

The CDS Guideline – Local Companies

August 2023

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1 Local Company Account Opening

For an institution incorporated in Sri Lanka and if falling under one of the following categories, can initiate the CDS account opening process online through the digital onboarding platform.

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

Pre-requisites for a Local Institution to open an account online is as follows.

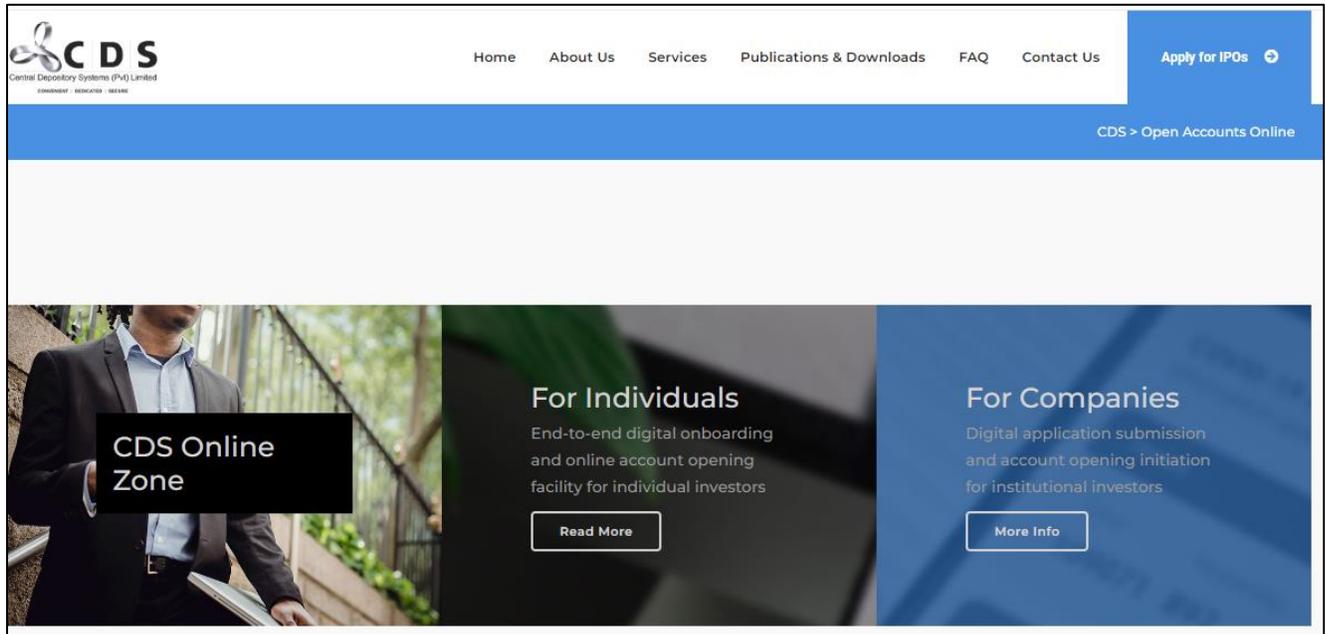
- 1) A Board Resolution to open the account which should include
 - a. Persons authorized to give instructions to the CDS and Participant
 - b. If the entity wishes to obtain CDS e-connect to manage your CDS account online, please refer the Board resolution format provided in the CDS 29B form https://www.cds.lk/pdf/cds-forms/2023/CDS29B_Form.pdf
- 2) A soft copy of the Certificate of Incorporation
- 3) If the entity has done a name change Certificate of Name Change(s), a soft copy of the certificate of incorporation of the company. If the company has changed its name, a soft copy of the certificate of name change issued by the Registrar of Companies is required to be attach.
- 4) A soft copy of the Directors list with their names, addresses, NIC/Passport numbers & occupation issued within the last 3 months, signed by the Company Secretary
- 5) A soft copy of the Top 10 Shareholders list with names & addresses issued within the last 3 months signed by the Company Secretary.
- 6) A soft copy of the Articles of Association.
- 7) An initiator login to enter the details into the portal on behalf of the applicant entity.

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.

