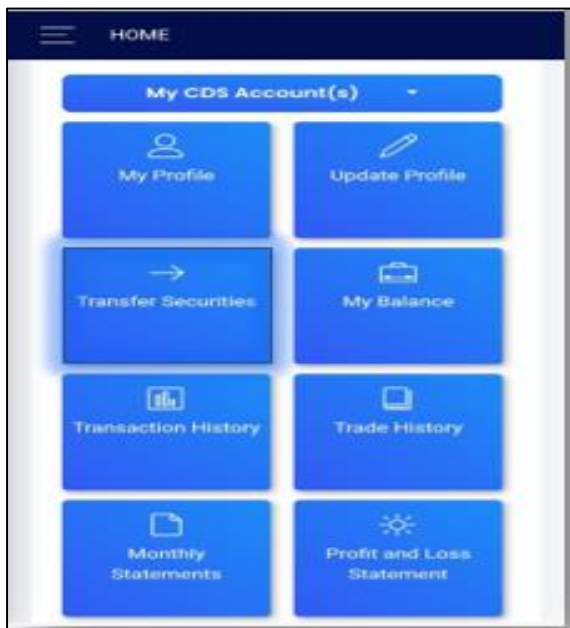
3.1.1.1 Individual Accountholders



- (i) Select Our Services option and select the CDS E-connect option.

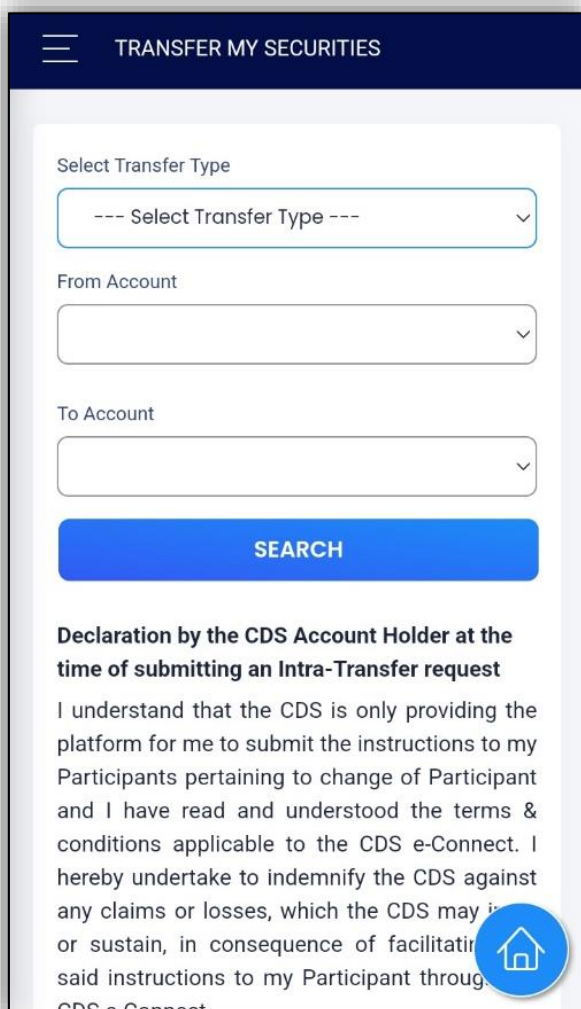
To initially use the CDS E-connect facility you must register to it by filling your initial details and providing supporting documents.

Within a reasonable amount of time your broker will check the submitted information and authorized for you to use the CDS E-connect facility.



(ii) After the authentication (Mobile password, fingerprint, or facial recognition) select the transfer security option shown in the CDS E-Connect.

(iii) After selecting the transfer security option, you will be linked to the Security transfer user interface.



- Select the Transfer Type

You will be getting 3 types of security transfer options among your CDS accounts or in the same account with separate security holding instructions.

- Tradable to Tradable
- Locked to Tradable
- Locked to Locked

- Select the “From CDS Account”

This must be the account which have the securities you want to transfer from to another account.

TRANSFER MY SECURITIES

Select Transfer Type: Tradable to Tradable

From Account: HDF/123456789-VN/0

To Account: HDF/123456789-VN/0

SEARCH

Search: _____

<input type="checkbox"/>	Security	Balance	Transfer Quantity
<input checked="" type="checkbox"/>	SAMPN0000	18	18

TRANSFER

Declaration by the CDS Account Holder at the time of submitting an Intra-Transfer request

I understand that the CDS is only providing the platform for me to submit the instructions to my Participants pertaining to change of Participant and I have read and understood the terms & conditions applicable to the CDS e-Connect. I hereby undertake to indemnify the CDS against any claims or losses, which the CDS may incur or sustain, in consequence of facilitating the said instructions to my Participant through the CDS e-Connect.

[Show pending transfers](#)

- **Select the “To CDS Account”**

This must be the account which you want to send the securities from the source account which already has securities.

(iv) Select the security/ Securities you want to transfer and specify the transfer quantity

(v) By reading and agreeing to the Declaration select the transfer button as shown in the example.

Note: Through the mobile app You can only transfer securities across the account which you hold (Intra transfers) and not to the CDS accounts of some other individual or entity.

3.1.1.2 Institutional Accountholders

Institutional Accountholders such as Local/Foreign Companies, Margin Providers, Wealth & Fund Managers and Custodian Banks can Transfer securities online through the CDS e-connect. The e-connect facility can be obtained by submitting the CDS 29B form to the CDS through the Institutional accountholder’s registered participant. A Board resolution, user details and fee payment confirmation also need to be submitted to obtain the e-connect facility.

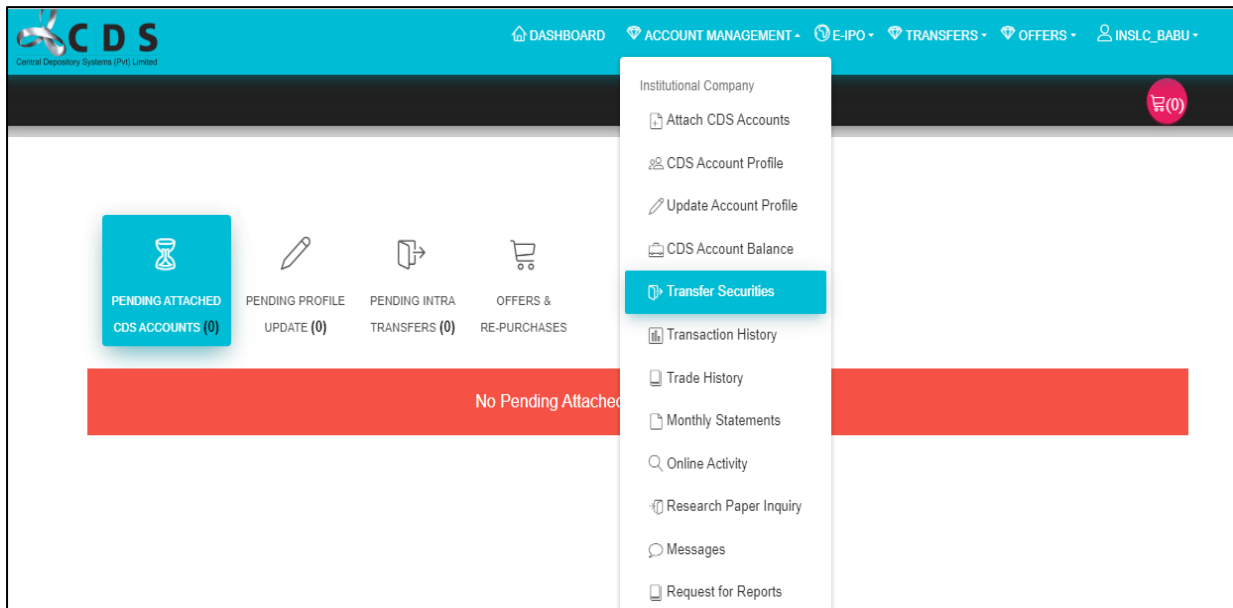
3.1.1.2.1 Local/Foreign Companies

The procedure is as follows.

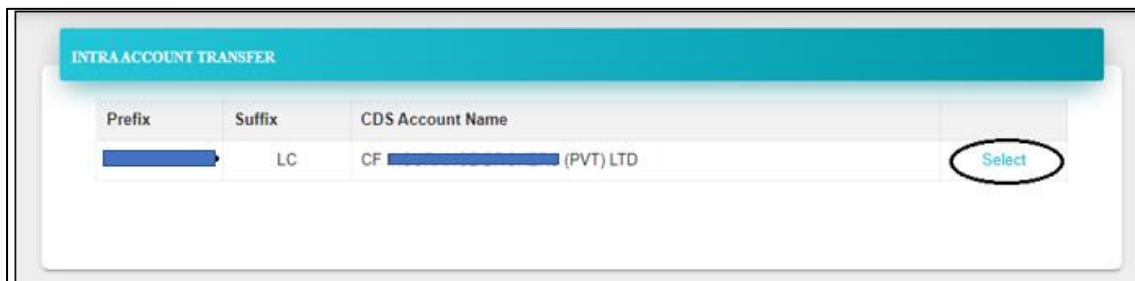
Local Company (LCs) Intra Account Transfer Process – Verify User

(i) Go to “Account Management” and then select “Transfer Securities”

This feature enables a Local Company (LC) to transfer securities between different brokers, known as "Broker to Broker Transfer."



(ii) Subsequently, a window displayed below will appear, requiring the user to click on the "Select" button for the respective account/s.



INTRA ACCOUNT TRANSFER DETAIL

CDS Account Name CF [redacted] (PVT) LTD

Transfer Type
 -- SELECT TRANSFER TYPE --

From Account

To Account

Security
 ABC.N0000 (OPTIONAL)

SEARCH BACK

(iii) Then, the following window will be displayed, and the user needs to update each field accordingly to facilitate the transfer of securities.

(a) Transfer Type

Select the required Transfer type from the drop-down menu available.

CDS Account Name CF [redacted] (PVT) LTD

Transfer Type
 -- SELECT TRANSFER TYPE --

-- SELECT TRANSFER TYPE --
 Tradable to Tradable
 Locked to Locked
 Locked to Tradable

To Account

(b) From Account

From the available dropdown list, the user is required to select the source account for the transfer of securities.

INTRA ACCOUNT TRANSFER DETAIL

CDS Account Name CF [REDACTED] (PVT) LTD

Transfer Type
Tradable to Tradable

From Account
-- SELECT FROM ACCOUNT --

-- SELECT FROM ACCOUNT --

ASI [REDACTED] LC/0
DSA [REDACTED] -LC/0
NBS [REDACTED] -LC/0
FWS [REDACTED] -LC/0

(c) To Account

From the dropdown list, the user should choose the appropriate destination account for the transfer of securities.

INTRA ACCOUNT TRANSFER DETAIL

CDS Account Name [REDACTED] (PVT) LTD

Transfer Type
Tradable to Tradable

From Account
DSA/[REDACTED] LC/0

To Account
-- SELECT TO ACCOUNT --

-- SELECT TO ACCOUNT --

ASI [REDACTED] LC/0
NBS [REDACTED] -LC/0
FWS [REDACTED] -LC/0

(d) Security

The security field allows users to search with or without entering a specific security. If a particular security is entered, only that security will be displayed; otherwise, all securities meeting the other three criteria will appear.

A sample search result would be as follows.

<input type="checkbox"/> All	Security	Balance	Pending Transfer Amount	Transfer Amount
<input type="checkbox"/>	ACL.N0000		0	<input type="text"/>
<input type="checkbox"/>	BIL.N0000		0	<input type="text"/>
<input type="checkbox"/>	EXPO.N0000		0	<input type="text"/>
<input type="checkbox"/>	HAYL.N0000		0	<input type="text"/>
<input type="checkbox"/>	JKH.N0000		0	<input type="text"/>
<input type="checkbox"/>	LOLC.N0000		0	<input type="text"/>
<input type="checkbox"/>	LWL.N0000		0	<input type="text"/>
<input type="checkbox"/>	MELS.N0000		0	<input type="text"/>
<input type="checkbox"/>	RCL.N0000		0	<input type="text"/>
<input type="checkbox"/>	TILE.N0000		0	<input type="text"/>

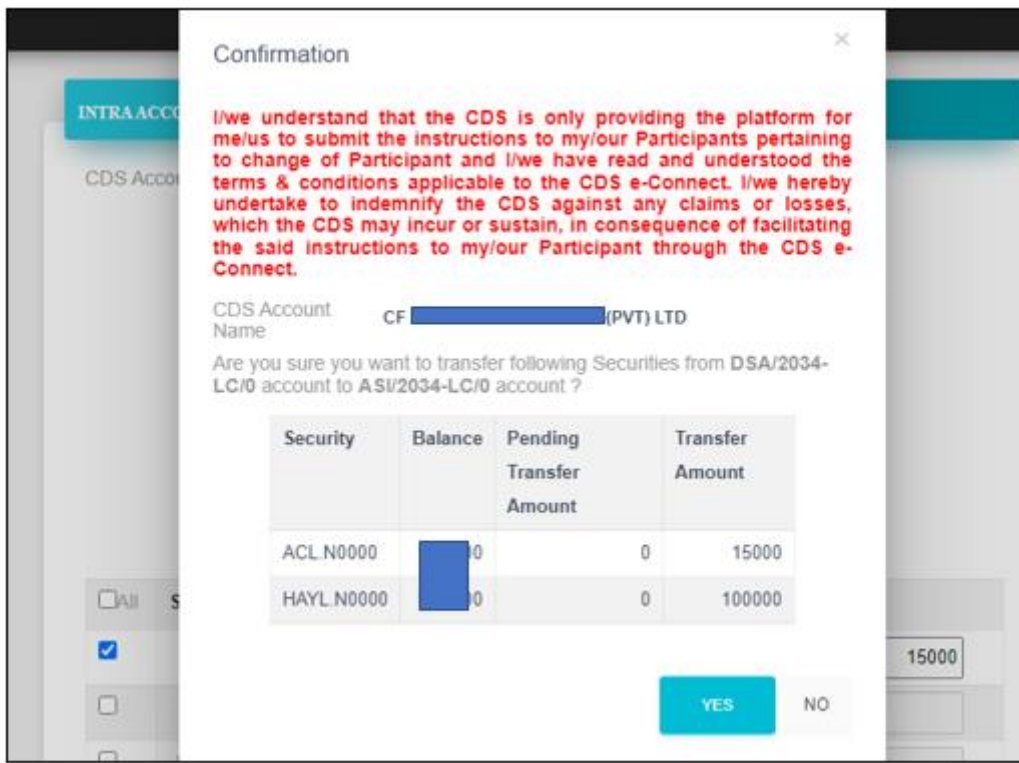
1 2

<input type="checkbox"/> All	Security	Balance	Pending Transfer Amount	Transfer Amount
<input checked="" type="checkbox"/>	ACL.N0000	00	0	<input type="text" value="15000"/>
<input type="checkbox"/>	BIL.N0000	00	0	<input type="text"/>
<input type="checkbox"/>	EXPO.N0000	00	0	<input type="text"/>
<input checked="" type="checkbox"/>	HAYL.N0000	00	0	<input type="text" value="100000"/>
<input type="checkbox"/>	JKH.N0000	50	0	<input type="text"/>
<input type="checkbox"/>	LOLC.N0000	84	0	<input type="text"/>
<input type="checkbox"/>	LWL.N0000	00	0	<input type="text"/>
<input type="checkbox"/>	MELS.N0000	00	0	<input type="text"/>
<input type="checkbox"/>	RCL.N0000	00	0	<input type="text"/>
<input type="checkbox"/>	TILE.N0000	00	0	<input type="text"/>

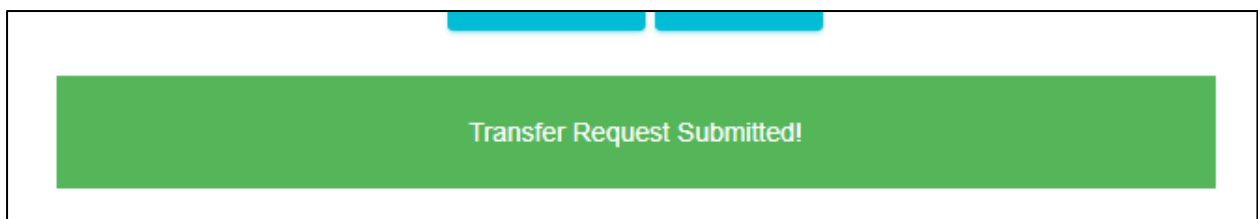
1 2

To transfer the securities, the user is required to select the securities by ticking the corresponding checkboxes provided. Subsequently, the user must manually enter the transfer amount in the designated "Transfer Amount" section. Finally, the user should proceed by clicking the "Transfer" button.

