

CENTRAL DEPOSITORY  
OPERATIONAL PROCEDURES, 2012  
(REVISED 2017)



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# 1. INTRODUCTION

## 1.1 PURPOSE

- 1.1.1 This Procedures manual describes the procedures to be applied by CDAs and Issuers/ Registrars in performing the functions relating to CDSC.
- 1.1.2 Appendices contain different reports and forms used for CDSC operations.
- 1.1.3 These Procedures assume ~~an afternoondual~~ settlement periods, a morning settlement and an afternoon settlement.

## 2. DEFINITIONS

This definition section is to be read in conjunction with Rule 1.2 of the CDSC Rules.

Allotment Schedule.....	A report submitted to CDSC by Issuer consisting of a list of Securities Account Holders allotted with Securities in respect of IPOs, Bonus Issues, Rights, payment of dividend in species, mergers.
CDA.....	Central Depository Agent
<u>CBK .....</u>	<u>Central Bank of Kenya</u>
Custodian Bank.....	An authorised depository licensed by the CMA which has been appointed a CDA.
Entitlement Date.....	The date fixed by an Issuer for the purposes of determining entitlements, dividends or other distributions.
Entitlement Schedule.....	A report generated by CDSC for all Securities Account Holders entitled to Securities in respect of Bonus and Rights Issue, dividends and other Corporate Actions (Appendix 17)
Fees and Surcharge Statement...	A statement generated by CDSC on a weekly basis for CDAs in respect of CDSC fees and surcharges. (Appendix 21)
Fund.....	The Guarantee Fund established by CDSC.
Market.....	Market means the official market of the Nairobi Securities Exchange.
Net Settlement Obligation.....	The sum of the total debit amounts netted off against the sum of the total credit amounts for the relevant trading day.
New Issues Schedule.....	A report generated by CDSC, giving details of Securities Accounts credited with securities allotted during an Initial Public Offer.
<del>Provisional Deposits Schedule.....</del>	<del>A report generated by CDSC on a daily basis for each Security to reconcile with the records of the Issuer in respect of deposits. (Appendix 3)</del>
Issuer .....	The Issuer or its agent, including its Registrar
Rights Subscribed Schedule.....	A report generated by CDSC for a Security to reconcile with the records of the CDAs and Issuer in respect of Rights Subscribed.
Schedule of Securities Allotted.....	A report generated by CDSC giving details of securities accounts credited with Bonus/Rights during a Bonus/Rights Issue (Appendix 5)
Settlement Account.....	An account to be opened by each CDA at the Settlement Bank for purposes of making payment or receiving payment in respect of settlement by or to such CDA

Settlement Bank.....	A commercial bank appointed by CDSC to provide funds settlement services to CDAs in respect of executed trades.
Primary Bank.....	A settlement bank appointed by CDSC and designated to offer funds settlement services to other settlement banks
Settlement Instruction....	An instruction generated by CDSC to the Settlement Bank to effect funds settlement in accordance with the settlement schedule (Appendix 10)
Settlement File.....	A file generated from the CDS and submitted to the CBK to effect funds movement
Initial Settlement Report.....	A report generated by CDSC on the settlement position of each CDA for each trade day. (Appendix 8)
Final Settlement Report.....	A report generated by CDSC on net fund position of each Participant for each trade day (Appendix IX)
Statement of Account.....	A statement generated by CDSC showing transactions effected and balance of securities. (Appendix 20)
Stockbroker.....	A Member Company of the Stock Exchange and CDA
T.....	The day on which a trade took place on the Stock Exchange
Broker Trading Summary Schedule	A report generated by CDSC in respect of trade details for each CDA (Appendix 7)
Unsubscribed Rights Schedule.....	A report generated by CDSC for a Security to reconcile with the records of the Issuer in respect of Rights not subscribed.
Withdrawal Schedule.....	A report generated by CDSC for each Security giving details in respect of withdrawal to the Issuer.

### 3. SECURITIES ACCOUNT **S** OPENING

This function describes the procedures to be complied with by Participant CDAs with respect to [account opening](#). This includes accepting, verifying and filing of Securities Account Opening/Maintenance Form and relevant documents [and opening the account in the CDS](#).