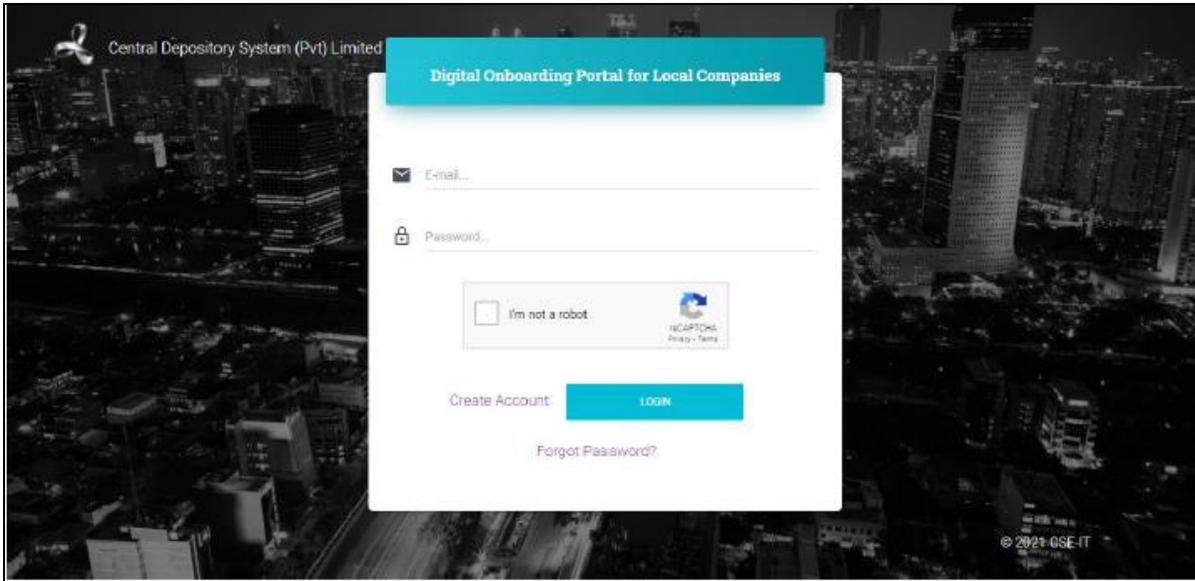
1.1 Process of Self Registration

Step 01

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



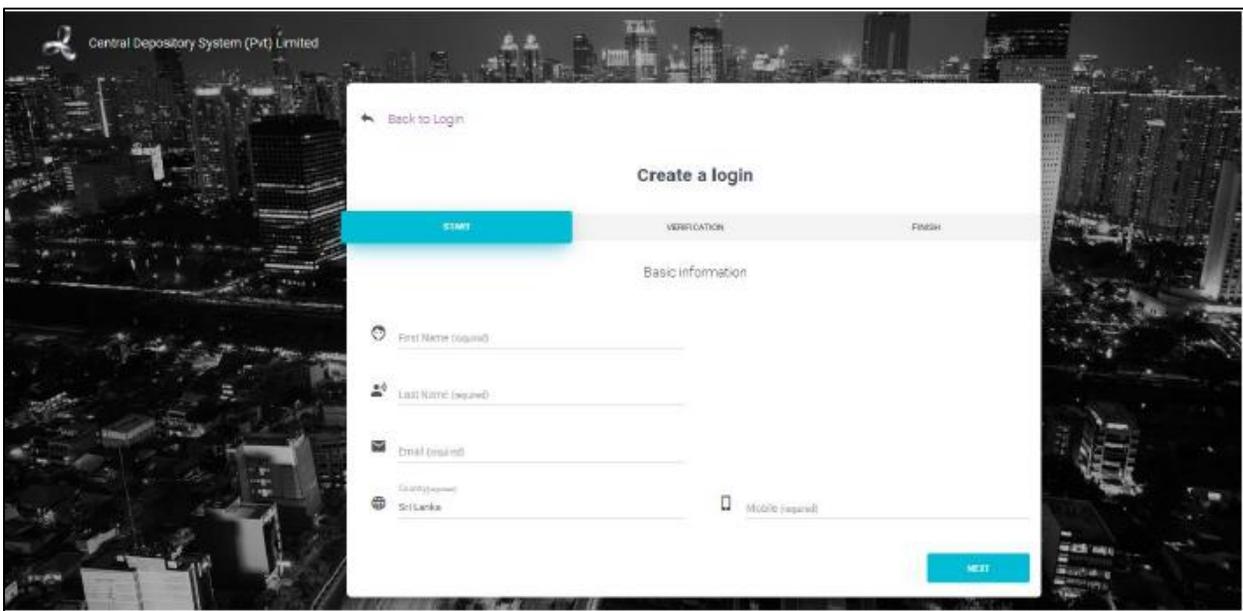
For self-registration, please click on the “**Apply Now**” option. You will be directed to the following screen.



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.