After clicking the "Transfer" button, a "Confirmation" window will pop up. The user can then choose to confirm the transfer of securities by clicking "Yes" or cancel it by clicking "No".



After a successful transfer request, a similar window will appear, indicating that the user's submission was successful. The request will be forwarded to the "Authorized User" for approval.

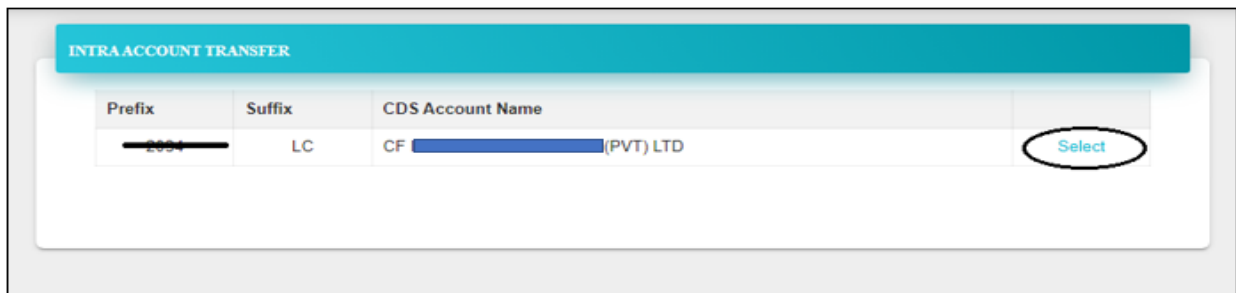


Local Company (LCs) Intra Account Transfer Process – Authorize User

Upon successful submission of a security transfer request by the verifying user, it will be forwarded to the "Authorize User" for approval. The authorized user is required to follow the following steps to approve the request.

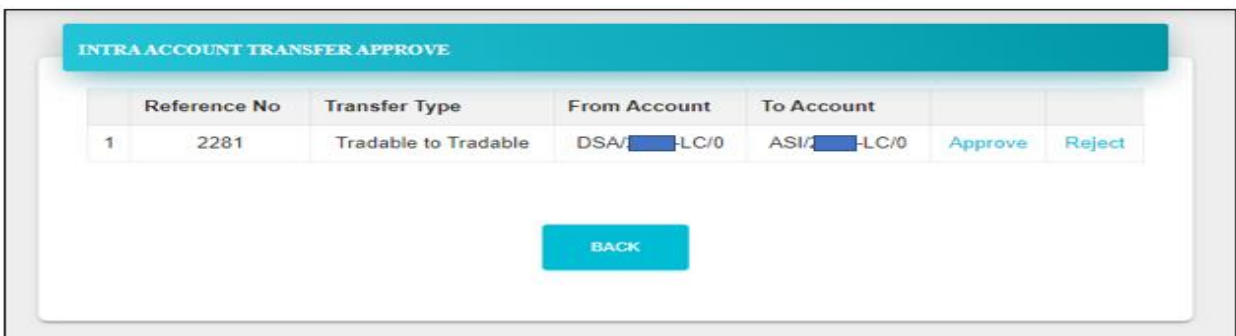
- (i) Go to “Account Management” and then select “Transfer Securities”

Click the "Select" button when the below window appears.



Prefix	Suffix	CDS Account Name	
2281	LC	CF [redacted] (PVT) LTD	Select

- (ii) From following window, the user can select the relevant transfer request and make the decision to either "Approve" or "Reject" by clicking the corresponding buttons.



Reference No	Transfer Type	From Account	To Account	Approve	Reject
1 2281	Tradable to Tradable	DSA/[redacted]-LC/0	ASI/[redacted]-LC/0	Approve	Reject

BACK

- (iii) A "Confirmation" window will once again appear, requiring the user to confirm the approval of the transfer request. If all the details are accurate, the user should tick the corresponding checkboxes and proceed by clicking the "Yes" button.

- (iv) After selecting the "Yes" button, a confirmation message will appear as follows.

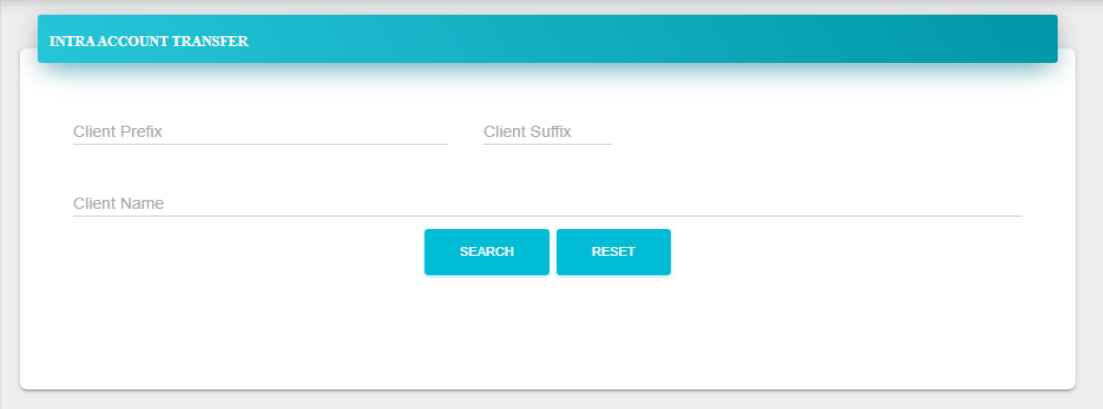


Intra account transfer approved successfully. From - DSA:[redacted]-LC/0 To - ASI/[redacted]-LC/0 - (Reference No - 2281)

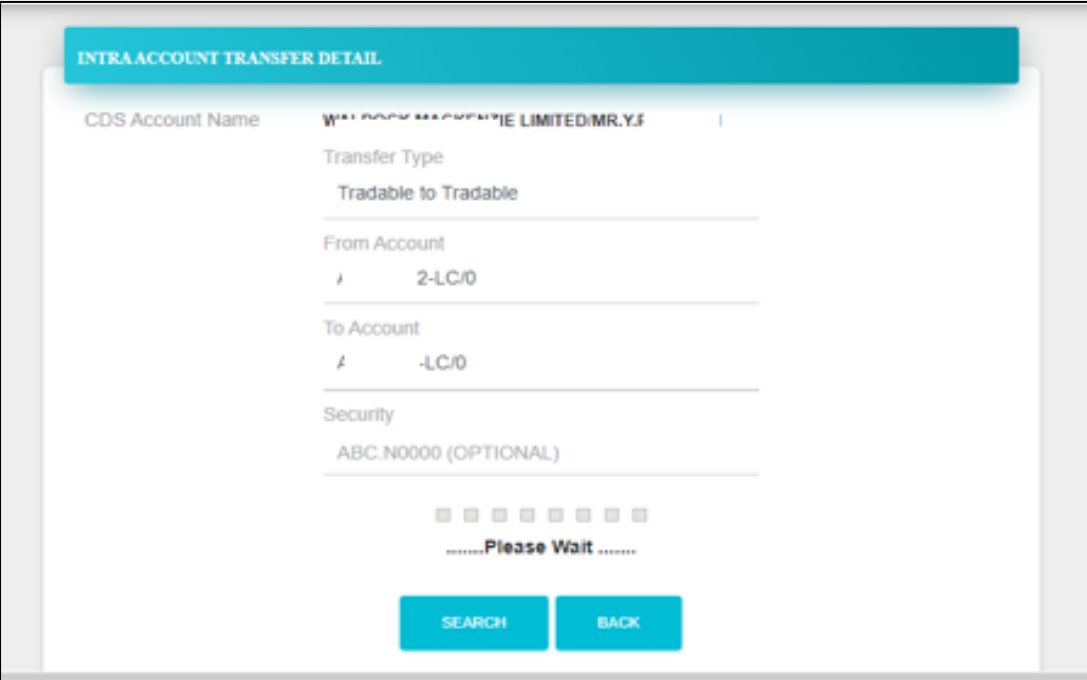
Margin Providers/Wealth & Fund Managers/Custodian Banks

Using the CDS E-connect, Margin Providers/Wealth & Fund Managers/Custodian Banks can transfer securities of the client accounts from one Participant to another.

Go to “Account Management” and select “Transfer Securities”. In this window users can either enter the relevant “Client Prefix and Client Suffix” of the relevant client account or do a general search and then select the required client account.



The screenshot shows a web form titled "INTRA ACCOUNT TRANSFER". It features three input fields: "Client Prefix", "Client Suffix", and "Client Name". Below these fields are two buttons: "SEARCH" and "RESET".



The screenshot shows a web form titled "INTRA ACCOUNT TRANSFER DETAIL". It contains several fields with pre-filled or selected values: "CDS Account Name" (WILLIS TOWERS WATSON LIMITED/MR.Y.F), "Transfer Type" (Tradable to Tradable), "From Account" (2-LC/0), "To Account" (-LC/0), and "Security" (ABC.N0000 (OPTIONAL)). Below these fields is a "Please Wait" indicator with a progress bar and two buttons: "SEARCH" and "BACK".

Users need to update each field as required and submit.

Once the user clicks the “Submit” this will automatically lead to the Authorized User of the institution for the approval. Once the Authorized user approves it, the request gets directed to

the relevant Participant for the approval. Once the stockbroker approves it then the request comes to the CDS to update the system. The system update take place using a Robotic Process Automation (RPA) process.

Online Joint Account Transfers

Online Intra Transfers between Joint accounts belonging to the same joint combination among two different participants can be performed through the CDS e-connect. One of the main pre-requisites is both the main holder and joint holders having CDS accounts and being registered to the CDS e-connect.

Main Holder

The Main holder to the joint account shall initiate the Intra Transfer indicating the intended CDS Accounts, securities & the quantities. Once the Transfer is submitted, it will move for the joint holders’ approval.

The image displays three sequential screenshots of the CDS e-connect interface for initiating an intra-transfer.

Screenshot 1: Home Dashboard
 The user is logged in as Mr. Perera. The 'Transfer Securities' button is highlighted with a red box.

Screenshot 2: Transfer My Securities - Form
 The user selects 'Transferable to Tradableable' as the transfer type. The 'From Account' is 'ASI/VN/T'. A warning message states: 'Joint holder (s) of the selected CDS account must be registered for CDS E-Connect in order to authorise this transfer. Please contact your stockbroker for more information.' The 'To Account' is set to '--- Select CDS Account ---'. A 'SEARCH' button is visible.

<input type="checkbox"/>	Security	Balance	Transf
<input type="checkbox"/>	BIL.N0000	338	338
<input type="checkbox"/>	EXPO.N0000	615	615
<input type="checkbox"/>	LOFC.N0000	39,350	39350

Declaration by the CDS Account Holder at the time of submitting an Intra-Transfer request
 I understand that the CDS is only providing the platform for me to submit the instructions to my Participants pertaining to change of Participant and I have read and understood the terms & conditions applicable to the CDS e-Connect. I hereby undertake to indemnify the CDS against any claims or losses, which the CDS may incur or sustain, in consequence of facilitating the said instructions to my Participant through the CDS e-Connect.

TRANSFER

Show pending transfers

TRANSFER MY SECURITIES

Select Transfer Type
 Tradable to Tradable

From Account
 ASB/ [REDACTED] VN/1

Joint holder (s) of the selected CDS account must be registered for CDS E-Connect in order to authorized this transfer.
 Please contact your stockbroker for more information.

