

Circular No.: NSDL/POLICY/2013/0141

Date: December 18, 2013

Sub: Simplification of demat account opening process

SEBI has vide its Circular No. CIR/MIRSD/12/2013 dated December 4, 2013 issued guidelines for simplification of demat account opening process. In terms of the said circular, the agreement to be executed between the person seeking to open an account with the Participant and the Participant shall be replaced with a common document "Rights and Obligations of the Beneficial Owner and Depository Participant". Copy of the SEBI circular is enclosed for information and compliance as Annexure A.

In this context, Participants are requested to take note of the following:

1. For new Clients, Participants can start implementing the same immediately and in any event are required to implement the same with respect to all new Clients latest by March 3, 2014 (*i.e. 3 months from date of aforesaid SEBI circular*). In the case of new Clients, Participants are no longer required to execute the Participant-Client agreement. Participants shall provide a copy of the Rights and Obligations Document as given in the Annexure to the aforesaid SEBI circular to the beneficial owner and shall obtain an acknowledgement of the same (*Refer point no. 3 of SEBI circular*). Participants may incorporate the acknowledgement as a part of the Account Opening Form or use a separate form of acknowledgement. An illustrative format of the acknowledgement to be obtained from the Client is enclosed at Annexure B.
2. For existing Clients, Participants are advised to intimate them about the modified provisions of the Rights and Obligations Document, replacing the existing Participant-Client agreements (*Refer point no. 4 (ii) of SEBI circular*) and keep record of the same. Such an intimation to the Clients can be sent on or before May 15, 2014 by a letter or by email registered in the DPM system or it can be combined alongwith the next monthly/ quarterly/ yearly transaction/ holding statement. An illustrative format of the intimation to be sent to Client is given at Annexure C.

3. The consequential amendments to the Bye Laws and Business Rules will be notified separately.

For and on behalf of

National Securities Depository Limited

Samar Banwat

Senior Vice President

Encl.: a/a

FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month.	By email at dp_igreport@nsdl.co.in . Alternatively, by hard copy to the Investor Relationship Cell.	1. Circular No. NSDL/PI/98/500 dated October 6, 1998. 2. Circular No. NSDL/PI/2004/1688 dated September 16, 2004.
Compliance Certificate (July - December)	January 31 st every year.	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in Alternatively, by hard copy to Inspection Department.	Circular No. NSDL/ POLICY/2006/0023 dated July 6, 2006 and Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010.