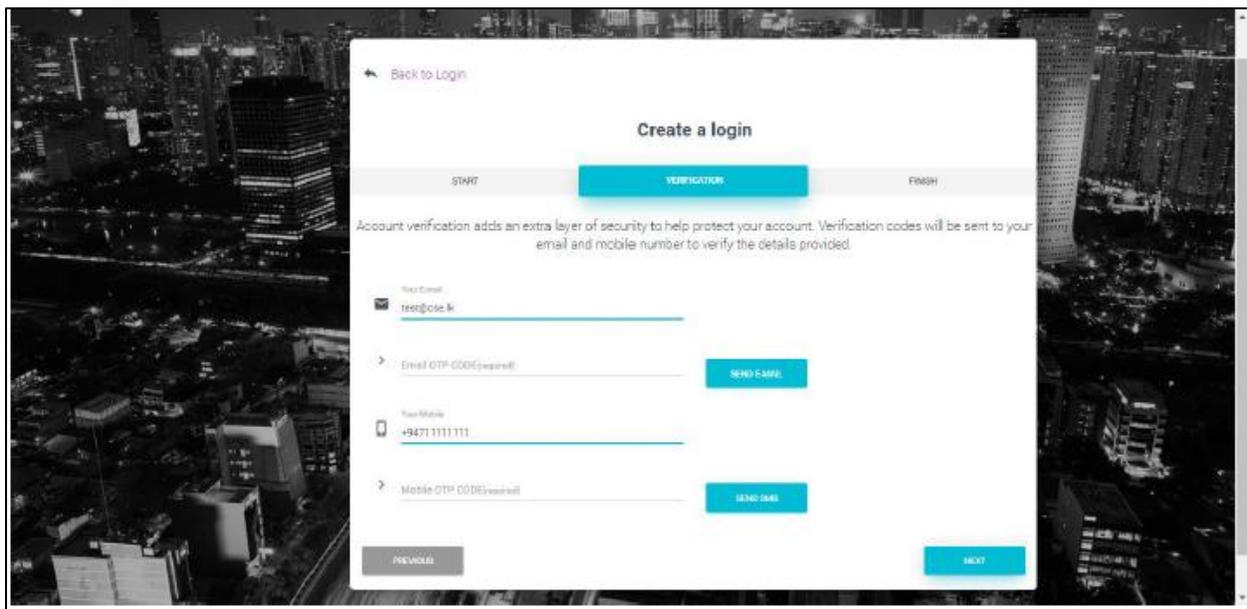


Once the basic information section is completed, the Initiator should click on the "Next" option located at the bottom of the screen. This will direct the user to the 'Verification' tab for further steps.

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)



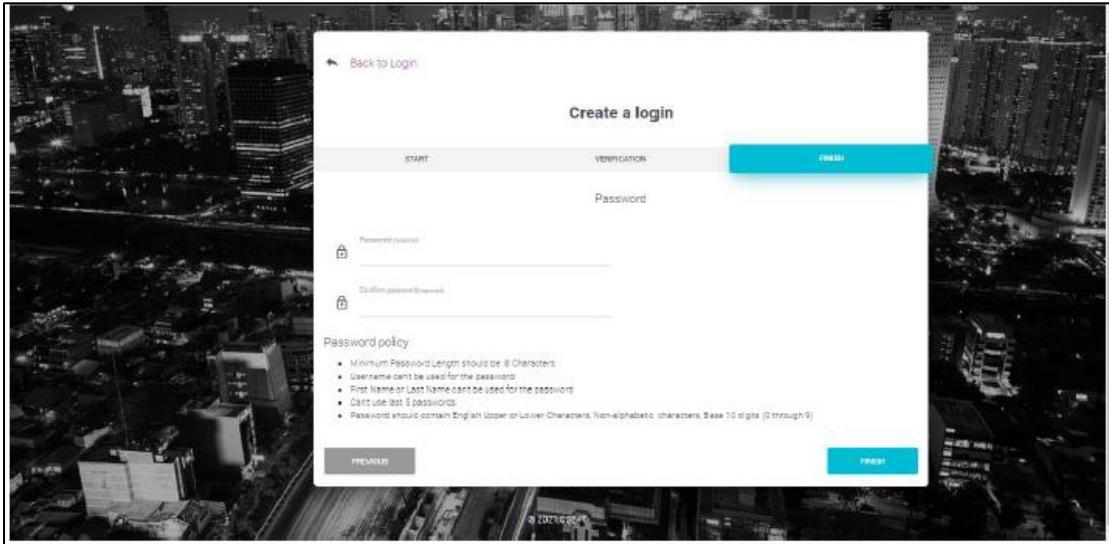
The user must first click on the “Send email” option and an OTP will be sent to the email address of the user. The OTP must be entered into the field “Email OTP Code Required” and if the OTP fails, the user may generate another OTP by clicking the “Send Email” Option.

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 “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'

A screenshot of a web application interface for creating a login. The page is titled "Create a login" and has three tabs: "START", "VERIFICATION", and "FINISH". The "FINISH" tab is currently selected and highlighted in blue. Below the tabs, the word "Password" is displayed. There are two input fields for the password, each with a lock icon and a "Show/Hide" toggle. Below the input fields, a "Password policy" section lists requirements: minimum length of 8 characters, no use of usernames or first/last names, at least 2 passwords, and inclusion of English upper/lower characters, non-alphabetic characters, and digits (0-9). At the bottom, there are "PREVIOUS" and "NEXT" buttons.

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.