To Account
 HDF/ [REDACTED] VN/1

SEARCH

Successfully Saved
 Reference No:2263

Search:

<input type="checkbox"/> TA	Security	Balance	Transf
<input checked="" type="checkbox"/>	BIL.N0000	338	338
<input type="checkbox"/>	EXPO.N0000	615	615
<input type="checkbox"/>	LOFC.N0000	39,350	39350

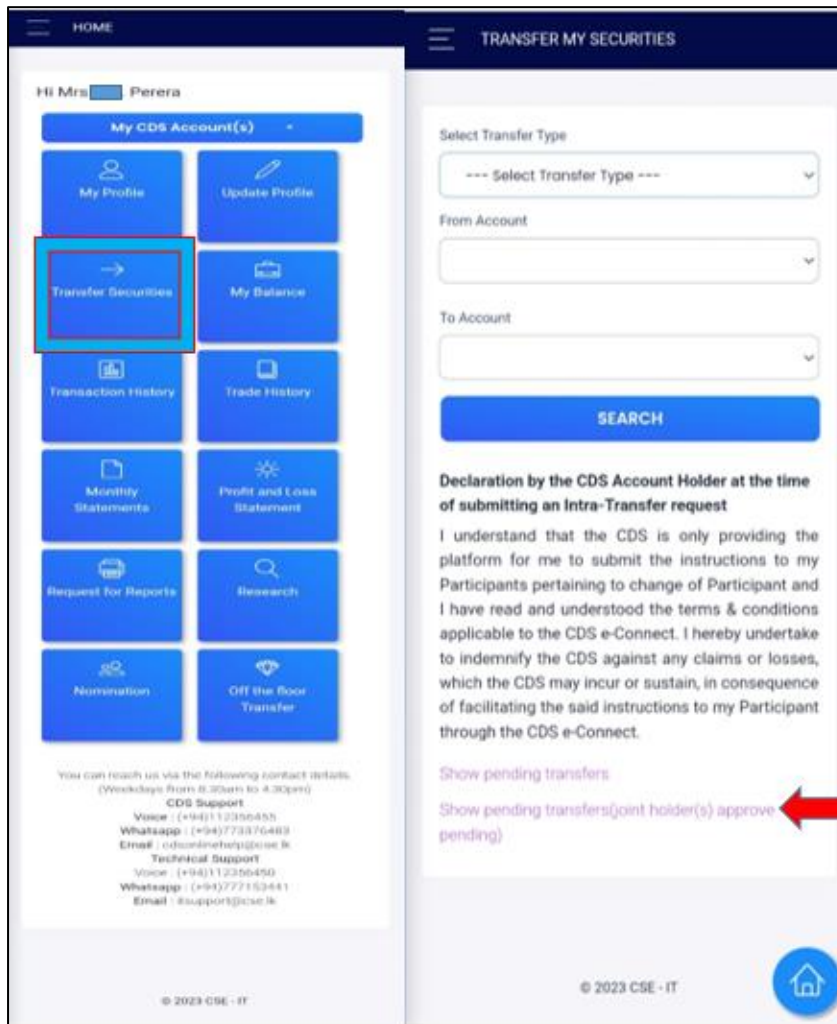
Declaration by the CDS Account Holder at the time of submitting an Intra-Transfer request

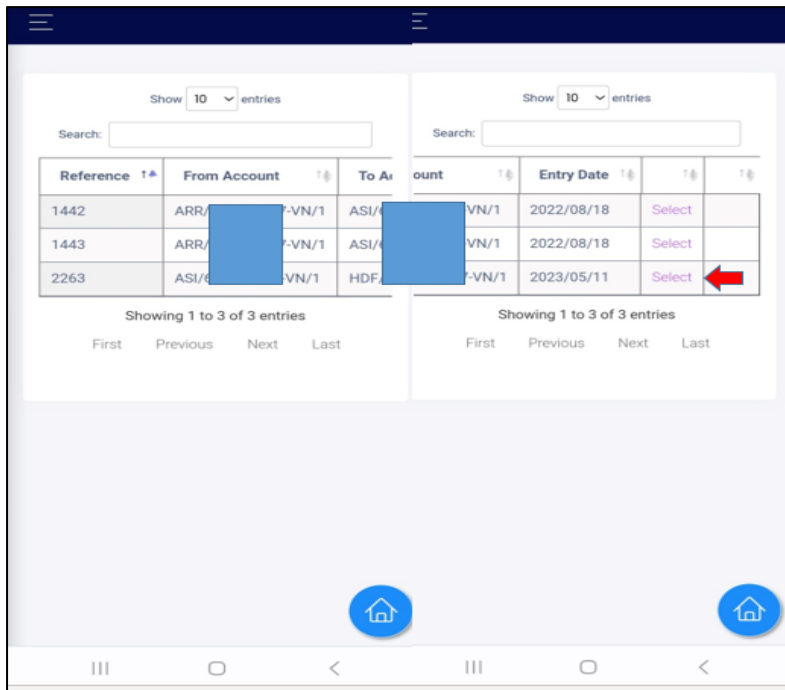
I understand that the CDS is only providing the platform for me to submit the instructions to my Participants pertaining to change of Participant and I have read and understood the terms & conditions applicable to the CDS e-Connect. I hereby undertake to indemnify the CDS against any claims or losses, which the CDS may incur or sustain, in consequence of facilitating the said instructions to my Participant through the CDS e-Connect.

TRANSFER

Joint Holder

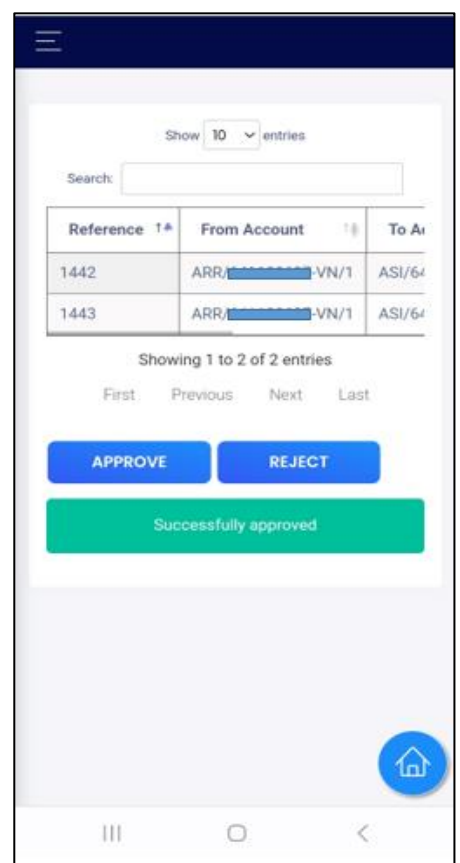
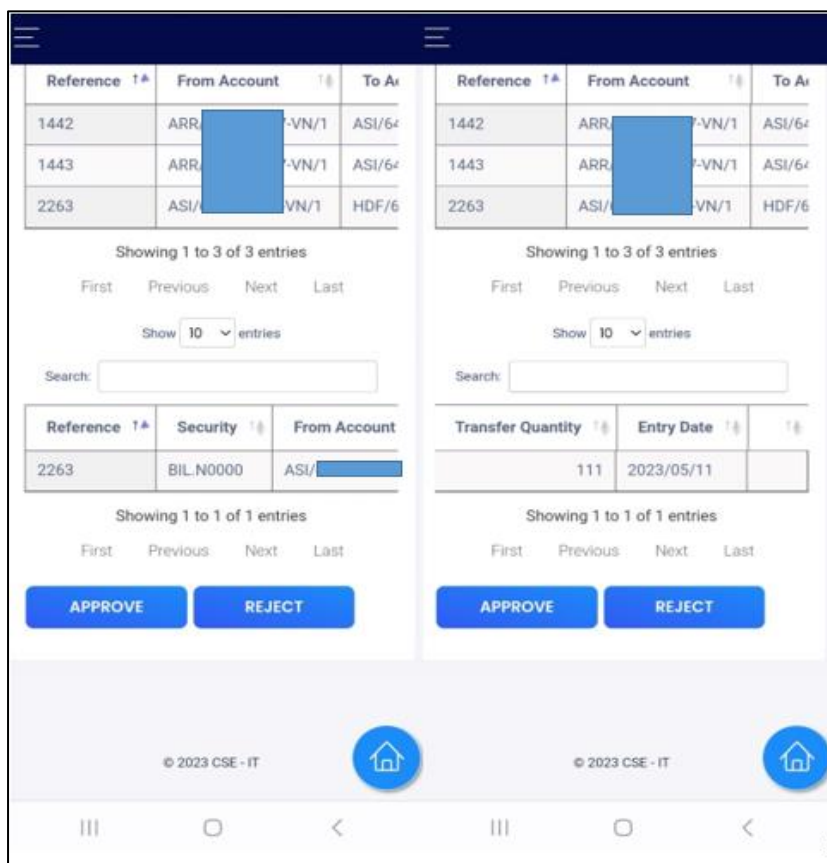
Joint Holder/s need to login to the CDS E-connect with their login/s and select Transfer securities. Under Transfer securities, select 'Show pending Transfers (Joint holder/s approval pending)' need to be selected.





The transfer with the relevant reference number shall be selected. If the CDS account details, securities and the quantities are matching the intended request, each joint holder shall approve the request.

After the joint holders' approval, the request will reach the relevant CDS Participants for their approval. There will be two Officers from each CDS Participant that needs approve the request. Thereafter, the request will reach the CDS where a Robotic Process Automation is in place to process the joint holders' intra security Transfer request.



At the completion of the process, an email and an App notification will be sent to the relevant parties

Offline Transfers

- (i) Participants should utilize the system provided by the CDS to carry out the change of participant transfers.
- (ii) Account holder(s) should submit the relevant documents (as prescribed in 3.2) to the receiving (Destination) Participant.
- (iii) The receiving participant should then initiate the transfer by requesting via the provided system to the sending broker.
- (iv) Once the sending participant (Source) receives the request they can authorize the share transfer via the provided system.
- (v) A duly completed CDS 6B form should be scanned and submitted to the CDS via electronic means prescribed by the CDS on the day of initiating the transfer.
- (vi) The originals of the submitted documents should be kept with the participants as per the Section 4 of the Financial Transaction Reporting Act, No. 6 of 2006.
- (vii) The Participants (Both Destination & Source) shall be solely responsible for verifying the genuineness, authenticity, and the accuracy of an intra-transfer request, prior to processing them.
- (viii) The Participant shall reject incomplete transfer forms to the client giving reasons for rejection by using a format like CDS Form 14.
- (ix) The Source Participant shall not delay or refuse to carry out an intra-transfer unless for the reasons as specified in CDS Rule 9.1(iv). In such an instance, the Destination participant should be informed on or before the 2nd market day from the receipt of such intra-account transfer request.

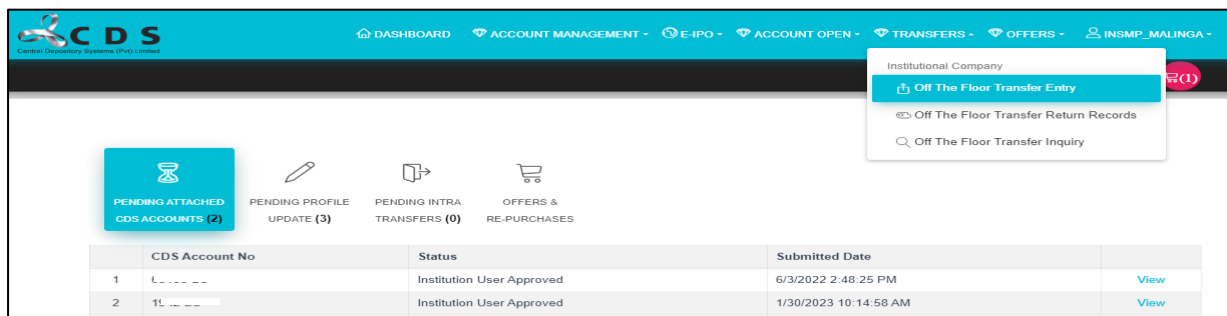
3.1.1.3 Procedure for Transfer of Securities for other Transfer Types Online Transfers - Off the floor Transfers (Margin Providers)

Margin Providers who had obtained the CDS E-connect can perform off the floor transfers through the CDS E-connect as follows.

Verify User

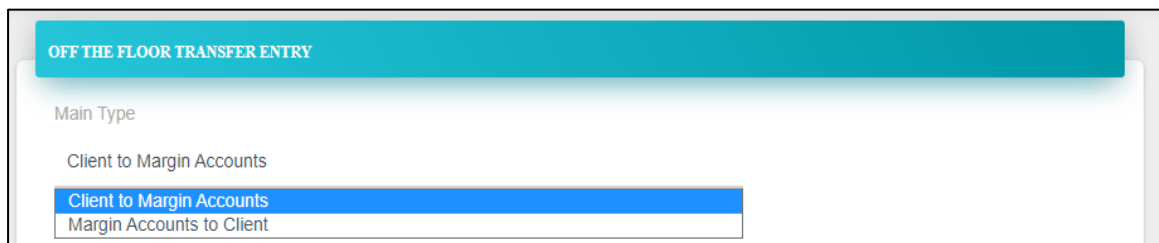
- (i) Participant (Broker Firm) Verify User (1st User) initiates the process

Go to “Transfer” and select “Off the Floor Transfer Entry”

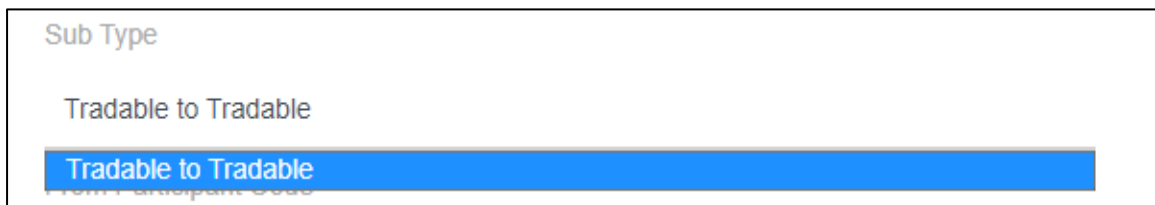


- (ii) Then the verify user must fill the relevant fields based on the off the floor transfer requirements.

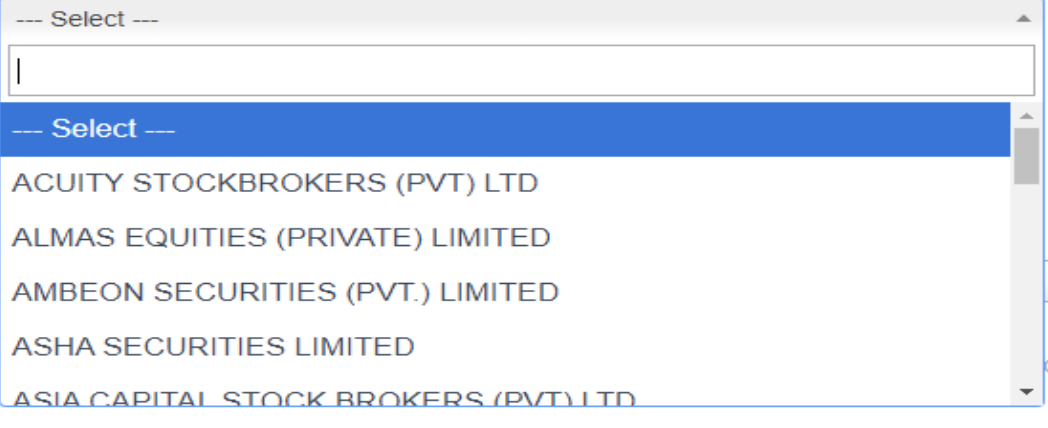
- (a) Select the “Main Type” accordingly



- (b) “Sub Type” is by default selected as “Tradable to Tradable”



(c) “From Participant Code” select the relevant stockbroker from the drop-down menu.



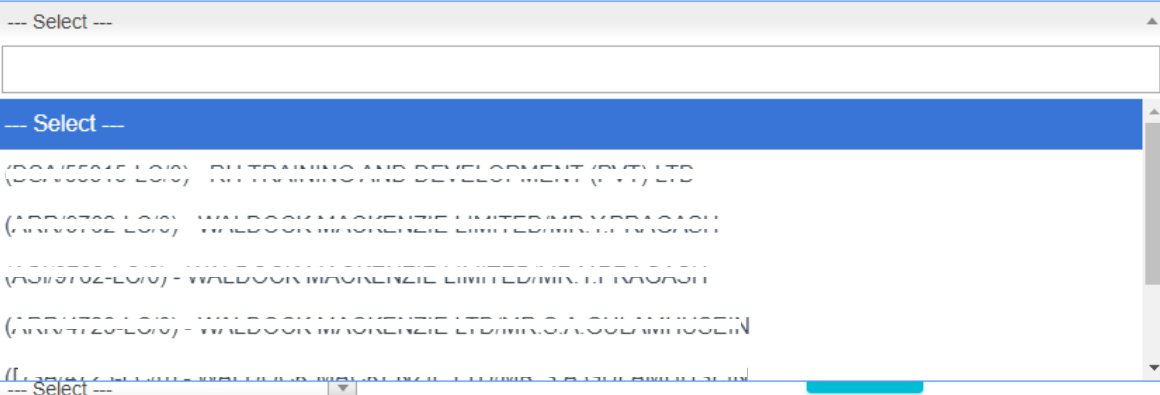
The screenshot shows a dropdown menu titled "From Participant Code". The menu is open, displaying a list of stockbroker names. The first item is "ACUITY STOCKBROKERS (PVT) LTD", followed by "ALMAS EQUITIES (PRIVATE) LIMITED", "AMBEON SECURITIES (PVT.) LIMITED", "ASHA SECURITIES LIMITED", and "ASIA CAPITAL STOCK BROKERS (PVT) LTD". The menu is currently set to "--- Select ---".