#### 3.1 **SECURITIES ACCOUNTS OPENING**

- ~~4.1.43.1.1~~ The clients will submit duly completed and signed Securities Account Opening Form CDS 1 (Appendix 1) together with a copy of his/its identification document to the CDA. In addition, the client, if an individual, will be required to submit to the CDA two recent colour passport size photographs of himself. Where the client is a corporate body, association or other entity the passport size photographs required will be of all the signatories or directors or officers authorized to give any instructions on the account. The photograph should at no time be more ~~than~~ 5 years old.
- ~~4.1.53.1.2~~ The CDA shall ensure full disclosure of client's relevant information, verify the accuracy thereof and **witness** client's signature.
- [3.1.3](#) The CDA shall enter the data obtained from the Securities Account Opening/Maintenance Form ([CDS 1](#)) submitted by client into the CDS ~~system~~
- [3.1.4](#) [The CDA shall scan and upload the completed CDS 1 form and all other supporting documents into the CDS and submit the request to CDSC for approval.](#)
- ~~4.1.63.1.5~~ [CDSC will verify correctness of the information captured in the CDS and sufficiency of attached documents and approve before approving the request. Where information submitted is incorrect or the documentation insufficient, CDSC shall decline the request.](#)
- ~~4.1.73.1.6~~ [Upon CDSC approval the](#) CDS ~~system~~ will generate a Client Identification number.
- ~~4.1.83.1.7~~ The CDA will [then](#) enter the Client Identification number in the form and will return to the client a copy of Securities Account Opening/Maintenance Form, duly signed.
- ~~4.1.93.1.8~~ For purposes of opening accounts (**whether initially or upon moving to a new CDA**), national identity cards and passports shall be acceptable identification documents for individuals and certificates of incorporation or other registration documents issued by a duly authorized government office, for companies and other entities.
- ~~4.1.103.1.9~~ A CDA must ensure it retains copies of identification documents to assist it identify its clients. CDAs must also ensure the safe custody of specimen signatures and the passport size photographs of their clients.

The CDS Operational Procedures are amended by inserting the following new Procedure 3.2 immediately after Procedure 3.1 (*Inserted in May 2017*)

## 3.2 SECURITIES ACCOUNT OPENING USING MOBILE PHONES

This function describes the procedures to be followed by Participant CDAs with respect to accepting applications, verifying and opening of Securities Account where the client makes the request using the mobile phone.

- 3.2.1 The Participant CDA will provide an (mobile) application which will enable the clients to make the request for account opening;
- 3.2.2 Clients will access the application using their mobile phones and submit all the relevant details via the application. The details to be submitted include:
  - i. Client's full names as they appear on the ID;
  - ii. Client's date of birth;
  - iii. ID Number;
  - iv. Coloured unobscured photo of the face and shoulders;
  - v. Information on the client's occupation;
  - vi. Information on the client's postal and physical address;
  - vii. Client's email address;
  - viii. Client's source of funds;
  - ix. KRA Personal Identification Number (PIN)
  - x. Account number for a recent utility bill, where applicable
- 3.2.3 The client must ensure that the mobile number they use is registered in their name with the mobile network operator(s).
- 3.2.4 Only natural persons are allowed to open CDS accounts through the mobile phones. Institutions or joint accounts are not allowed.
- 3.2.5 The CDA is responsible for, and shall ensure full disclosure of client's relevant information, and shall verify the accuracy thereof using reliable documents or other verifiable and independent means such as IPRS data;
- 3.2.6 The CDA shall submit to CDSC the client's verified data for all the mandatory fields in the CDS and in the prescribed format for the purpose of opening CDS accounts by 4.00pm on the day of receipt of the data by the CDA;
- 3.2.7 Once a client's verified data is received from the CDA, CDSC will upload the data in the CDS and automatically open the accounts in the names of the investors before the next trading day;
- 3.2.8 CDS system will then generate a CDS Client Identification number (CDS account number);
- 3.2.9 The client data will be populated with the CDS account number and sent to the CDA;
- 3.2.10 The CDA will send a confirmation to the client via the mobile application providing them with the CDS account number;
- 3.2.11 For purposes of opening accounts using the mobile phone (**whether initially or upon moving to a new CDA**), national identity cards shall be the only acceptable identification document for individuals;
- 3.2.12 A CDA must ensure it retains a record of the data used to open the CDS account for the statutory period of seven years;



**3.2.13** A CDA must establish policies and procedures to address any specific risks associated with opening and maintaining of CDS accounts using mobile phones. The procedures must be documented and easily accessible the employees of the CDA at all times, and to CDSC when necessary.

**3.2.14** A CDA shall be required from time to time to assess the reliability of the submitted documents data or information and consider taking additional measures to mitigate the risk posed by opening CDS accounts using mobile phones, including but not limited to:

- i. Telephone contact with the customer that can be verified independently through calling the number or sending messages to the phone after the account has been opened, among other ways;
- ii. Confirmation of the client's address through an exchange of correspondence or other appropriate method;
- iii. Subject to the client's consent, telephone confirmation of the client's employment status with the client's employer where applicable;
- iv. Confirmation of the client's source of income details by requiring the presentation of recent certified bank statements from the client, in addition to any other appropriate methods; and
- v. Any other reliable verification checks adopted by the CDA for opening accounts using mobile phones

## 4. SECURITIES ACCOUNT MAINTENANCE

This function describes the procedures to be complied with by CDAs with respect to changing particulars of clients and filing of relevant documents.