1.2 Process of the Registering Company - LCs

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 are required to be 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 shows the 'Local Company Registration' web application interface. The top navigation bar is teal and contains the text 'LOCAL COMPANY REGISTRATION' on the left and 'GVANTHANA@CSE.LK' on the right. Below the navigation bar, the page title 'Local Company Registration' is displayed. A teal navigation menu contains six items: 'INITIATOR'S DETAILS' (active), 'COMPANY DETAILS', 'KYC PROFILE', 'DOCUMENT UPLOAD', 'APPROVER DETAILS ENTRY', and 'SUBMIT'. The main form area includes the following fields: 'Name' with a dropdown menu showing '-- Select Title --'; 'Designation' with a text input field; 'Mobile number' with a dropdown menu showing '+94' and a text input field; 'Email address' with a dropdown menu showing '@cse.lk' and a text input field; '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.

1.2.1 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 the 'Local Company Registration' web application interface, specifically the 'Company Details' page. The top navigation bar is teal and contains the text 'LOCAL COMPANY REGISTRATION' on the left and 'GVANTHANA@CSE.LK' on the right. Below the navigation bar, the page title 'Local Company Registration' is displayed. A teal navigation menu contains six items: 'INITIATOR'S DETAILS', 'COMPANY DETAILS' (active), 'KYC PROFILE', 'DOCUMENT UPLOAD', 'APPROVER DETAILS ENTRY', and 'SUBMIT'. The main form area includes the following fields: 'Select your preferred stockbroker' with a dropdown menu showing 'SECURITIES LIMITED'; 'Select your investment advisor' with a dropdown menu; 'Is there an existing CDS Account' with radio buttons for 'Yes' and 'No' (selected); and 'Name of Company' with a text input field.

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

Is there an existing CDS Account	<input checked="" type="radio"/> Yes <input type="radio"/> No
Existing CDS Account Number	<input type="text" value="12345-LC"/>
Name of Company	<input type="text"/>

- 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		<input type="radio"/> Yes <input checked="" type="radio"/> No	
Registered Address	<input type="text" value="ADDRESS LINE 1"/>	Correspondence Address	<input type="text" value="ADDRESS LINE 1"/>
	<input type="text" value="ADDRESS LINE 2"/>		<input type="text" value="ADDRESS LINE 2"/>
	<input type="text" value="ADDRESS LINE 3"/>		<input type="text" value="ADDRESS LINE 3"/>
	<input type="text" value="TOWN"/>		<input type="text" value="TOWN"/>
	<input type="text" value="DISTRICT"/>		<input type="text" value="DISTRICT"/>
	<input type="text" value="Sri Lanka"/>		<input type="text" value="Sri Lanka"/>

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 _____

ADDRESS LINE 2 _____

ADDRESS LINE 3 _____

TOWN _____

DISTRICT _____

Sri Lanka _____

Nature of the entity

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

LOCAL COMPANY REGISTRATION GIVANTHANA@CSELK

Person(s) Authorized to give instructions to the CDS One person Two persons

Name _____

Designation _____

Telephone _____

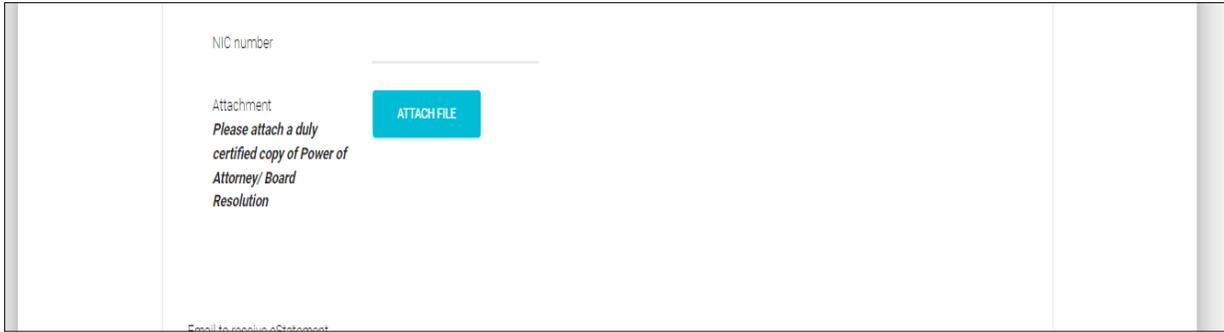
Fax _____

Mobile number _____

E-mail _____

Available identification number. NIC Passport

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.