(d) Complete the “Prefix, Suffix and Joint No” of the From Account accordingly.




The form contains three input fields: "From Prefix", "From Suffix", and "From Joint No". Each field has a red asterisk (*) below it, indicating it is a required field.

(e) Select the “To Margin Account” from the drop-down list accordingly.



The screenshot shows a dropdown menu titled "To Margine Account". The menu is open, displaying a list of account names. The first item is "(DCN/55015-LO/0) - RH TRAINING AND DEVELOPMENT (PVT) LTD", followed by "(ARN/0702-LO/0) - WALDOCK MACKENZIE LIMITED/MR. Y. PRASADH", "(NSI/0702-LO/0) - WALDOCK MACKENZIE LIMITED/MR. Y. PRASADH", and "(ARN/4720-LO/0) - WALDOCK MACKENZIE LTD/MR. S. A. LOULAMI/JOEIN". The menu is currently set to "--- Select ---".

(f) Update the relevant interest rates applicable to the transfer accordingly.



The form contains two input fields: "Interest Rate indicated in the margin agreement(%)" and "New interest rate for this facility(%)". Each field has a red asterisk (*) below it, indicating it is a required field.

(g) Select the Transfer Agreement’s “validity periods” from the drop - down list

(h) Select the “Security” relevant to the transfer from the drop – down list.

Example: After selecting a security and a quantity and then Add, it should be displayed as follows.

	Security	Quantity	
1	AAF.N0000 - ASIAASSET FINANCE PLC	50	Delete

- (i) User needs to upload the required documents in PDF format or in excel format by clicking the “Choose File” button.

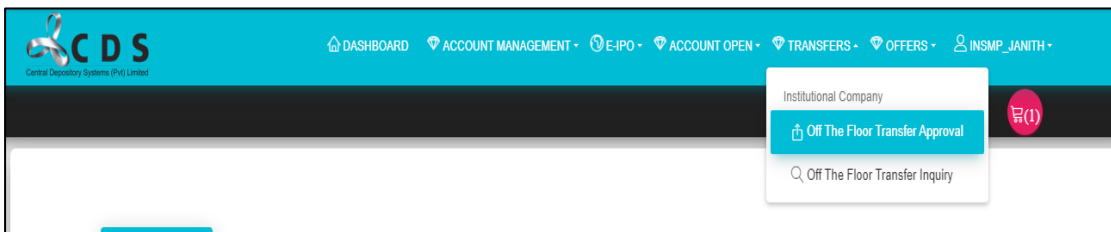
1	Margin Agreement	Mandatory	Choose File	NO FILE CHOSEN
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Optional	Choose File	NO FILE CHOSEN
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Optional	Choose File	NO FILE CHOSEN
4	SEC Payment Confirmation	Mandatory	Choose File	NO FILE CHOSEN
5	SEC Payment Calculation Excel Sheet	Mandatory	Choose File	NO FILE CHOSEN

- (j) As a final step, user needs to click “Submit” button and submit the documents.

Authorize User

Authorized users must approve the off the floor transfer entered by the verify user by login in to authorized user account.

- (i) Go to “Transfer” and select “Off the Floor Transfer Approval”



- (ii) Authorized user must pick the relevant transfer needs to be authorized from the list by clicking “Select”.

The screenshot shows a table titled 'OFF THE FLOOR TRANSFER APPROVAL PENDING RECORDS'. The table has columns for Reference No, From CDS A/C, To CDS A/C, and User Status. The 'User Status' column contains 'Margin Provider Authorization Pending' and a 'Select' button for each row. A large white box is overlaid on the 'From CDS A/C' and 'To CDS A/C' columns.

Reference No	From CDS A/C	To CDS A/C	User Status
1	103		Margin Provider Authorization Pending Select
2	104		Margin Provider Authorization Pending Select
3	122		Margin Provider Authorization Pending Select
4	1481		Margin Provider Authorization Pending Select
5	1688		Margin Provider Authorization Pending Select
6	1106		Margin Provider Authorization Pending Select
7	1341		Margin Provider Authorization Pending Select
8	1422		Margin Provider Authorization Pending Select
9	1689		Margin Provider Authorization Pending Select

(iii) Once the authorized user selects the relevant account, authorized user can re-check the details entered by the verify user. In the below section, authorized user needs to mark “Tick” sign once the authorized user checked it.

1	Margin Agreement	Download	<input checked="" type="checkbox"/>
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Download	<input checked="" type="checkbox"/>
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Download	<input type="checkbox"/>
4	SEC Payment Confirmation	Download	<input type="checkbox"/>

(iv) As a final step, the authorized user needs to select the final “Decision” and add a comment and click the “Add” button and then click the “Submit” button.

Decision

Approve
 Return
 Reject

Comment ADD

SUBMIT

Client Approval for the Off the Floor Transfer

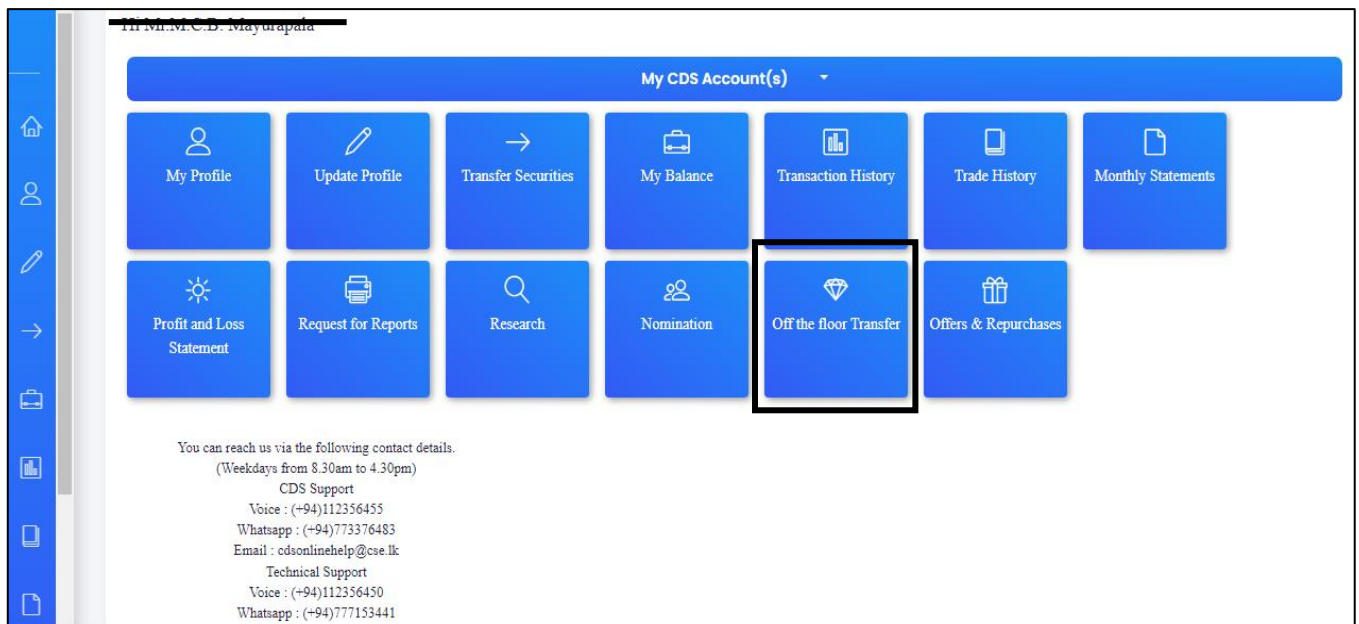
Once the authorized user of the Margin provider approves the transfer request, it is sent to the client of the Margin Provider (the requester) for their approval. The approval process differs based on the client type.

For individual clients, only one approval is required. The client reviews the request and gives their approval to proceed with the transfer.

Corporate clients have a **two-step approval process**. First, the client's designated personnel or department verifies the request and once verified, the request moves to the next level, where authorized personnel or decision-makers review and provide final approval for the transfer.

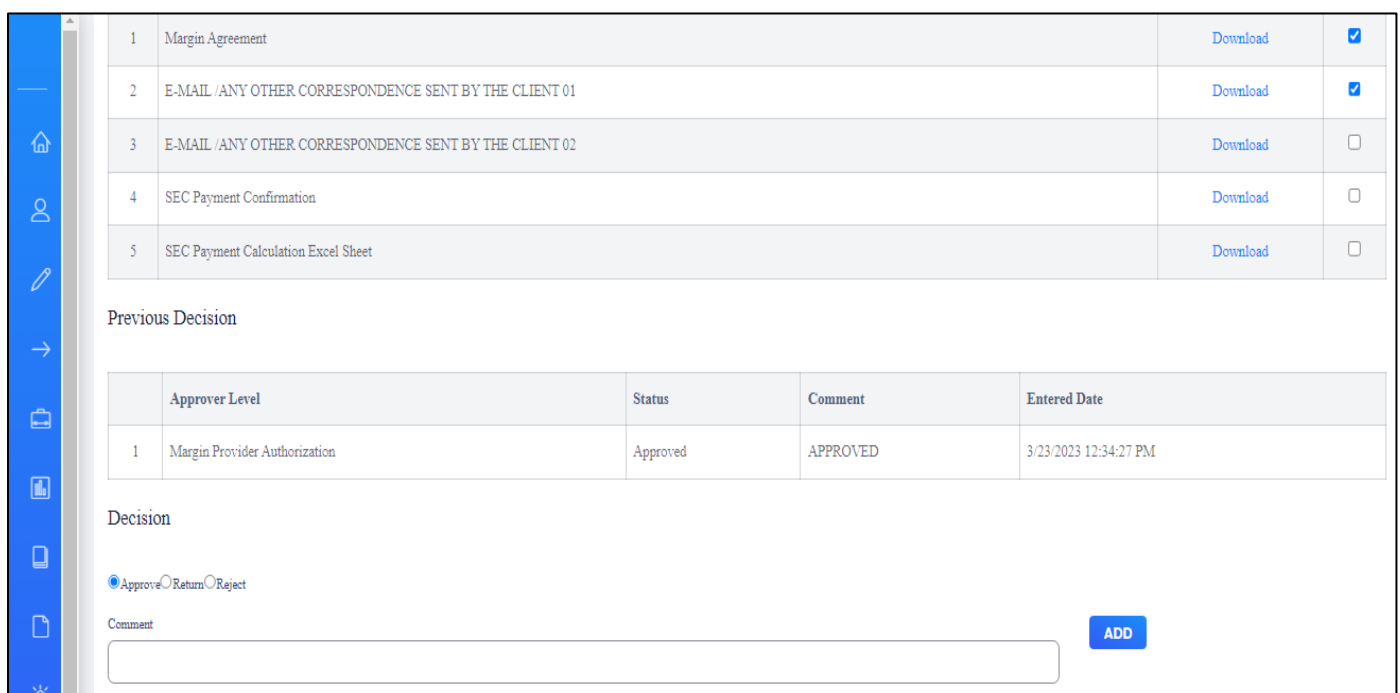
Example – Individual Client approval process.

From **CDS e connect app** main menu, client needs to select “**Off the Floor Transfers**”



From the “**OFF THE FLOOR TRANSFER APPROVAL PENDING RECORDS**” list, client can select the relevant off the transfer request and approve the request.

The client has the ability to review the off-the-floor transfer request submitted by the Margin Provider and if all requirements are duly met, the client can grant his/her formal approval for the transfer to proceed.



Margin Provider's 2nd Authorize User

Upon client approval, the request is forwarded to the second authorized user of the Margin Provider for his/her approval. The approval process for the second authorized user will be **as same as of the authorized user** of the Margin provider.

Margin Provider's Legal Officer

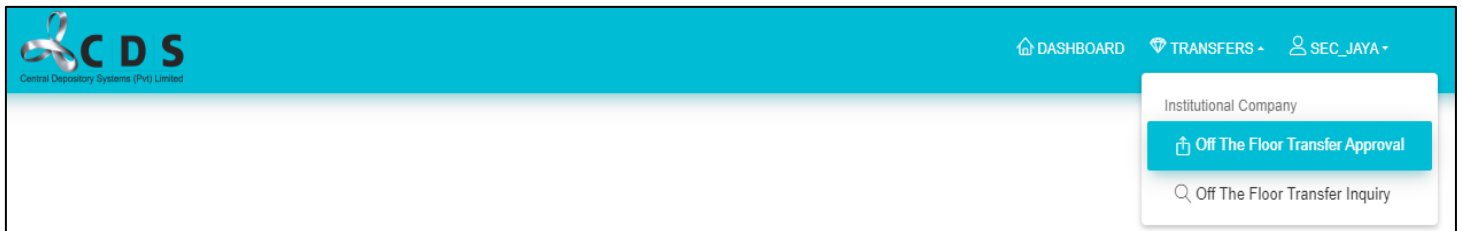
Then the request for the transfer will be directed to the Legal Officer of the Margin provider for the certification of the documents. The approval process will be **as same as applicable to the second authorized user and authorized user** of the Margin provider.

Off the Floor Transfer Approval Process – Securities & Exchange Commission of Sri Lanka (SEC)

Once the “Margin Provider's Legal Officer” approves the request for off the floor transfer from Margin provider’s end, the request will direct to the SEC “Corporate Affair Division” for the approval.

SEC Corporate Affair’s Division First Approval (Verify User of SEC)

Go to “**Transfers**” and select “**Off the Floor Transfer Approval**”



Then, from the available list of “**Approval Pending Records**” list, the user can select the relevant off the floor transfer by clicking the button “**Select**”.