### ~~1.2.4.1~~ PROCEDURES FOR SECURITIES ACCOUNTS MAINTENANCE

~~1.2.14.1.1~~ Where the client wishes to change any particulars submitted when opening an account, the client will submit duly signed Securities Account Opening/Maintenance Form (CDS 1) indicating the desired changes together with any supporting documents to his CDA.

~~1.2.24.1.2~~ The CDA ~~will~~ shall verify the accuracy of information provided by the client **and authenticate the signature** before submitting the documents to CDSC.

4.1.3 The CDA shall within one business day capture the changes indicated on the Securities Account Opening/Maintenance Form in the CDS, upload the CDS 1 form and supporting documents in the CDS and submit the request to CDSC

4.1.4 CDSC shall verify correctness of the information captured in the CDS and sufficiency of attached documents before approving the changes. Where information submitted is incorrect or the documentation insufficient, CDSC shall decline the request.

~~1.2.34.1.5~~ The CDA will confirm the changes to the client by returning a copy of the Securities Account Opening/Maintenance Form, duly signed, stamped and dated.

~~1.2.4 The CDA will forward a copy of the form to the CDSC within 2 market days of receipt and CDSC will effect the change.~~

~~1.2.54.1.6~~ The CDA will keep its copy of the Securities Account Opening/Maintenance Form.

~~1.2.64.1.7~~ The CDSC will suspend or close a Securities Account upon receipt of written instructions to do so together with supporting documents from a client through a CDA.

~~1.2.74.1.8~~ The Securities in the suspended Securities Account will no longer be available for settlement of other Transactions until the suspension is released.

## **1.34.2 PROCEDURE FOR DEALING WITH DORMANT ACCOUNTS**

This function describes the procedures to be complied with in respect to CDS accounts becoming dormant.  
(This section was inserted in April 2017)

### **2.1.14.2.1 Procedure for Flagging an Account Dormant**

1.1.1.14.2.1.1 After a lapse of twenty four months of inactivity, the CDS shall flag the account dormant.

1.1.1.24.2.1.2 Once an account is flagged dormant, CDSC shall send to the account holder a notification informing them of the declaration of dormancy. This notification may be through the email address or an SMS alert sent through the mobile phone number registered in the system.

1.1.1.34.2.1.3 The notification shall require no action on the part of the account holder and will be deemed as being for information purposes only.

1.1.1.44.2.1.4 The account holder shall be assumed to be the beneficial owner of the account and the official contacts in the CDS system shall be presumed to be the official contacts of that beneficial owner.

1.1.1.54.2.1.5 No further transactions shall be allowed in an account that has been declared dormant without the account first being activated.

1.1.1.64.2.1.6 No account statements, whether in soft copy or hard copy shall be sent when an account has been declared dormant except where activity is induced by corporate action such as upload of shares from public offers, bonus issues, script dividends, rights issues, splits or additional shares. The account holder shall however, be required to activate the account in order to sell or otherwise transact with the shares so uploaded.

### **2.1.24.2.2 Procedure for Activation Via the CDA**

2.1.1.14.2.2.1 The account holder will issue instructions by filling and signing an account maintenance form (CDS 1) at the CDA, and providing a copy of the account holder's identification document used while opening the account.

2.1.1.24.2.2.2 Upon receipt of the instructions, the CDA will verify the accuracy of the information provided in the account maintenance form.

2.1.1.34.2.2.3 The CDA shall initiate the account activation in the CDS and upload scanned copies of the account activation documents.

2.1.1.44.2.2.4 Upon receipt of the activation instructions from the CDA, CDSC will review all the activation requests and approve or decline within 24 hours. Activation requests which are not supported with all the required documentation will be declined

~~2.1.1.5~~4.2.2.5 Upon re-activation of a dormant account, a notification shall be sent to the account holder through email. An SMS alert will also be sent to those account holders whose mobile phone number details are available in the CDS.

~~2.1.3~~4.2.3 **Procedure for Activation by the account holder (Self service)**

~~2.1.1.14~~4.2.3.1 The account holder may activate their account using the CDSC online portal . An account may also be activated using the CDSC Mobile application.

[4.2.3.2](#) The account holder shall log in on the online portal or the mobile application using their log-in credentials and follow the instructions to lodge an activation request.