NIC number _____

Attachment
Please attach a duly certified copy of Power of Attorney/ Board Resolution

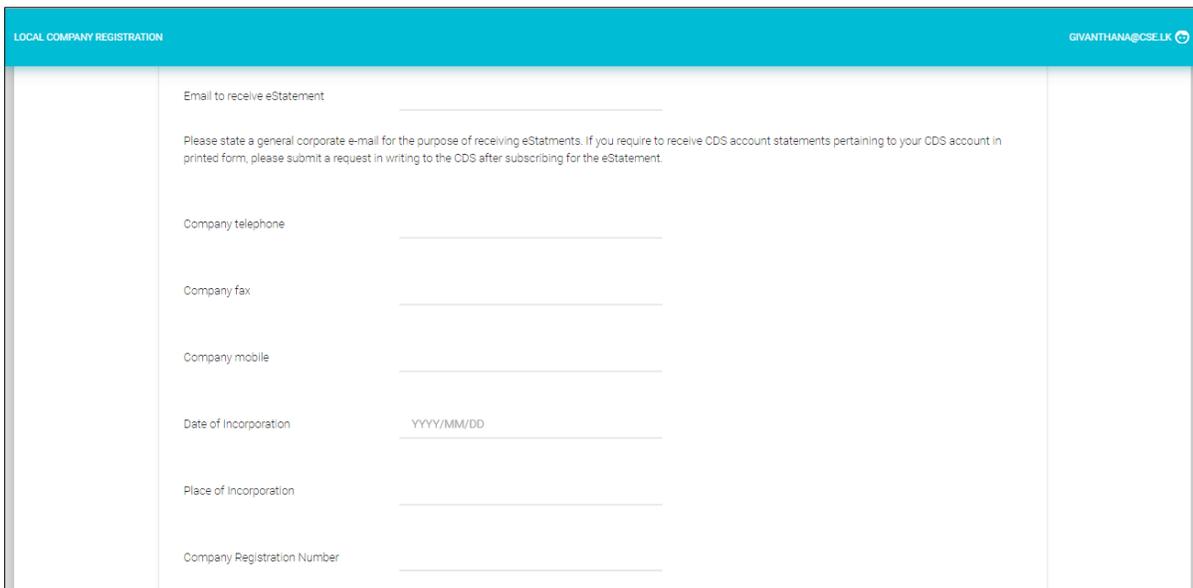
ATTACH FILE

Email to receive eStatement

- Email to receive e statements.

Please state a general corporate e-mail for the purpose of receiving e Statements. Try to avoid providing emails assigned to officers of the entity as their resignation/transfer may result in the entity not receiving the official CDS e-statement.

- Date of incorporation
- Place of incorporation
- Company registration number



LOCAL COMPANY REGISTRATION GIVANTHANA@CSE.LK

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 YYYY/MM/DD _____

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

1.2.2 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).

LOCAL COMPANY REGISTRATION GIVANTHANA@CSE.LK

Local Company Registration

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

Nature of the business (Product/Service provided) _____

Expected value of investment per annum -- Select --

Source of funds

- Business Ownership
- Business Turnover
- Investments
- Contract Proceeds
- Investment Proceeds/Savings
- Sale of Property/Assets
- Gifts
- Donations/Charities (Local/Foreign)
- Commission Income
- Export Proceeds
- Profits
- 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)

Other

Are you a US person in terms of the Foreign Account Tax Compliance Act (FATCA) of the US? Yes No

Tax Identification Number _____

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.

I Agree

Politically Exposed Persons (PEPs) Yes No

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.

Please clarify _____

Other

Are you a US person in terms of the Foreign Account Tax Compliance Act (FATCA) of the US? Yes No

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.

Politically Exposed Persons (PEPs) Yes No

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.

Any other Connected Business/Professional Activities Yes No

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="text"/>
	<input type="radio"/> Yes <input checked="" type="radio"/> No
	<input type="button" value="SAVE"/>