	Reference No	From CDS A/C	To CDS A/C	User Status	
1	2181	LSE/ /00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
2	2183	LSE/ /00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
3	2262	LSE/ /00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
4	83	MSB/ C/00	HNB/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
5	1245	LSE/ /00	JKB/4 C/0	SEC Corporate Affairs Division Verification Pending	Select
6	2301	LSE/ /00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
7	2401	LSE/ /00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
8	1203	FWS/ /00	LSL/4 C/0	SEC Corporate Affairs Division Verification Pending	Select
9	1342	JBS/ 50-VN/00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select
10	2184	LSE/ /00	DSA/ -LC/0	SEC Corporate Affairs Division Verification Pending	Select

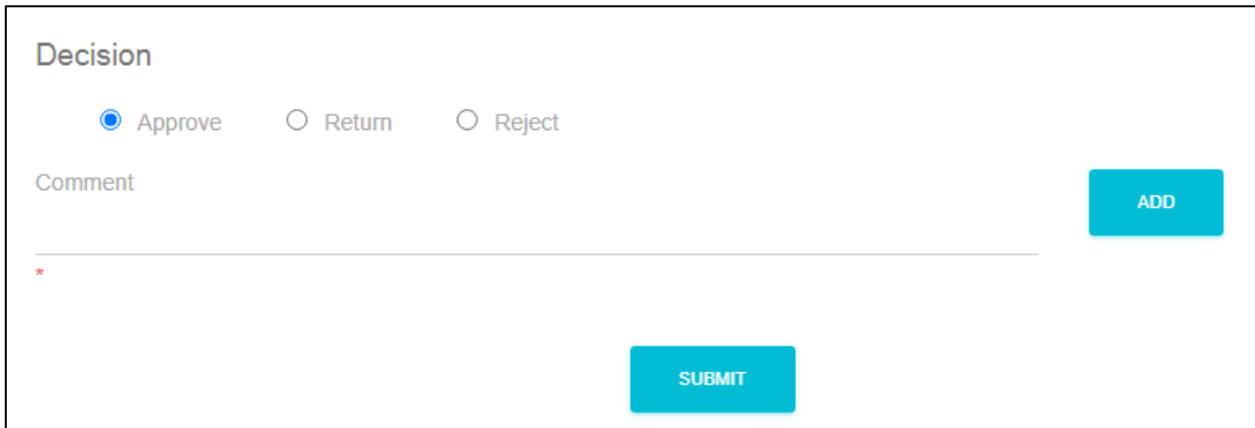
Next, the request (application) for the off the floor transfer entered (Originated) by the verify user of the Margin provider will be opened to the SEC user and he/she can go through the request and make the decision to approve or reject.

In this request, the SEC user can download the documents uploaded by the margin provider and check the accuracy of the documents. Once the SEC user is satisfied with the accuracy of the uploaded document, then the SEC user can mark “✓” in the check boxes in front of each document.

Next, the SEC user will be required to decide whether to “Accept”, “Return” or “Reject” the request for off the floor transfer.

1	Margin Agreement	Download	<input checked="" type="checkbox"/>
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Download	<input checked="" type="checkbox"/>
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Download	<input checked="" type="checkbox"/>
4	SEC Payment Confirmation	Download	<input type="checkbox"/>
5	SEC Payment Calculation Excel Sheet	Download	<input type="checkbox"/>
6	Portfolio Valuation	Download	<input type="checkbox"/>

The SEC user can make the decision by selecting the relevant option and then the user is required to enter a “Comment” accordingly and click “ADD”. Then the user needs to click the “Submit” button to proceed the request.



Decision

Approve Return Reject

Comment ADD

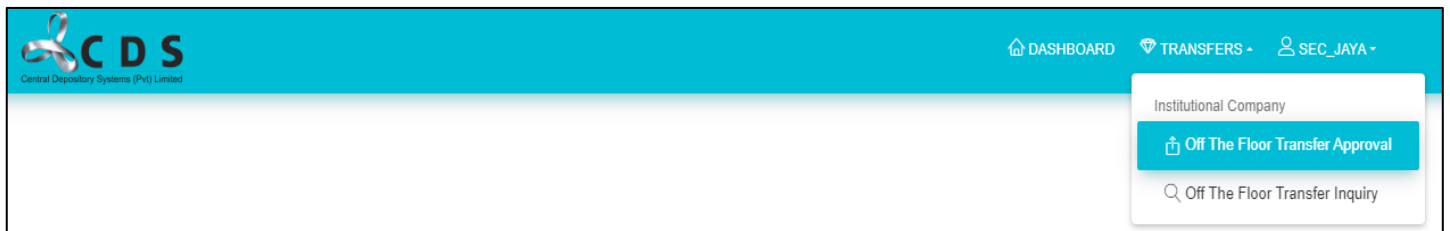
*

SUBMIT

Then this request will direct to the SEC’s Finance division’s approval.

SEC Finance Division Approval

Go to “Transfers” and select “Off the Floor Transfer Approval”



In this step too, the SEC user (Finance division) can download the documents uploaded by the margin provider and checked the accuracy of the documents. Once the SEC user satisfied with the accuracy of the uploaded document then the SEC user can mark “✓” in the checkboxes in front of each document.

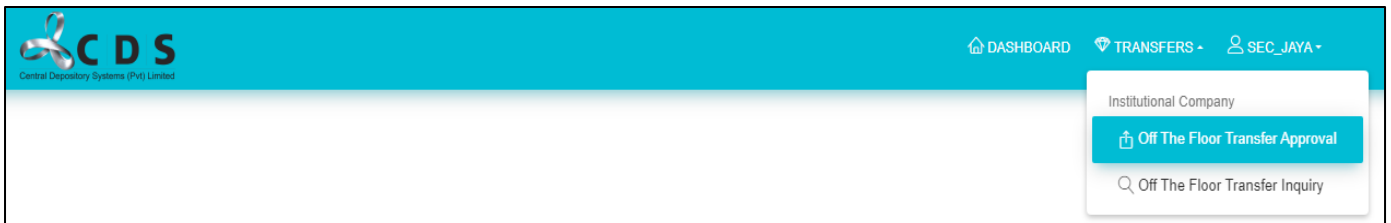
1	Margin Agreement	Download	<input checked="" type="checkbox"/>
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Download	<input checked="" type="checkbox"/>
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Download	<input checked="" type="checkbox"/>
4	SEC Payment Confirmation	Download	<input type="checkbox"/>
5	SEC Payment Calculation Excel Sheet	Download	<input type="checkbox"/>
6	Portfolio Valuation	Download	<input type="checkbox"/>

The SEC user can make the decision by selecting the relevant option and then the user required to enter a “Comment” accordingly and click “ADD”. Then the user needs to click the “Submit” button to proceed the request.

Then this request will direct to the SEC’s Corporate Affairs’s Division Second Approval.

SEC Corporate Affairs Division’s Final Approval (Authorize User of SEC)

Go to “Transfers” and select “Off the Floor Transfer Approval”



The SEC user (Corporate affairs division) can download the documents uploaded by the margin provider and checked the accuracy of the documents. Once the SEC user satisfied with the accuracy of the uploaded document, then the SEC user can mark “✓” in the checkboxes in front of each document.

1	Margin Agreement	Download	<input checked="" type="checkbox"/>
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Download	<input checked="" type="checkbox"/>
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Download	<input checked="" type="checkbox"/>
4	SEC Payment Confirmation	Download	<input type="checkbox"/>
5	SEC Payment Calculation Excel Sheet	Download	<input type="checkbox"/>
6	Portfolio Valuation	Download	<input type="checkbox"/>

The SEC user can make the decision by selecting the relevant option and then the user is required to enter a “Comment” accordingly and click “ADD”. Then the user needs to click the “Submit” button to proceed the request.

The Corporate affairs division’s second approval is the final approval required from SEC for off the floor transfer and once the Corporate affairs division’s second user grant the approval, then this request will get directed to Brokers (Outgoing and Incoming brokers) to proceed with the request.

Outgoing Broker's Approval

Following the approval granted by the SEC for the off the floor transfer, the request is subsequently routed to the outgoing Broker firm. Within the outgoing Broker firm, a dual-level approval process with "verify" and "authorize" users is implemented. Both parties involved are required to provide their respective approvals. The approval process within the outgoing broker firm follows the same established procedure as stated above.

Incoming Broker's Approval

The final step in the off the floor transfer request involves obtaining approval from the incoming broker. Similar to the previous steps, the incoming broker follows a dual-level approval process with "verify" and "authorize" users. The approval process within the outgoing broker firm remains unchanged, ensuring a consistent procedure throughout.

Once the approval from the Incoming Broker is obtained, the transfer request is routed to the Central Depository System (CDS). The CDS then employs Robotic Process Automation (RPA) to process the request to effectively execute the Off the Floor Transfer request.

Offline Transfers

- Duly completed CDS Forms (as prescribed in 3.2) signed by the transferee and transferor together with relevant supporting documents to be submitted through the relevant Participant.
- The Participants of the transferor and transferee shall verify the instructions and signatures of the clients by certifying the CDS form.
- The CDS shall check for the completeness and accuracy of the documents. The CDS shall also check where relevant approval of the SEC and payment of stamp duty (if applicable). If the transfer conforms to the requirements, the CDS shall affect the transfer.
- The CDS shall reject incomplete transfer forms giving reasons for rejection by using CDS Form 14 and return same to the Participant.
- Original documents can be kept with the Participant. A certified soft copy should be submitted to the CDS via the Digital Front Desk.

3.1.1.4 Procedure for Transfer of securities in client accounts in the event of a lapse or termination of a Stockbroker Participant

Procedure to be followed by the existing clients of Stockbroker Firms whose membership is terminated/ceased or suspended, when transferring their securities portfolio/s held with the Central Depository Systems (Pvt) Ltd (CDS).

Section 1

Notwithstanding anything set out in this Procedure, if the Section 2 of the CDS Form 6C has been duly signed by

- an authorized officer of the Stockbroker Firm who is under voluntary inactivation of business operations, during the period of inactivation of two years (under Section 12 of the Stockbroker Rules)

Or

- an authorized officer of the Stockbroker Firm whose membership is in the process of being suspended (stipulated three months period) due to non-compliance with the Capital Adequacy Requirements and Minimum Shareholders' Fund Requirement,

Or

- an authorized officer of the Stockbroker Firm whose membership is in the process of being suspended because of Inter Participant Settlement Failure (Section 12 of the CDS Rules), on or before the effective date,

by confirming the authenticity of the account holder/s signature and authorizing the transfer-out of securities in the CDS account, the CDS would act on the same and facilitate the transfer of securities of the client's CDS account, in accordance with CDS Rule 7.1.

Section 2

All existing clients of Stockbroker Firms, whose membership is terminated/ceased or suspended 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 such Stockbroker Firms to another Stockbroker Firm(s)/Custodian Bank(s) of their choice:

- (i) In the event a client maintains a Securities Account with the CDS, only with the Stockbroker Firm whose membership is terminated/ceased or suspended, such client should take necessary steps to **open a new 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.
- (ii) For the purpose of transferring the existing securities portfolio/s held through a Stockbroker Firm whose membership is terminated/ceased or suspended, 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, 2 and 3 of the CDS Form 6C and submit to the Receiving CDS Participant** for authorization of the same.
- (iii) In the event the Stockbroker Firm whose membership is terminated/ceased or suspended has provided to the CDS a list of its clients who are debtors of the

Stockbroker Firm, the aforesaid transfer requests would not be facilitated in respect of such clients whose details are included in the said list provided by the Stockbroker Firm

(iv) Thereafter, the Account Holders are requested to submit the CDS Form 6C (Form Link), duly authorized by the Receiving CDS Participant, and other supporting documents (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 below:**

Special Note - Claridge Stockbroker (PVT) Ltd (CSL) and First Capital Markets Limited (FCM), Entrust Capital Markets (PVT) Ltd (SKM) Stockbroker Firms account holders Submit following documents.

Annex A – Transfer Forms – For Share Transfer (CSL, FCM, SKM)

Annex B – Letter of Indemnity (CSL, FCM, SKM)

Annex C- Affidavit to be filled in by Account Holders not coming in person

Annex D – CDS 19 form

Annex E – Affidavit to be filled in by Frist name Holders

The Account Holders who are unable to submit (i.e., due to ill health, incapacity or residing abroad) 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.
Ground Floor,
M&M Center 341/5, Kotte Road,
Rajagiriya
Sri Lanka.

Or appoint a third party duly authorized by the Account Holder (a duly signed letter giving the name, NIC/Passport No of the authorized person is required along with the proof of identity (NIC or Passport No)

1. Body Corporates

(a) **Margin Trading Accounts and CDS Accounts for Lending Purposes**

The Margin Provider/Bank/Financial Institution should submit to the CDS, a **certified copy of the Board Resolution** authorizing.

- The transfer of the securities portfolio/s from the stockbroker whose membership is terminated/ceased or suspended, 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 submit to the CDS, a **certified copy of the Board resolution** authorizing.

- The transfer of the securities portfolio/s from stockbroker whose membership is being terminated/ceased or suspended, 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.

2. Deceased Accounts

In relating to the securities portfolio/s held in the CDS Account of a deceased person, the Executor/Administrator, or legal heirs (where an Executor/Administrator has not been

appointed) should 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 CDS Account into a “Deceased Account”.

- Certificate of Death issued by the District Registrar/Additional District 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

(i) The Executor/Administrator may.

Transfer the securities portfolio/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 (available from www.cds.lk) to the CDS or to the nearest Regional Branch Office of the CSE

(ii) The heir/s (where and Executor/Administrator has not been appointed)

should take necessary steps to transfer the securities portfolio/s held in the Deceased Account to their respective CDS Account/s held with other Stockbroker Firm(s)/Custodian Bank(s) in accordance with the CDS Guidelines by submitting the duly completed CDS 19 Forms (available from www.cds.lk) 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.

(v) 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 documents.

(vi) Upon receipt of the relevant documents, an authorized officer/s of the CDS will peruse the relevant documents, verify the details given and accept/reject the same with an acknowledgement.

(vii) In the event the relevant documents are rejected by the CDS, the reasons for rejecting will be provided by the CDS in writing. The Account Holder may re-submit the relevant documents upon rectifying the same.

(viii) The CDS will affect the transfer of securities from the Stockbroker Firm whose membership is terminated/ceased or suspended, to the Receiving CDS Participant/s according to the instructions given by the Account Holder/s in accordance with the applicable Rules of the CDS and the CDS Guidelines.

(ix) The transfer of securities will be reflected in the subsequent monthly CDS Account Statement sent by the CDS to the Account Holder.

3.1.1.5 Procedure for Transfer of Securities to Facilitate Trading in Multi Currency Board

The Foreign Depository initially should forward the CDS the names, designations, the specimen signatures, and official e-mail addresses of the authorized signatories for the CDS to validate their requests.

Transfers from a Foreign Depository to the CDS

- Duly completed CDS Form 35, authorized by the foreign depository, should be uploaded to the Electronic Gateway provided to the foreign depository by the CDS.
- After the upload of the certified CDS Form 35, the foreign depository should send an e-mail confirming the upload of the document to the CDS.
- The CDS will check the accuracy of the titles against the records in the CDS system provided by the account holder prior to carrying out the transfer.

Transfers from The CDS To A Foreign Depository through the Registered Custodian Bank of the CDS

- The CDS account holder should submit a duly completed CDS Form 36 through the Custodian Bank. The custodian bank should certify the document as per the CDS rule 4.1.
- The CDS checks the accuracy of the documentation, and if everything is in order the CDS will process the transfer-out.

3.1.1.5.1 Documents Required

Change of participant

- Following CDS forms duly authorized by the respective Participant and completed by the account holder.