~~2.1.1.24~~4.2.3.3 The request shall be submitted directly to the CDA from the online portal.

~~2.1.1.34~~4.2.3.4 Upon receipt of the activation instructions from the account holder,  
~~2.1.1.44~~4.2.3.5 procedure 4.2.2.3 to 4.2.2.5 above shall apply

## 5. DEPOSITS

This section describes the procedures to be complied with by CDA and issuer with respect to accepting, verifying, filing of Securities Deposit Forms and Securities Certificates and their onward transmission to the issuers.

### 5.1 DEPOSIT OF SECURITIES FOR DEMATERIALIZATION BY SHARE REGISTRARS INTO INVESTORS ACCOUNTS HELD BY THE ISSUER (DATA MIGRATION)

- 5.1.1 The Issuer will submit to CDSC, a file of investors' static details (in electronic format) of all shareholders whose shares are held in certificate form in their records.
- 5.1.2 Upon receipt of the information mentioned in 5.2.1 above, CDSC will create non – trading CDS accounts under the Issuer for the investors.
- 5.1.3 Investors accounts created under 5.2.2 will have the following features.
- 5.1.4 The accounts will be created in CDS under the Issuer as a participant and will be inaccessible to CDAs.
- 5.1.5 The accounts will be created as non-trading accounts.
- 5.1.6 CDSC will submit the file (in electronic form) of shareholders containing CDS account numbers to the Issuer.
- 5.1.7 Upon receipt of the file mentioned in 5.2.4, the Issuer will map and verify the data against the file submitted to CDSC in 5.2.1 and confirm acceptance to CDSC by stamping and signing a copy of the forwarding schedule.
- 5.1.8 Upon verification of the data as mentioned in 5.2.5, the Issuer will upload the file into their system and generate an upload file of the investors which will include their respective shareholding and submit it to CDSC.
- 5.1.9 Upon receipt of the upload file, CDSC will verify conformity of the CDS account details with the details contained in 5.2.4.
- 5.1.10 Upon verification, CDSC will credit the investors' accounts with their respective shares.
- 5.1.11 All such shares ~~will be frozen and~~ will only be transferred in the event of investors' instructions through the process provided in Procedure 5.22 of [these](#) procedures.
- 5.1.12 CDSC will provide the Issuer with a report showing each certificated investor's account details inclusive of shareholding and CDS account numbers.
- 5.1.13 The Issuer will confirm conformity of the investors' static details and shareholding by stamping and signing a copy of the forwarding schedule.
- 5.1.14 Where the investor's shares are pledged, the Issuer will submit a separate upload file as provided in Procedures 5.2.1 to 5.2.6.
- 5.1.15 Upon receipt of the pledged shares upload file, CDSC will credit the shares into the investors account held under the Issuer and immediately record the pledge.
- 5.1.16 CDSC will inform the Pledgee of the recording of the pledge.
- 5.1.17 Upon receipt of a signed copy of the forwarding schedule provided for under Procedure 5.2.10, CDSC and the Issuer will sign off the data migration process.
- 5.1.18 Issuers will not be required to issue Jumbo certificates.

## 5.2 DEPOSITS OF SECURITIES FOR DEMATERIALIZATION BY INVESTORS

- 5.2.1 The client will submit in quadruplicate completed and signed Securities Deposit Form CDS 2 and the relevant Securities certificates to his CDA.
- 5.2.2 The CDA will verify the accuracy of information provided in the Securities Deposit form.
- 5.2.3 The CDA will acknowledge receipt of the documents by returning to the client a copy of the Security Deposit Form, duly signed, stamped and dated.
- 5.2.4 The CDA will deliver two copies of the duly signed Securities Deposit Form together with securities certificates and a forwarding schedule in duplicate to the Issuer
- 5.2.5 The Issuer will acknowledge receipt of deposit documents by handing over a copy of the forwarding schedule, duly signed, stamped and dated to the CDA.
- 5.2.6 The Issuer, upon receipt of the documents, shall verify their authenticity and ensure that the specimen signature and all other relevant information in their custody match the information on the deposit form(s).
- 5.2.7 The Issuer, after confirming their authenticity, will indicate the non-trading CDS number provided by CDSC and the Local Client ID in the non-trading account on the CDS 2 form.
- ~~5.2.8 The Issuer will also indicate the Local Client ID in the non-trading account provided by registrar on the CDS 2 form.~~
- 5.2.8 The Issuer will initiate the certificate deposit process by capturing the details of the transaction in the CDS, uploading the CDS 2 form and supporting documents and submitting the request.
- 5.2.9 CDSC, upon receipt of the request will verify the accuracy of the information captured by:
  - 5.2.9.1 Confirming correctness of the clients details indicated on CDS 2 form against the details in CDS system
  - 5.2.9.2 Confirming that the non trading CDS account number indicated on CDS 2 form conforms to the one in the CDS system
- 5.2.10 Upon verification of the deposit documents as mentioned in 5.3.11.2, CDSC will approve the request and the CDS will transfer the sharessecurities from the investors non trading account held under the Issuer to the Investor's account held under a CDA.
- 5.2.11 Any rejected documents will be returned by the Issuer to the CDA.
- 5.2.12 The Issuer will, after verifying the authenticity of deposited Securities certificate, register the Securities in the name of CDSC or its nominees.
- ~~5.2.105.2.13 The Issuer will deliver by its authorized personnel the deposit documents to CDSC summarized in a CDS 2 delivery schedule in duplicate.~~ Deposit documents will be valid