1.2.3 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 ATTACH FILE

Certificate of Good Standing ATTACH FILE

Has the company changed its name Yes No

Is the company listed in the Colombo Stock Exchange Yes No

Board Resolution ATTACH FILE

SAVE

- 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 GWANTHANAM@CSE.LK

Certificate of Incorporation ATTACH FILE

Certificate of Good Standing ATTACH FILE

Has the company changed its name Yes No

Certificate of Name Change 1 ATTACH FILE

Certificate of Name Change 2 ATTACH FILE

Certificate of Name Change 3 ATTACH FILE

Is the company listed in the Colombo Stock Exchange Yes No

Top 10 shareholders list (with Names & Addresses) ATTACH FILE

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

Articles of Association ATTACH FILE

Board Resolution ATTACH FILE

SAVE

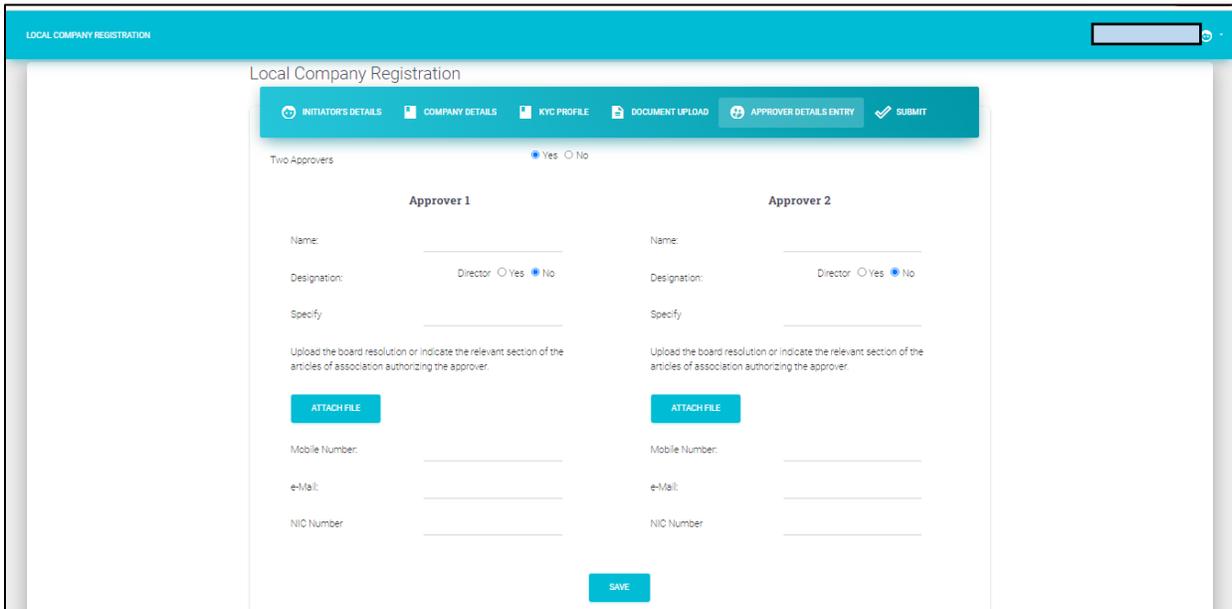
1.2.4 Approver Details

Authorized persons signing the physical application form need to be provided here. 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 bar. 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, 'Approver 1' and 'Approver 2'. Each column contains the following fields: 'Name' (text input), 'Designation' (text input with a 'Director' checkbox and 'Yes/No' radio buttons), 'Specify' (text input), a file upload section with the text 'Upload the board resolution or indicate the relevant section of the articles of association authorizing the approver.' and 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 agreeing to the Terms and conditions, declaration giving details of Litigation if applicable, a PDF document with all information will be available for you to download. The PDF application needs to be printed and signed by the Authorized persons of the applicant entity with **wet ink or digitally**. Thereafter, the signed copy of the application needs to be delivered to the Stockbroker/Custodian Participant to proceed with the application.

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](#)

LOCAL COMPANY REGISTRATION ANURAJ@CSELK

Application process initiated successfully !!!

Download the submitted application

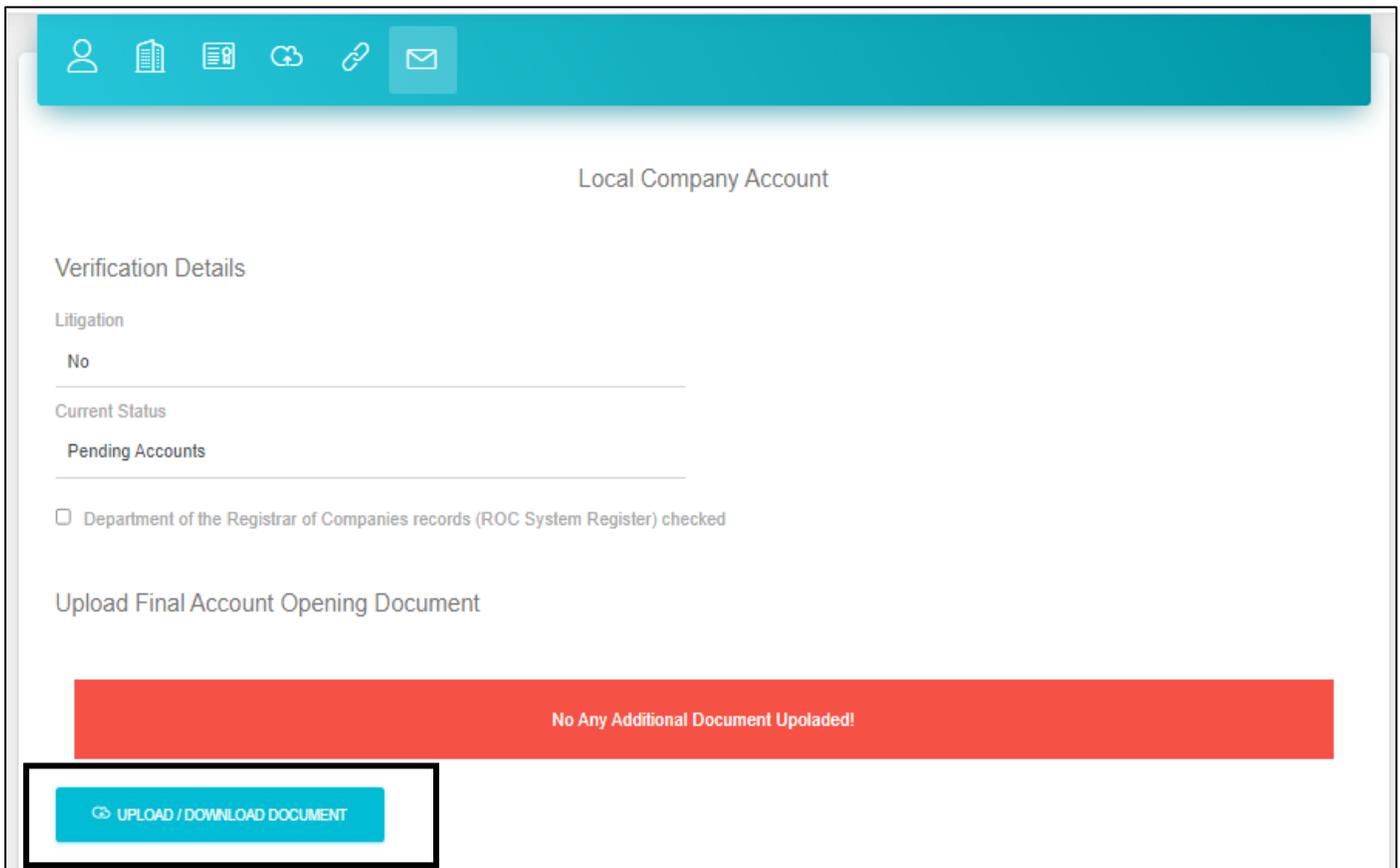
[Download File](#)