- CDS 6B Form – Intra Transfers
- CDS 6A Form – Locked balance transfers
- Power of Attorney duly registered / Resolution with the relevant Company Secretary (where applicable)

Transfer between two different account holders

- CDS Form 6 duly authorized by the respective participant and completed by the account holder (CDS 6A form is required in case of a Locked balance transfer)
- Original document of approval granted by the SEC
- Confirmation of the stamp duty payment to the Inland Revenue (Where applicable)

Transfers to facilitate Trading in Multi Currency Board

Following CDS forms duly authorized by the respective Custodian Bank, Foreign Depository and completed by the account holder.

- CDS Form 35 – Transferring securities from Foreign Depository to the CDS
- CDS Form 36 – Transferring securities from CDS to Foreign Depository, form to be submitted through the Foreign Depository
- CDS Form 37 - Transferring securities from CDS to Foreign Depository, form to be submitted through the Custodian Participant

Note: If the transfer is to be affected under a Power of Attorney/resolution a certified copy of the same is required.

If the account holder is a company the transfer form should be signed by the company in accordance with the provisions of the Articles of Association of the company.

Transfers pertaining to Take-overs, Mergers and Repurchases

- Form of acceptance, letter of authorization to the CDS and application for additional shares (applicable only for repurchase of shares) should be forwarded to the CDS through the respective Participant. The account holder should duly complete all the relevant sections in the offer document. An authorized signatory of the Participant should sign in the relevant section of the offer document on behalf of the Participant.
- The Participant must submit the CDS Authorization Form to CDS on or before the date stipulated in the offer document.

Notes:

- (i) After transferring the relevant shares to the reserve account, the offer documents would be collected by the Registrars to the offer.
- (ii) In case the shares are in Locked account, the account holder is required to get the shares transferred from the Locked account to the Tradable account using a CDS 6A form prior to sending the offer document.

Transfers to/from Locked balances

On a written request made by an account holder submitted to the CDS through the relevant Participant together with a duly completed CDS form 6A, the CDS would transfer the specified quantity of securities from the locked balance to the trading balance of a CDS account or from the trading balance to the locked balance.

CDS Form 6 A should be used for this purpose.

4 Transfer of Custodian

4.1 Procedure for change of global custodian

- (i) Both the existing bank & receiving bank should forward written requests to the CDS to change the Global Custodian with the relevant supporting documents.
- (ii) In the event the account has a portfolio, a CDS 6 should be forwarded
- (iii) The CDS shall change the title of the account to reflect the name of the New custodian

4.2 Documents Required

Existing Bank

- A letter instructing the CDS to transfer the account to the receiving bank
- Account holder instructions to transfer the account (SWIFT message given by the Global custodian acceptable. It should indicate all the required information regarding the transfer.)
- A request to suspend the existing account.

Receiving bank

- CDS Form 2 and CDS Form 2 (B)
- A letter from the bank instructing the CDS to register the account with the bank
- Customer instructions to register the account with the new bank
- If the account is to be opened under a Power of Attorney, a certified copy of the same is required.

5 Dematerialization (Withdrawal) of Securities Certificates

5.1 Procedure

- (i) The account holder is required to submit duly completed CDS Form 7 or CDS Form 8 with CDS Form 9 to the Participant.
- (ii) In the case of Locked balances, the Account holder is required to submit duly completed CDS Form 7(A) or CDS Form 8(A) with the CDS Form 9(B) to the Participant.
- (iii) In the event of withdrawal of Beneficial Interest of Government Securities CDS form 9 (A) should be submitted. i.e: A letter should be provided by the account holder certified by the participant giving reasons for such withdrawal.
- (iv) The CDS shall check for completeness of the form and proceed with the withdrawal of securities.
- (v) The CDS shall reject incomplete withdrawal forms giving reasons for rejection by using CDS form 14 and return same to the Participant.
- (vi) The CDS shall withdraw the stated quantity of securities from the relevant securities account of the account holder and the withdrawal documents shall be collected by the Company Secretary
- (vii) The Company Secretary shall transfer the securities from the CDS ledger to the share ledger of the company and issue a securities certificate in the name of the shareholder. The securities certificate shall be sent to the CDS within 7 market days from the receipt of the documents.
- (viii) The CDS shall make available the securities Certificate to the relevant Participant.

5.2 Documents Required

- CDS form 9 duly completed by the Participant and the account holder.
- CDS form 7 (resident) or CDS Form 8 (non-resident) duly completed by the Participant and the account holder.
- CDS Form 7 A, 8A, and 9B

6 CDS Account Suspensions/Closures

6.1 Suspending a Client Account

CDS accounts could be suspended in any of the following ways

- By the account holder through a letter giving instructions to the CDS to be forwarded through the Participant
- By a court order
- Direction by the SEC
- On receipt of a certified copy of a death certificate issued by the relevant authority pertaining to the death of an account holder, through the relevant Participant
- In terms of CDS Rule 3.8 (a)

6.2 Closing Client Accounts

The CDS shall close a Client Account.

- If instructed to do so by the Account Holder, through the Participant (after obtaining due clarifications which may be necessary).
- In terms of Rule 3.8 (b) of these Rules.

6.3 Non-Operative Client Accounts

Currently the non-operative client account suspension CDS Rule has been kept on hold due to the Stakeholder concerns. The operational Guideline will be updated once the new procedure has been approved by the SEC.

7 Account Holder Master File Changes

7.1 Procedure for Master File changes

Every CDS account holder has a Master file which is created at the point of opening an account. The master file includes details of the account holder such as the name, correspondence address, Bank account details etc.

A subsequent change to the Master file can be updated with the approval of the CDS Participant online or offline. Online Master file changes can be requested through the CDS E-connect. This is the most convenient and preferred method by the CDS. An offline change shall be done through forwarding the CDS 31 or 28 A/B forms if the Account holder does not have access to online systems.

7.1.1 Decentralized Master file changes

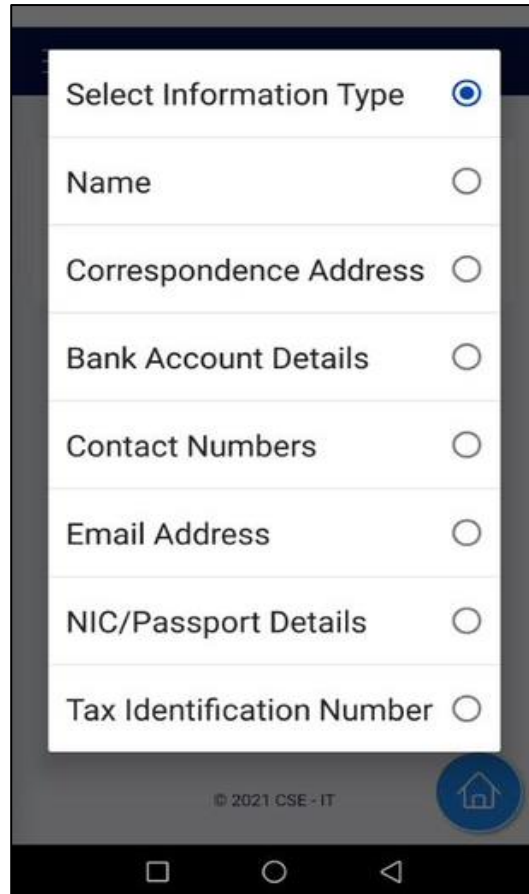
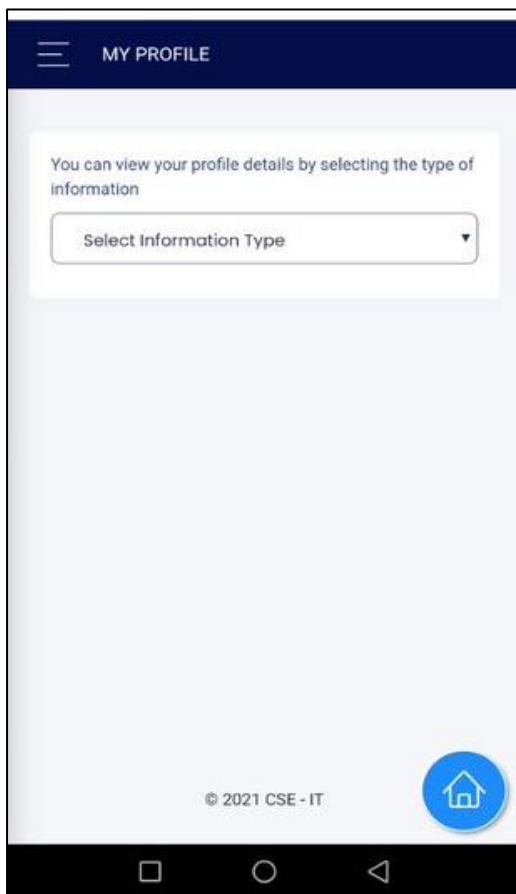
The online Master file changes have been decentralized to the CDS Participants empowering the Participants via the CDS E-connect. The CDS does a compliance check subsequent to processing the change received through an RPA process.

7.1.1.1 Online Master file changes

Client Profile Update (Individuals)

If a CDS account holder wants to change the Master file details in the CDS account, the account holder shall submit the below desired change request together with required supporting documents via the CDS E-connect after the E-connect registration process. Following changes can be done via the CDS E-connect.

- CDS Account name Change
- Correspondence Address Change
- Bank Account Number Change
- Contact Number Change
- E mail address Change
- NIC/Passport Number update
- Tax Identification Number (TIN)



Participant shall verify the accuracy of information provided by the client and validate before authorizing the documents that reaches the CDS. Once it is approved by the selected Participant, the requested changes will get updated in CDS account by a Robotic Process Automation (RPA). The CDS does a compliance check on the requested change post processing the same.

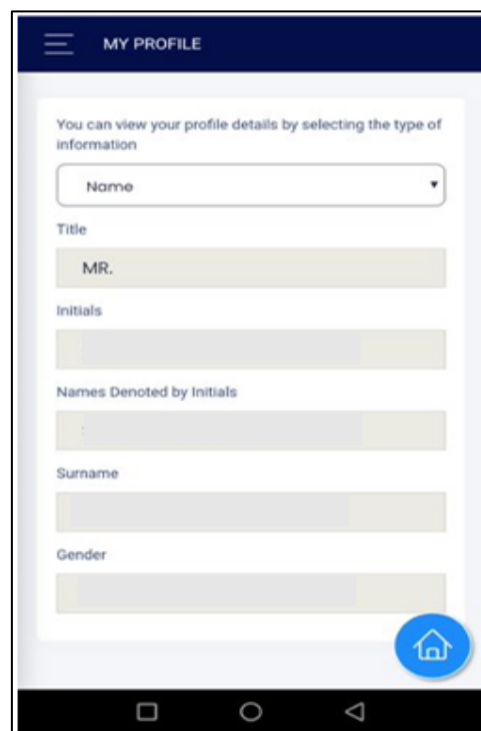
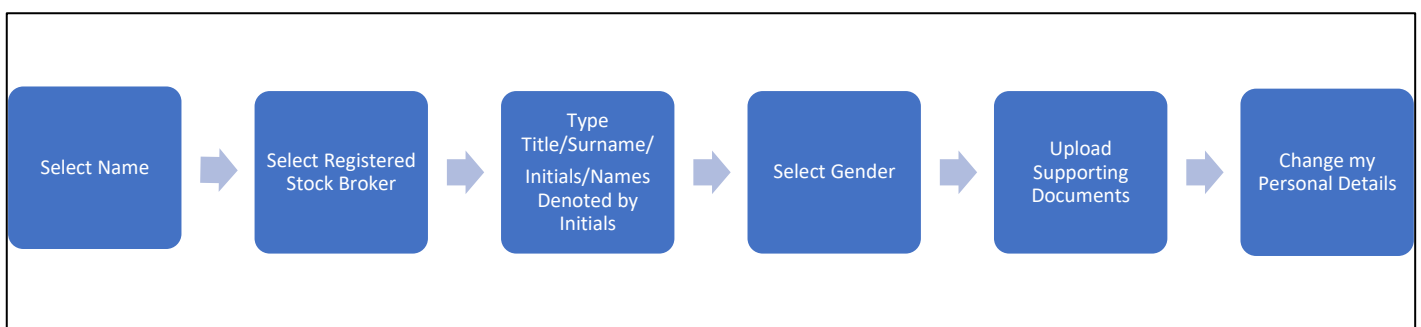
If the CDS feels that there is a deviation from the FIU Rules, CDS Rules, procedures, and Guidelines, the CDS will request additional information giving reasons notifying the participant. The CDS reserves the right to rectify any erroneous or inaccurate entry made to a Client Account at any time after such error/inaccuracy is detected as per 3.4 of the CDS Rules.

Client Name Update

Accountholder can update their Name together with a copy of the NIC/Passport with other supporting documents to prove the relevant name change such as marriage certificate/birth certificates.

Accountholder is required to select the “Name” in drop down list and Registered stockbroker firm and required to type the below details.

- Title
- Surname
- Initials
- Names Denoted by Initials
- Gender



To complete the name, change process account holder required to upload the supporting document and select the ‘Change my Personal Details’.



Once it is verified and approved by the selected stockbroker, required name change will get updated in relevant CDS account by way of a Robotic Process Automation process.

Change of Address

Account holder can update the correspondence address together with a proof of residency document. If the permanent address is on the NIC, the NIC images can be uploaded. If residential address differs from the permanent address, the residential address shall be supported by a utility bill not over three months old or any other reliable proof of residence. Utility bills are to be specified as electricity bill, water bill and fixed line telephone operator's bill.

The accountholder is required to select the Correspondence address and registered stockbroker firm in the drop-down list, and it is mandatory to type the address details & attach the supporting documents and select the 'Change My Address Details' button. Once it is approved by the selected stockbroker, requested change will get updated in the CDS account by way of a Robotic Process Automation.

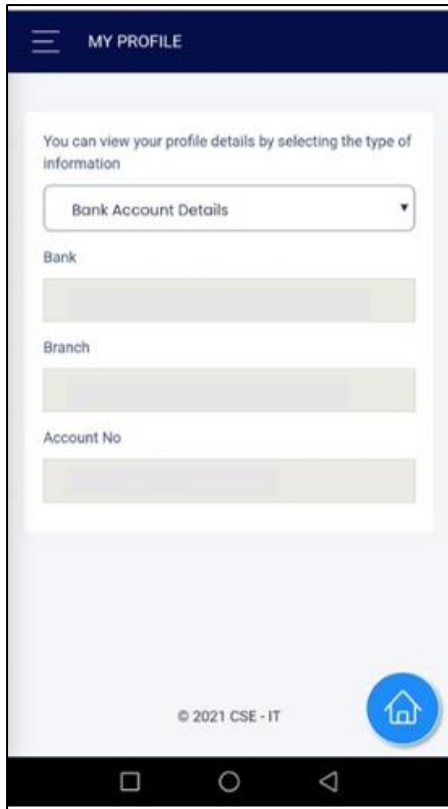
If the account holder's account status is in Dealing Suspended status due to a monthly statement return to the CDS, the account holder is required to submit the CDS 31 form directly to the Participant firm requesting to lift the suspension and update the address with a proof of residency not over three months old.