as verified only when signed by the authorized signatories of the Issuer/Registrar as instructed to CDSC.

~~5.2.11~~5.2.14 Upon completion of the transfer, CDSC will submit a report to the Issuer/Shares Registrar showing the movement of shares from the issuer's account to the CDA's account.

~~5.2.12~~5.2.15 The Issuer will be required to indemnify the CDSC of any consequences as a result of erroneous crediting of securities in accounts arising from any information contained in the deposit documents.

~~5.2.13~~5.2.16 No jumbo certificate will be required.

## 5.3 DEALING WITH PRIVATE TRANSFERS OF CERTIFICATED SECURITIES

- 5.3.1 Where shares to be transferred are unimmobilized/certificated:
- 5.3.2 The beneficiary will contact a CDA and if he already has a securities account in the CDS, obtain a Private Transfer form (CDS 7) and indicate the account number thereof on the form.
- 5.3.3 Where the beneficiary does not already have an account with a CDA of his choice, he will appoint a CDA of his choice and open a CDS account.
- 5.3.4 The beneficiary will fill and sign a CDS 2 form and CDS 7 form to be provided by the CDA. The beneficiary will submit to the CDA all relevant and required documentation to support the application.
- 5.3.5 The CDA will acknowledge receipt of the documents by stamping, signing and returning a copies of the CDS 7 form and CDS 2 form to the beneficiary.
- 5.3.6 The CDA will verify conformity of the supporting documents with the requirements of private transfers.
- 5.3.7 The CDA will submit the documents of transfer to the ~~Shares Registrar~~ Issuer for verification.
- 5.3.8 Upon verification, the ~~Shares Registrar~~ Issuer will indicate the non trading account number on both the CDS 2 form and CDS 7 and return the documents to the CDA.
- 5.3.9 The CDAs will submit the documents to NSE for approval.
- 5.3.10 Upon approval, NSE will submit the documents to the ~~Share Registrars~~ Issuer upon which the ~~Share Registrars~~ Issuer shall capture the details of the transfer in the CDS and upload the CDS 2 and 7 forms and other supporting documents in the CDS ~~inform the CDSC to move the shares from the non trading account to the beneficiary's CDS account.~~
- 5.3.11 Upon receipt of ~~the request~~ duly verified and approved transfer documents, CDSC will verify correctness of information captured and approve the request
- ~~5.3.11~~ 5.3.12 Upon approval the CDS will ~~effect a transfer~~ transfer securities from the ~~investor's non trading~~ CDS account created under the Issuer to the beneficiary's account with a CDA.
- ~~5.3.12~~ 5.3.13 CDSC shall submit a monthly report to the Issuer ~~(every two weeks)~~ showing the share movement from the ~~Investors~~ non trading accounts- held under the Issuer to the Investors accounts.



## 6. TRADES

This function describes the procedures to be complied with by the CDAs for trades effected on the [Securitiesstock](#) Exchange with respect to:

- 1.) Accepting buying/selling orders of the Securities from Clients
- 2.) Providing trade details and client information to CDSC

### 6.1 ORDER INPUT

- 6.1.1 Upon receipt of trade orders from clients, ATS operators will verify availability of the Securities in the Securities Account [before entering the orders in the ATS](#).
- 6.1.2 During the trading session, ATS Operators will in respect of all immobilized securities enter the trade orders in the ATS through their trading terminals, ~~which are then transmitted, directly to the CDS for validation, acceptance and execution.~~
- 6.1.3 ~~–Upon an entry of an order by the ATS Operator, the ATS shall validate the order by confirming that the seller's CDS account holds the required number of securities and that the same are available for trading~~ [match the orders and transmit concluded trades to the CDS in real time.](#)
- 6.1.4 The CDS System will generate a unique CDS reference number for each trade executed
- 6.1.5 ~~Each broker will be able to generate~~ [CDSC will thereafter issue every broker with](#) its broker trading summary schedule [from the CDS](#) (Appendix 7) by 3.30 p.m.
- 6.1.6 ~~CDSC will make available to~~ Custodian Banks [will access the](#) Initial Settlement Reports in respect of transactions allocated to their clients [from the CDS by Stockbrokers](#) on T by 5.00p.m. ~~CDSC will ensure that the reports are collected by hand or other means agreed with each such Custodian Bank and that receipt thereof is acknowledged by a duly authorized representative of the Custodian Bank. Procedure 6.3 will thereafter apply.~~