2 Broker's Responsibility

Upon receiving the hard copy with the wet ink signature or digitally signed soft copy of the PDF from the applicant entity, the stockbroker is required to upload the PDF to the eConnect platform, 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.



The screenshot displays the 'Local Company Account' verification details page. At the top, there is a teal navigation bar with icons for user profile, building, document, cloud, link, and email. Below the bar, the page title 'Local Company Account' is centered. The 'Verification Details' section includes a 'Litigation' field with the value 'No', a 'Current Status' field with the value 'Pending Accounts', and a checkbox for 'Department of the Registrar of Companies records (ROC System Register) checked'. Below this is the 'Upload Final Account Opening Document' section, which features a red notification bar stating 'No Any Additional Document Upoladed!'. At the bottom left, a teal button labeled 'UPLOAD / DOWNLOAD DOCUMENT' is highlighted with a black border.

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.

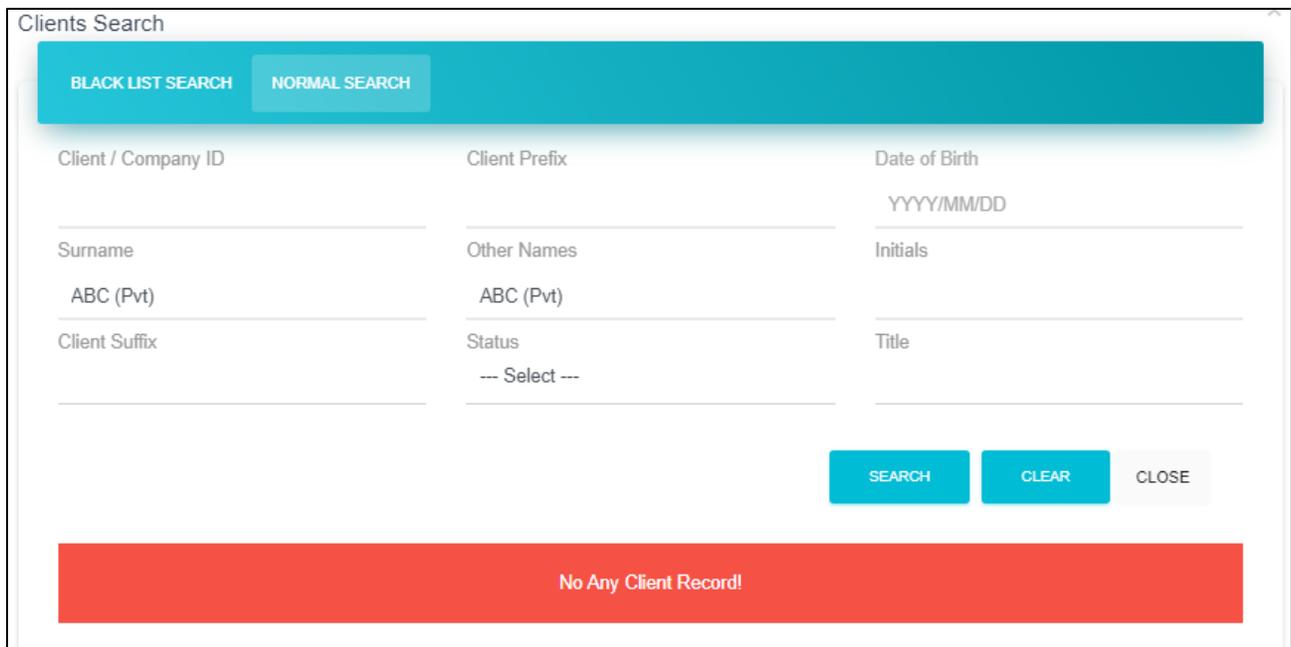
This step ensures due diligence and assists in verifying the legitimacy and suitability of the institution for the account opening.