<p>Front view of the document</p>  <p>Capture Image</p>	<p>Rear view of the document</p>  <p>Capture Image</p>
<p>Other document-Optional (PDF/Image Only)</p> <p>Upload Document</p>	<p>Declaration by the CDS Account Holder at the time of submitting a Master File Change request</p> <p>I understand that the CDS is only providing the platform for me to submit the instructions to my Participant pertaining to change of my information and I have read and understood the terms & conditions applicable to the CDS e-Connect. I hereby undertake to indemnify the CDS against any claims or losses, which the CDS may incur or sustain, in consequence of facilitating the said instructions to my Participant through the CDS e-Connect.</p>
<p>CHANGE MY PERSONAL DETAILS</p>	

Bank Account Number

Account holder can update the Bank account number, Bank code and branch code together with the proof document (An image of the passbook/Bank statement indicating the name of the Accountholder, name of the Bank, Account number and the branch name). Account holder is required to select the registered Participant firm. Once it is approved by the selected Participant, changed information will get updated in CDS account via a Robotic Process Automation.

Account holder is required to type the Bank code, Branch Code, and Bank Account Number and registered Stockbroker firm in drop down list and attached the supporting document and select the 'Change My Bank Details' button. Once it is approved by the selected stockbroker changed information will get updated in CDS account.



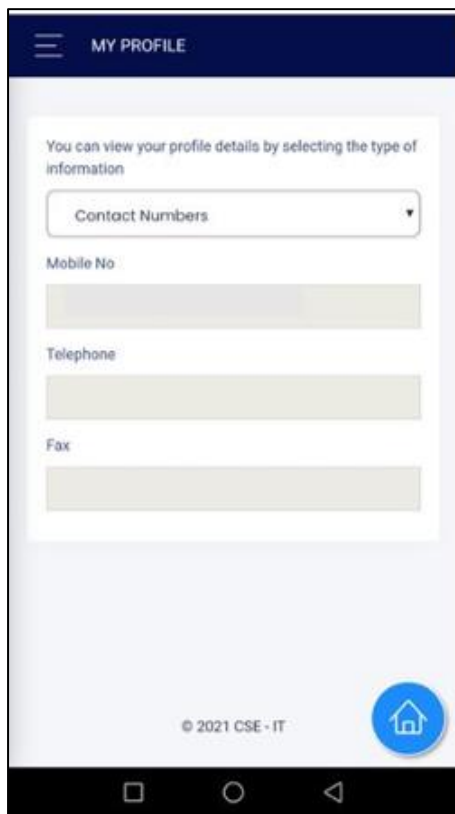
Please enter your 12 digits' bank account. There are few of banks having 15 digits bank account. In such a situation, input your bank account number starting from the 4th digit from the left to the 15th digit. (Please ignore the first 3 digits)

Example for 15 digits' bank account: -

Bank Acc in passbook – 123-456789101-123

Account you have to enter to the app –456789101123

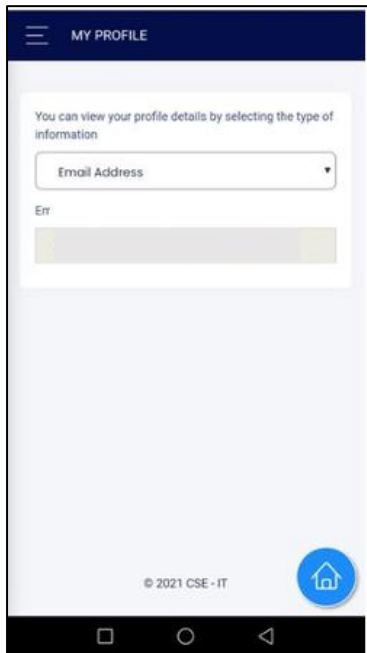
Contact Number Update



The Accountholder can update the contact details (Mobile Number, Fax Number, Telephone Number). The Accountholder is required to select the registered stockbroker firm. Once it is approved by the selected stockbroker, changed information will get updated in the CDS account.

The mobile number provided need to be unique to identify the accountholder online. The accountholder shall not provide mobile numbers used by other CDS accountholders. If duplicates are found, the requested mobile number will not be registered.

E mail Address Update



Account holder can update the email address as follow; Account holder required to select the registered stockbroker firm once it is approved by the selected stockbroker, changed information will get updated in CDS account.

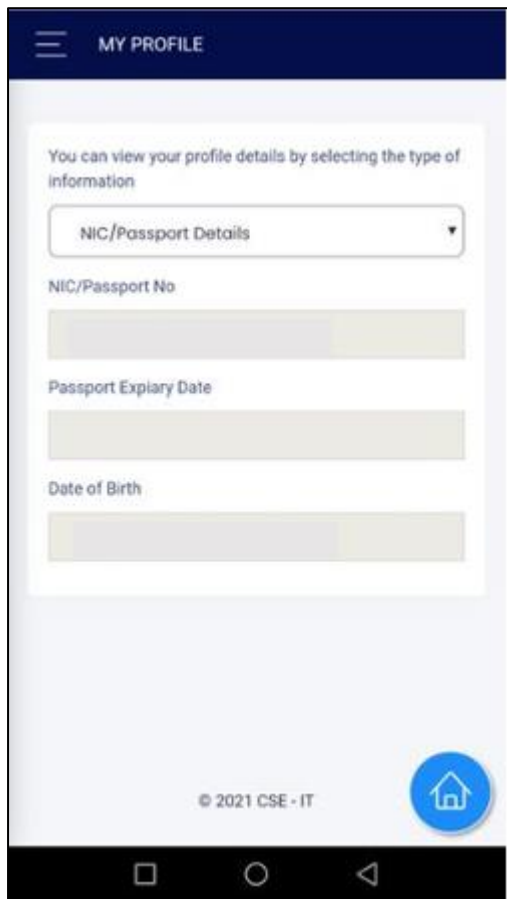
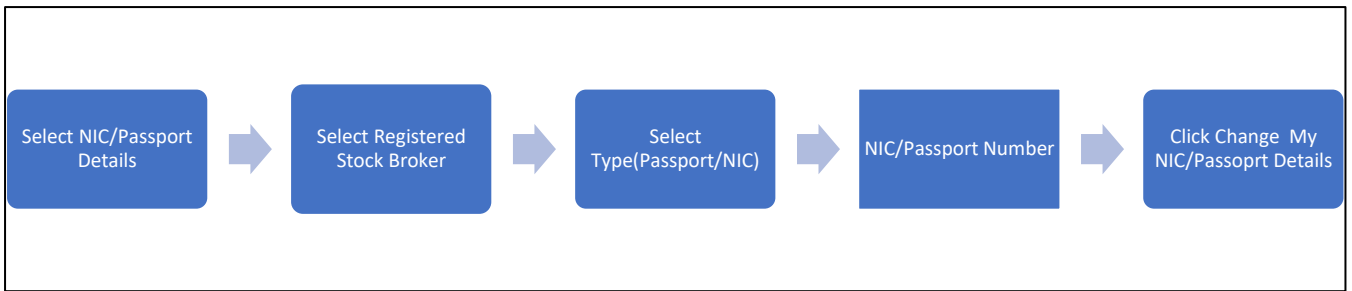
The email provided need to be unique to identify the accountholder online. The accountholder shall not provide emails used by other CDS accountholders. If duplicates are found, the requested email address will not be registered.

NIC/PASSPORT Number Change

An Accountholder can change the NIC number and Passport number together with a copy of the NIC or passport. If the existing passport has expired, a valid new passport number can be updated through this option via the E-connect.

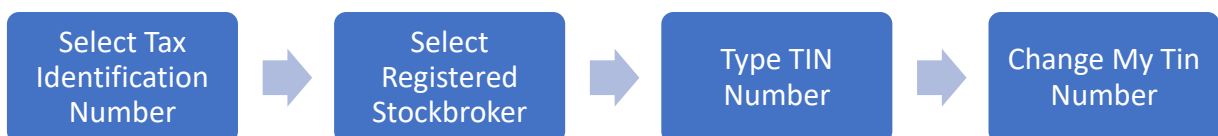
NIC numbers which had been newly issued by the Department for Registration of Persons (DRP) requesting not to use the previous NIC number cannot be updated with this option as a new CDS account number may be required if the previous CDS account number is with the old NIC. However, NIC number changes from a 9-digit number to a 12-digit number where the previous NIC number can be derived and for CDS account numbers with the suffix 'LI', NIC number changes can be done via the CDS E-connect.

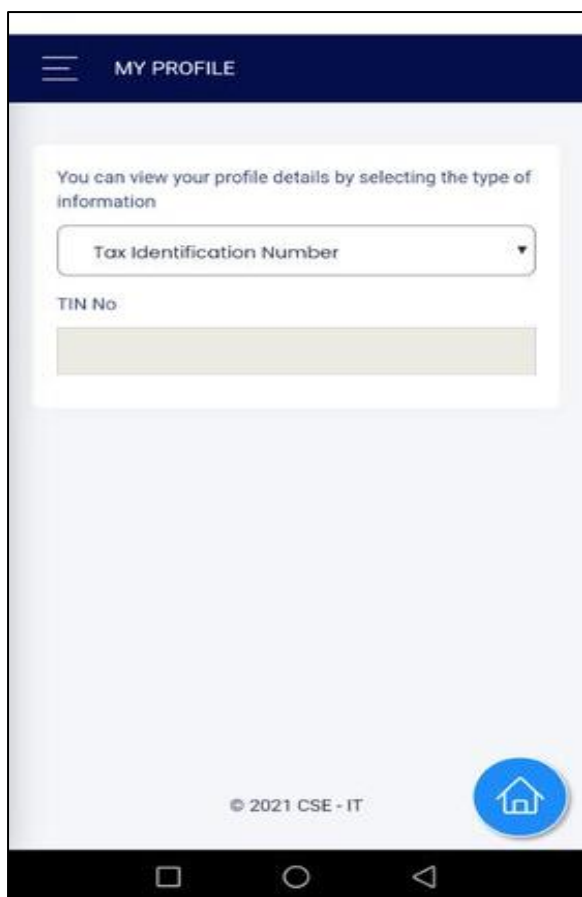
The Accountholder is required to select the registered stockbroker firm. Once it is approved by the selected stockbroker, changed information will get updated in CDS account.



Tax Identification Number

An Accountholder can add or update the Tax Identification Number (TIN). The Accountholder required to select the registered stockbroker firm. Once it is approved by the selected stockbroker, changed information will get updated in CDS account.





Client Profile Update (Institutions)

If an institutional investor (holder of the CDS account) wishes to modify or update the information contained in their Master file and if the institutional investor acquired access to the e-connect facility, they may utilize the CDS E-connect platform to submit the necessary change request along with the required supporting documentation.

Following changes can be done via the CDS E-connect.

- CDS Account name Change
- Correspondence Address Change
- Bank Account Number Change
- Contact Number Change
- E mail address Change
- NIC/Passport Number update
- Tax Identification Number (TIN)

In the e connect platform go to “**Account Management**” and select “**Update Account Profile**”

The user is required to select the appropriate type from the provided drop-down menu, indicating the specific modification or update that needs to be made.

CLIENT MASTER ALTERATION SEARCH

You can update the CDS account profile by selecting the type of information you wish to change.

Alteration Type

--- Select ---

- Select ---
- Correspondence Address Change
- Bank Account Number Change
- Contact Detail Change
- Email Change
- NIC / Company ID Number Change
- Name Change
- Other Details Change

Correspondence Address change

CORRESPONDENCE ADDRESS CHANGE DETAILS

CDS Account No: [REDACTED]

Name: [REDACTED]

CURRENT CORRESPONDENCE ADDRESS DETAILS

Address 1 : [REDACTED]

Address 2 : [REDACTED]

Address 3 :

Town : COLOMBO 02.

District : COLOMBO

Country : SRI LANKA

Country Of Residency : SRI LANKA

Nationality : SRI LANKA

NEW CORRESPONDENCE ADDRESS DETAILS

Address 1 : _____

Address 2 : _____

Address 3 : _____

Town : _____

District : COLOMBO

Country : SRI LANKA

Country Of Residency : SRI LANKA

Nationality : SRI LANKA

Billing proof : * No file chosen

Users have the option to enter the updated information into the relevant fields located in the right-hand side section. It is essential to note that **uploading a proof document** is mandatory to verify any changes related to the company address. Finally, to complete the process, users must click on the "Submit" button.

Upon submission of the change request by the institutional user, the request will be forwarded to the corresponding stockbroker of the institution. The stockbroker is responsible for carefully examining the accuracy of the information provided by the client and validating it prior to authorizing the requests that are subsequently transmitted to the CDS. Once approved by the designated Participant, the requested changes will be efficiently updated in the CDS account through the implementation of Robotic Process Automation (RPA). The CDS does a compliance check on the requested change post processing the same.

Bank Account Number Change

The screenshot displays a web form titled "BANK INFORMATION DETAILS". At the top, it shows "CDS Account No" and "Name" fields, both partially redacted. Below this, there are two main sections: "CURRENT BANK DETAILS" and "NEW BANK DETAILS".

CURRENT BANK DETAILS:

- Bank Name: [Redacted]
- Branch Name: [Redacted]
- Account No: 002930031812

NEW BANK DETAILS:

- Bank Name: [Dropdown menu showing "SAMPATH BANK - 1270"]
- Branch Name: [Dropdown menu showing "HEADQUARTERS - 029"]
- Account No: [Empty text field]
- Bank detail confirmation: *
- Choose File: No file chosen

At the bottom of the form, there are three buttons: "SUBMIT", "RESET", and "BACK".

Update the bank account information in the designated fields on the right-hand side section. Note that it is mandatory to upload a proof document to confirm the bank account details.

Please enter your 12 digits' bank account. There are few of banks having 15 digits bank account. In such a situation, input your bank account number starting from the 4th digit from the left to the 15th digit. (Please ignore the first 3 digits)

Example for 15 digits' bank account: - Bank Account number in source document is 123-456789101-123 Account no. you have to enter to the field is -456789101123

Upon submission of the change request, it is forwarded to the institution's stockbroker. The stockbroker verifies the accuracy of the information provided before authorizing the request. Approved changes are efficiently updated in the CDS account using Robotic Process Automation (RPA).

Contact Detail Change

CONTACT INFORMATION DETAILS

CDS Account No :

Name :

CURRENT CONTACT DETAILS

Mobile No :

Contact No :

Fax No :

NEW CONTACT DETAILS

Mobile No :

Contact No :

Fax No :

To update the contact details of the institution, users are required to provide the necessary information in the designated fields on the right-hand side section. After submitting the change request, it will be reviewed and authorized by the respective stockbroker. Once authorized, the request will be forwarded to the CDS for final processing.

E mail Change

EMAIL DETAILS

CDS Account No :

Name :

CURRENT EMAIL DETAILS

Email :

NEW EMAIL DETAILS

Email :

Users need to update the relevant information to update the email details and should submit it to the applicable broker for the processing. It is recommended to use a general corporate email (finance@abc.lk) as email in the name of an officer might restrict access of the firm to the e-statement due to resignations.