### 6.2 AMENDMENTS TO TRADE INFORMATION

- [6.2.1](#) Any amendments will be subject to agreement among the Stockbrokers in the trade and the Exchange. Any such amendments will be submitted to the exchange within 30 minutes of the end of trading session.
- [6.2.2](#) [The Exchange shall submit approved amendments to CDSC through email by 3.45pm on trade date.](#)
- ~~6.2.16.2.3~~ [Upon receipt of approved amendments from the exchange, CDSC shall effect the changes in the CDS by 5.00pm on T.](#)

### 6.3 ACCELERATION OF TRADES

This function stipulates the procedures to be followed with respect to acceleration of trades  
*This section was inserted in November 2016*

- 6.3.1 Parties to a trade may change the settlement date to an earlier date (acceleration of trade), subject to an agreement between them.
- 6.3.2 Once all parties to a trade are in agreement to a trade acceleration, the buying CDA shall inform CDSC in writing and copy the contra CDA by 12.00 noon the day before the desired date of settlement.
- 6.3.3 The contra CDA shall inform CDSC in writing that they have accepted the proposed trade acceleration.
- 6.3.4 Upon receipt of the acceleration request from the buying CDA and confirmation of acceptance from the contra CDA, CDSC shall effect the trade acceleration in the CDS system.
- 6.3.5 The revised Final Settlement schedule shall be made available to all the parties involved on the same day the trade is accelerated, by 5pm.
- 6.3.6 The trades will thereafter settle in the usual manner as per Procedure 7.1

### 6.4 REALLOCATION OF TRADES

Custodian banks may re-allocate trades that were erroneously allocated by the stockbroker. The following procedures will apply.

- 6.4.1 The Stockbroker who effected the trade will send a written request to the affected custodians indicating the details of the trade and the affected accounts.
- 6.4.2 The Stockbroker who effected the trade will initiate the reallocation in the CDS.
- 6.4.3 CDA whose client the trade was initially allocated to will accept the de-allocation in the CDS
- 6.4.4 The CDA whose client the trade is being reallocated to will verify the details of the reallocation and, if the details are in conformity with their clients instruction, they will immediately approve the reallocation in the CDS
- 6.4.5 The revised Final Settlement schedule shall be made available to all the parties involved, on the same day the trade is reallocated, by 5pm.
- 6.4.6 The trades will thereafter settle in the usual manner

#### **6.4.6.5 NEGATIVE AFFIRMATION OF TRADES ~~ALLOCATED TO SECURITIES ACCOUNTS~~ OF CLIENTS OF CUSTODIAN BANKS**

~~6.4.16.5.1~~ Custodian Banks ~~will have the right to reject~~ ~~notify CDSC of~~ any trades allocated to their clients erroneously and therefore not accepted. ~~The custodian banks will negatively affirm such trades in the CDS, by indicating this on a copy of the respective Reports submitted to them under Procedure 6.1.6 and delivering the report to the CDSC. CDSC will then notify the relevant Stock broking Company in writing and remove the relevant custodian allocation.~~

6.5.2 The CDS will send notifications of the negatively affirmed trades to the affected Stock brokers.

~~6.4.26.5.3~~ In accordance with Procedure 6.5.1, Custodian Banks will have up to T+2, ~~noon~~ 3.00 p.m to ~~refuse negatively affirm~~ trades that have been erroneously allocated to their clients by Stock broking companies on T. ~~The Custodian Bank must ensure that CDSC acknowledges such refusal in writing.~~ Any trade not so refused shall be deemed to be accepted.

~~6.4.36.5.4~~ Any request for trade acceptance by the Custodian after the deadline prescribed in 6.5.3 above will be subject to a surcharge, in accordance with Procedures 17.

~~6.4.46.5.5~~ Where a custodian refuses to accept a trade, the Stock broking company may re-allocate the trade to another client. Once the trade is re-allocated, the trade may not subsequently be accepted by the Custodian.

6.5.6 If the trade is not allocated by 8.00 am on T+3, the trade shall be dealt with in accordance with procedures 7.4, 7.5 and 7.6.