The screenshot shows a form titled "Client Search". It contains several input fields: "Existing Prefix", "Existing Suffix", "Master File Status", and "Broker Level Status". At the bottom left, there is a "SEARCH" button with a magnifying glass icon, which is circled in red. To its right is a "CLEAR" button.

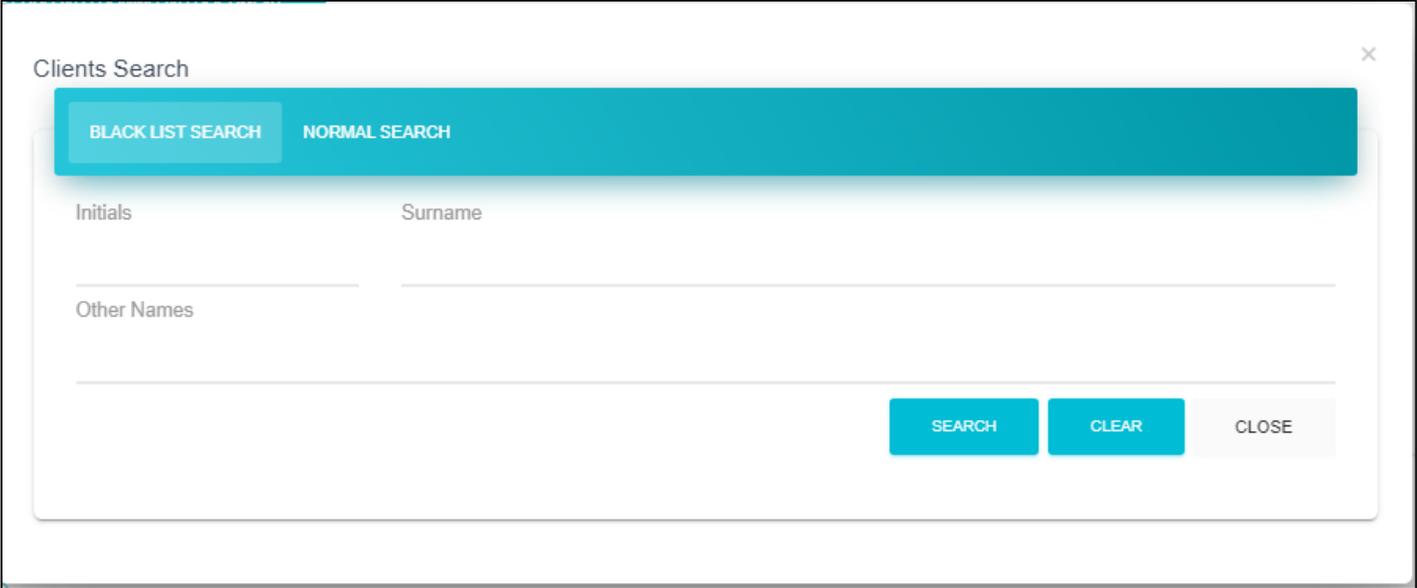
The broker must enter the necessary information into the designated fields and initiating a search by clicking the "Search" button.

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.



The screenshot shows a form titled "Clients Search". At the top, there are two tabs: "BLACK LIST SEARCH" and "NORMAL SEARCH". Below the tabs are several input fields: "Client / Company ID", "Client Prefix", "Date of Birth" (with a placeholder "YYYY/MM/DD"), "Surname", "Other Names", "Initials", "Client Suffix", "Status" (with a dropdown menu showing "--- Select ---"), and "Title". At the bottom right, there are three buttons: "SEARCH", "CLEAR", and "CLOSE". At the bottom center, there is a red banner with the text "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 **UN sanctioned Organization**. By conducting this comprehensive search, participants uphold their responsibility to prevent any potential engagement with blacklisted entities.



The screenshot displays a 'Clients Search' window with a teal header bar. The header contains two buttons: 'BLACK LIST SEARCH' (highlighted) and 'NORMAL SEARCH'. Below the header, there are three input fields: 'Initials', 'Surname', and 'Other Names'. At the bottom right, there are three buttons: 'SEARCH' (teal), 'CLEAR' (teal), and 'CLOSE' (light grey). A close button 'x' is located in the top right corner of the window.

Once the Authorization for the application is received from the Participant, the application will reach the CDS. A Robotic Process Automation will enter the data into the CDS core system and create an account. There will be an account opening confirmation sent to the registered email address for the entity.