Company ID Number Change (PV Number)

If there is a need to update the PV number or registration number of the institution, users must provide the necessary changes in the designated fields on the right-hand side section. Additionally, it is mandatory to upload the "Certificate of Incorporation" as the relevant source document.

COMPANY ID NUMBER DETAILS

CDS Account No. :

Name :

CURRENT COMPANY ID NUMBER DETAILS

Company ID No. :

NEW COMPANY ID NUMBER DETAILS

ID Change Type :

Company ID No. :

Certificate of Incorporation *

No file chosen

Other Related Documents 1

No file chosen

Other Related Documents 2

No file chosen

Name Change

In the event that a change is required for the registered name of the institution, users are requested to provide the necessary updates in the designated fields located on the right-hand side section. It is important to include all relevant supporting documents that validate the name change of the institution.

NAME DETAILS

CDS Account No : ~~AS/2004-LE00~~

Name : ~~CF INSURANCE BROKERS (PVT) LTD~~

CURRENT NAME DETAILS

Other Names : ~~CF INSURANCE BROKERS (PVT) LTD~~

NEW NAME DETAILS

Other Names :

Name change/Birth certificate front view : *

No file chosen

Name change/Birth certificate rear view :

No file chosen

Tax Identification Number update

To update or change the TIN (Taxpayer Identification Number), users are required to enter the correct TIN number into the designated fields located on the right-hand side section and forwarded it to the broker for the processing.

OTHER DETAILS

CDS Account No : ~~AS/2004-LE00~~

Name : ~~CF INSURANCE BROKERS (PVT) LTD~~

CURRENT OTHER DETAILS

Tax Identification Number :

NEW OTHER DETAILS

Tax Identification Number : _____

7.1.1.2 Centralized Master File Changes

- (i) Where an account holder wishes to change any particulars in the account, the account holder shall submit the CDS 31 form indicating the desired changes together with any supporting document (relevant to the change) to the Participant.
- (ii) The Participant shall verify the accuracy of information provided by the client and authenticate the signature before submitting the documents to the CDS.
- (iii) The CDS shall effect changes after verifying the documents submitted.
- (iv) If an existing account holder submits a new account opening forms through a different Participant and if the correspondence address of the account holder differs with the CDS system, the CDS will change the address according to the new account opening.
- (v) In the case of joint accounts if the joint holders address differs with the system the CDS shall not change the address of the joint holder according to the account opening
- (vi) If the CDS is not satisfied with the information submitted, the CDS will reject the request giving reasons by using CDS Form 14-E.
- (vii) To change the name of a fund, the Participant shall forward a request to the CDS furnishing all the relevant details. The CDS shall forward the request for the approval of the SEC.
- (viii) Once the CDS obtains the approval of the SEC, CDS shall change the name of the fund and the CDS inform such name change to the Participant in writing.

7.1.1.2.1 Documentation Required

For Individuals

- Change of Name

The CDS 31 form from the account holder together with a copy of the NIC/Passport with other supporting documents to prove the relevant name change (E.g., marriage certificate/affidavits/birth certificates)

- Change of address

To change the Residential Address

The CDS 31 form from the account holder together with documentary proof for the residential address as per the rules issued by the FIU.

To change the Corresponding Address

The CDS 31 form together with a proof of residency document to prove the residential address. If the account holder has already submitted the documentary proof for the residential address, a letter/ the CDS 31 form would be sufficient to change the correspondent address.

Change of Account numbers

The CDS 31 form from the account holder together with a copy of the NIC/passport

For Institutions

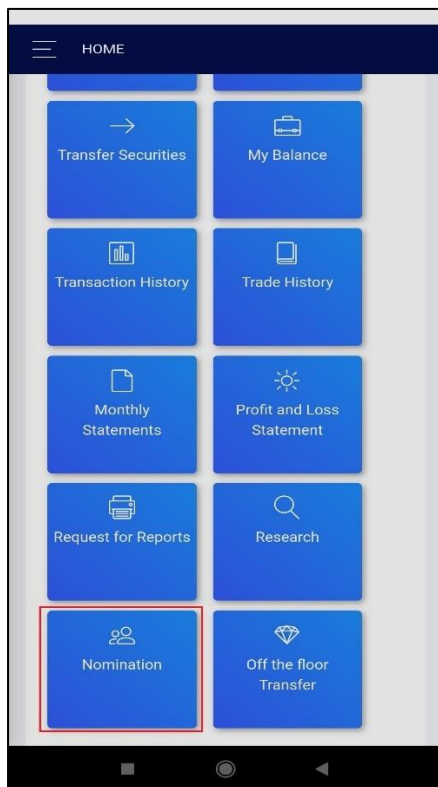
- A request from the participant to change the name.
- Instructions from account holder to change the name of the company (The CDS 31 form can be used).
- Certificate of name change or corresponding document, issued by the Registrar of Companies/applicable authority where the Company is incorporated.

For Funds

- A letter of request from the Participant to change the name
- Instructions from the account holder to change the name of the Fund
- Certificate of name change or corresponding document
- Letter/copy of extract of name change/other document issued by the Funds Supervisory Authority (Fund regulator) of the relevant country.
- Letter of Approval granted by the SEC which identifies the former name and the new name of the fund

8 Nominations

Nominations is the process where a CDS Account Holder can nominate a person or persons who should receive the shares in the account holders' CDS account after his/her death. Earlier this process was handled by the respective Company Secretaries/Registrars. But under the digitization project, this process has been made easier through the CDS E-Connect.



A CDS account holder can access the CDS E-Connect through the CSE mobile app (Under Our Services tab) and then click on the Nomination tab. The account holder can select the CDS account number that he/she wishes to enter the nominees to or select “For All CDS Accounts” in case he/she has multiple CDS accounts, and the nominees are the same for all those accounts.

The account holder then enters the information of the nominee/s such as name, address, NIC No, Percentage for which Nomination is made and upload the front and the back of the NIC of the

Notary Public and submitted to CDS within 10 days of electronic form submission date. Simultaneously, the submitted form on the app will be verified and authorized by two authorized Officials of the relevant Participant. Once this is done, the form will be verified and authorized by two Officials of the CDS.

Once the whole process is completed, the CDS will send a letter together with a copy of the full application to the account holder for record keeping purposes. The CDS will also file a copy for future reference.

9 Deceased Account Holders

9.1 Existing CDS Account Holders

9.1.1 Procedure

(i) Conversion of the account into a Deceased account

- The CDS requires a letter from the Participant together with a copy of the certificate of death issued by District Registrar/Additional District Registrar or Registrar in accordance with the Births and Deaths Registration Act (Cap 110) or a letter of administration or probate duly certified by a Participant.
- Upon a receipt of notification of a death of an account holder by a Participant to the CDS, the CDS will change the account title as follows.
- In the event the death certificate is given the account title will be indicated as “Deceased – name of account holder”
- In the letter of administration or probate is submitted the account title will be indicated as the “Estate of LateName of account holder”
- In both instances dealings will be suspended on the account.

(ii) Transmission of shares

- The duly completed CDS Form 19 to be submitted to the CDS for confirmation of CDS balance.
- The CDS will confirm the balance on the CDS form 19.
- The completed CDS form 19 and supporting documents should be submitted to the relevant Company Secretary by the relevant heirs or Participant
- The Company Secretary will approve the Form 19 and return the same to the Participant.
- The relevant stamp duty should be paid by the legal heirs to the Department of Inland Revenue.
- Thereafter the approved CDS Form 19 should be submitted to the CDS together with the stamp duty paid receipt (if Stamp duty is applicable), other supporting legal documents and the CDS form 6, duly signed by the executor /legal heirs.

Note: If the shares are in Locked account a separate CDS 19 form should be forwarded to the CDS for balance confirmation. And CDS 6A form should be used to transfer the Locked shares.

(iii) Sale of Securities

- If the administrator/executor of the estate of the deceased account holder wishes to sell the securities in the CDS account of the estate prior to conveying same to the legal heirs of the deceased, the administrator/executor of the estate should submit the required documents to the CDS.
- Upon submission of the relevant documents, the CDS will remove the trading suspension of the relevant account.

9.1.2 Documents Required

- Copy of the letter of administration /probate and last will.
- An affidavit from the administrator/executor
- List of securities to be sold.

9.2 Securities held outside the CDS

Option 1 - To obtain a new securities certificate in the name of legal heirs the administrator/executor of the estate of the deceased account holder must submit the relevant documents to the Company Secretary.

Option 2 - If the court has granted permission to sell securities in the secondary market and credit the proceeds to a deceased estate account

Procedure

(i) Opening of account

By submitting letters of administration /probate together with duly completed CDS account opening forms signed by the Executors /administrator. All documentation relevant for an individual account will apply.

(ii) Deposit of securities certificate

By submitting the relevant securities certificate/s of the deceased person along with the CDS Form 3 or 4) signed by the executor /administrator and a copy of the letter of administration/probate registered with the relevant Company Secretary/Registrar

Note: Once the sale of shares is completed this should be notified in writing to the CDS by the Participant instructing the CDS to suspend the deceased estate account.

In the event of a death of a joint holder pertaining to a joint CDS account, a copy of the Register of Deaths issued by District Registrar/Additional District Registrar or Registrar in accordance with the Births and deaths Registration Act (Cap 110) and a letter signed by the surviving holder/s requesting the transfer of securities should be submitted to the CDS along with the CDS Form 6.

10 General Information

- (i) Any document submitted to the CDS through a Participant should be certified by an authorized officer of such Participant. The rubber stamp of the Participant should be placed appropriately.
- (ii) Each Participant shall provide the CDS with a list of persons authorized to act on such Participant's behalf, specifically regarding the following:
 - (a) Opening of client accounts for investors
 - (b) Deposit of Securities
 - (c) Withdrawal of Securities
 - (d) Transfer of Securities
 - (e) Confirmation/rejection of trades
 - (f) Changes to information provided to CDS on opening or maintaining CDS Accounts.
 - (g) Any other matter which has a bearing on the functions carried out by such Participant.

The CDS shall not be bound to act on any instructions given by any person, including an account holder, unless such instructions are in writing and signed by such authorized person/s for and on behalf of the Participant.

Participants shall ensure that any change of such authorized persons shall be communicated in writing to CDS immediately upon a decision being made in that respect.

- (i) Where a CDS Form is signed under a Power of Attorney, Probate or Letters of administration the person/s who signs the document should indicate the capacity of that person.

Ex: "Attorney for Mr. ABC Perera" or "Executor for the estate of the late" etc.

- (ii) Power of Attorney, Probates & Letters of Administration submitted to CDS for deposit/withdrawal of shares should be registered with the relevant Company Secretary/Registrar.

- (iii) In the event CDS forms are written illegibly, defaced or tippexed, the CDS reserves the right to reject such applications. All corrections in the CDS forms should cut by a single line and authorized by the applicant placing the signature. Do not scratch or erase.
- (iv) Amendments/corrections in any CDS forms should be certified by the participant by placing the “all corrections certified” rubber stamp and the signature of the Participant at the bottom of the form.
- (v) When documents are returned by the CDS, such documents shall be returned under cover of a returned document advice (CDS Form 14) stating the reasons for returning. Participants shall takeover such documents after due acknowledgement.
- (vi) In such an event Participants should endeavor to take steps to submit a new document whenever possible, rather than re-submitting the amended documents. The account opening form should always indicate an account holders name as per the attached NIC copy. An applicant who wishes to open an account with a different surname (Ex: After marriage) should submit the marriage certificate along with the NIC copy.
- (vii) Participants should attach a clear copy of NIC/passport along with the account opening forms. The CDS will not open accounts for illegible NIC/passport copies.
- (viii) If the information indicated in the NIC/Passport is not clear, such information should be confirmed in writing, by the Compliance officer /the Chief Executive Officer of the relevant Participant.
- (ix) A thumb impression placed by the applicant in the CDS form should be certified by a Notary Public/Commissioner for oath/ Attorney -at - Law as the left true thumb print of the relevant applicant and placed the thumb print before him.
- (x) Differences in the name of the applicant (due to any reason) should be supported by an affidavit.
- (xi) In the event an applicant submits documents in a language other than one of 3 official languages in Sri Lanka such documents should be translated to English by a sworn translator and should be certified accordingly.
- (xii) Foreign affidavits should be attested by a recognized Notary public of the relevant country.
- (xiii) All supporting documents that are be submitted to the CDS should be certified or attested or authenticated for purposes of validating by persons mentioned under (a) or (b) below. Such certification should state that the document certified is a true copy

(a) Certification for Non-Resident Applicants

- By the Company Registry where the documents were originally issued (applicable for Corporate Bodies), or
- By a Sri Lankan diplomatic officer or Sri Lankan consular officer in the country where the documents were originally issued, or
- By a Solicitor, Attorney-at-Law, Notary Public, practicing in the country where the applicant resides, or
- Custodian Bank, or
- Global Custodian – The Custodian Bank should certify the authenticity of the signature of the Global Custodian or
- Authorized signatory of a Member Firm. (Applicable only in respect of resident individuals.)

(b) Certification for Resident Applicants

- Registrar of Companies or the Company Secretary (applicable in respect of Corporate Bodies), or
- Attorney-at-Law / Notary Public, or
- Member Firm, or
- Custodian Bank.

Note: The person certifying should place the signature, full name, address, contact telephone numbers and the official seal. (Not applicable for Member Firm, Custodian Banks, and Global Custodians).

CDS Account Statements

The CDS shall forward/make available an account statements to active CDS account holders in electronic form.

An ‘active account’ shall be an account with at least one transaction (purchase/sale/deposit/withdrawal/transfer) during the period/s as follows.

- If the account was active during the preceding month the CDS will send monthly statements.
- The CDS shall forward a statement annually as of 31st March to inactive account holders (accounts with no transactions for a period of 12 months) having credit balances.

- Details of de-listed securities may not appear in the statement if the issuer has taken steps to issue a Securities certificate.

e Statement facility

An individual accountholder shall provide an e-mail address to receive CDS Account Statements pertaining to his/her CDS Account in soft form. The CDS Account Statements pertaining to account holder's CDS Account will be forwarded to the e-mail address provided. An account holder can request for the e Statement facility as set out below:

- (i) When opening the CDS account, the applicant can fill the necessary details in the online application or CDS 1 form. [Further the accountholder should endorse the acceptance of e Statements by signing against the caption given in the CDS 1 form.]
- (ii) By submitting the duly filled in CDS 28A form to one of the CDS participants (Stockbroker/ Custodian Bank) of the account holder.
- (iii) The CDS participants (Stockbroker/ Custodian Bank) of the account holder also can submit the duly filled in CDS 28B form on accountholder instruction.
- (iv) By submitting the duly filled in CDS 39 form via email to one of the CDS participants (Stockbroker/ Custodian Bank) of the account holder.

11 Changes to Operational Guideline and Procedures

Any changes to this Guideline for CDS Documentation will be under advice of a circular issued by the CDS.