## 7. CLEARING AND SETTLEMENT

This function stipulates the procedures to be complied with by CDAs in respect of reporting and confirming transactions to the CDSC to clear and settle such transactions through the services of CDSC. *This section was amended in December 2014 to include funds settlement through CBK*

### 7.1 SECURITIES AND FUNDS SETTLEMENT

7.1.1 CDSC will provide CDAs and their Settlement Banks with their respective Initial Settlement Reports by 5.00 pm on T.

7.1.2 CDSC will provide CDAs and their Settlement Banks with their respective Final Settlement Reports by 5.00 pm on T+2.

~~7.1.27.1.3~~ Each CDA ~~must have~~ shall ensure that it has sufficient securities available in the CDS accounts, to cover its settlement obligations by T+2 5.00pm

~~7.1.37.1.4~~ Each CDA ~~must have~~ shall ensure that it has ~~funds available~~ in the Settlement Account with its Settlement Bank, ~~sufficient funds available to meet its settlement obligations~~ in accordance with the Final Settlement Report before ~~1.00pm~~ 10.15 am on T+3.

7.1.5 The Settlement bank shall notify each CDA's Settlement position to ~~the~~ CDSC by ~~1.00pm~~ 10.15 am on T+3.

7.1.6 CDSC shall submit final settlement instructions to the settlement banks by 10.30 a.m on T+3.

~~7.1.47.1.7~~ The settlement banks shall transfer funds in accordance with the settlement instructions by 11.00 a.m. on T+3.

~~7.1.57.1.8~~ CDSC will submit the final settlement instructions to CBK by ~~2.30pm~~ 10.30 a.m on T+3.

~~7.1.67.1.9~~ CBK shall transfer funds for settlement in accordance with the Settlement Instructions by ~~3.00pm~~ 11.00 am on T+3.

~~7.1.77.1.10~~ The CBK will confirm settlement of funds to CDSC immediately by electronic means (or any other mode as may be agreed from time to time)

~~7.1.87.1.11~~ CDSC will, upon receipt of the confirmation from CBK of successful settlement of funds, transfer the securities. The settlement of funds and movement of securities for the first settlement batch shall in any case occur not later than ~~311~~ 11.15 am on T+3.

### 7.2 MULTIPLE SETTLEMENT BATCHES

7.2.1 There shall be multiple settlement batches per day

7.2.2 Trades that fail settlement due to short securities positions in the first settlement batch will be settled in the second settlement batch and the procedures below will be followed;

7.2.3 Each CDA shall ensure that it has sufficient securities available in the CDS accounts, to cover its settlement obligations by T+3 12.00noon

7.2.4 Each CDA shall ensure that it has in the Settlement Account with its Settlement Bank, sufficient funds available to meet its settlement obligations in accordance with the Final Settlement Report before 12.30pm on T+3.

7.2.5 The Settlement bank shall notify each CDA's Settlement position to CDSC by 12.30pm on T+3.

7.2.6 CDSC shall submit final settlement instructions to the settlement banks and CBK by 1.00 p.m on T+3.

7.2.7 The settlement banks shall transfer funds in accordance with the settlement instructions by 1.30 p.m. on T+3.

7.2.8 CBK shall transfer funds for settlement in accordance with the Settlement Instructions by 1.30 p.m on T+3.

7.2.9 The CBK will confirm settlement of funds to CDSC immediately by electronic means (or any other mode as may be agreed from time to time)

~~7.1.8-17.2.9.1~~ CDSC will, upon receipt of the confirmation from CBK of successful settlement of funds, transfer the securities. The settlement of funds and movement of securities for the second settlement batch shall in any case occur not later than 2.00pm on T+3.

#### **~~1.4~~—AMENDMENTS TO SETTLEMENT INSTRUCTIONS**

~~7.1.9 CDSC will provide Amended Settlement Schedules (Appendix 11) and Amended Settlement Instructions to the Settlement Bank in the event of funds or securities failure.~~

~~7.1.10 In case of funds default CDSC will effect funds settlement as outlined in Procedure 7.3.~~

~~7.1.11 In case of securities default CDSC will effect settlement as outlined in Procedure 7.4.~~

### **7.27.3 FUNDS SETTLEMENT DEFAULT**

~~7.2.17.3.1~~ The defaulting CDA's Settlement Bank will inform CDSC of any shortfall in the funds settlement by ~~10.15. am~~1.00 pm on T+3.

~~7.2.27.3.2~~ CDSC will seize the defaulting CDA's clients' shares and allocate them to the Guarantee Fund.

~~7.2.37.3.3~~ The defaulting CDA's Settlement Bank will provide for the shortfall in accordance with the terms of the Settlement bank agreement.

~~7.2.47.3.4~~ The defaulting CDA will be required to reimburse the Settlement bank of the amount paid on its behalf including any interest charges by 12.00noon on the next business day.

~~7.2.57.3.5~~ In the event that the CDA does not reimburse the Settlement bank as stated in (e) above, the Settlement bank will immediately notify CDSC by 2.00pm on the same day.

~~7.2.67.3.6~~ CDSC will draw down the amount required (initial amount paid plus any accrued interest) from the Guarantee Fund and replenish the affected Settlement bank position within one business day of being notified by the Settlement bank.

~~7.2.77.3.7~~ CDSC will levy default penalties to the affected CDA in accordance with the Guarantee Fund Procedures.

~~7.2.87.3.8~~ In any event, the defaulting CDA will not be allowed to access the ~~trading~~ depository system until its contribution to the Guarantee Fund has been regularized.

### **~~7.37.4 FAILURE TO ALLOCATE TRADES BY SELLING CDA~~ IN CASE OF NON-ACCEPTANCE BY A CUSTODIAN**

~~7.3.17.4.1~~ Where a trade is not allocated by the selling CDA ~~following non-acceptance by a Custodian~~ the transaction will remain in the settlement cycle for settlement on T+3 but the procedures below will apply.

~~7.3.27.4.2~~ If the trade is not allocated before the commencement of trading on T+3, 9.00 am, it shall be marked as a failed trade and removed from the settlement cycle. The CDSC shall inform the Buying CDA of this and the date set for buy-in.

~~7.3.37.4.3~~ A penalty equivalent to 0.14 % of the value of the transaction shall be imposed for any trade NOT allocated on T+2 by 5.00 pm in accordance with Procedure 17.

7.4.4 If the trade remains unallocated on T+5 9.00am ~~fails as aforesaid the~~ CDSC shall ~~add 5 days to the settlement cycle and~~ initiate a buy-in.

7.4.5 The selling CDA may make arrangements to borrow securities so that the trade need not be suspended for the entire duration of the buy-in procedure. [This will only apply when securities lending becomes possible in this market].

## 7.5 PROCEDURES UPON DEFAULT- BUY IN

Buy-in will be effected by the Stockbroker which has defaulted under the supervision of the Securities Exchange and the following procedures shall apply. CDSC- provides for a buy-in period of additional trading sessions apportioned as per the following procedures. Graduated penalties will also be levied as stipulated below.

7.5.1 CDSC will issue the defaulting broker with the buy-in notice by 12.00 noon on T+3.

7.5.2 A daily penalty of 0.14% of the value of the unallocated trade shall be levied on the stockbroker ~~on~~from T+2 5pm until the buy in process is initiated.

7.5.3 The CDSC will inform the Securities Exchange of the buy-in by 12:00 noon on (T+3), and will provide the Securities Exchange with the following details:

7.5.3.1 The defaulting Stockbroker.

7.5.3.2 The security, its price and quantity undelivered.

7.5.3.3 The date set for buy-in

7.5.4 The buy in will be executed two business days after the notice is issued, that is, on T+6 9.00am.

7.5.5 A daily penalty of 1% of the value of the unallocated trade shall be levied on the defaulting stockbroker until the buy-in process is concluded

~~7.3.47.5.6~~ 7.5.6 The Securities Exchange will ensure that the buy-in order is entered into the ATS, at the price set in accordance with the applicable Trading Rules, on the same day set out in 7.4.3. The defaulting CDA shall be required to buy the securities on the market within 5 trading sessions and the Trade shall be provisionally allocated to the defaulting CDA's provisional account established for this purpose for subsequent delivery to the initial buyer.

7.5.7 Once the defaulting CDA acquires the required amount of securities, the original failed trade shall be allocated to the defaulting CDA's provisional account and settled at most three days after allocation

~~7.3.57.5.8~~ 7.5.8 Trades affecting the CDA's provisional account shall only be allowed in procedures 7.4.57.5.7 and 7.5.37.5.8. No other type of transaction will be allowed on this account.

7.5.9 The Stockbroker will be required to make a cash deposit of 25% of the value of the unallocated trade to CDSC by T+6 12noon9 am. If the buy-in is successful, then CDSC will return the cash deposit to the defaulting Stockbroker. If after 5 trading sessions the buy-in is unsuccessful, CDSC will give 10% of the cash deposit to the buyer in the failed transaction as compensation and the remaining 15% will be retained by the CDSC as processing fee.

7.5.10 If after 5 trading sessions the buy-in is partially successful, then CDSC will proceed as follows:

7.5.10.1 CDSC will use the cash deposit to compensate the buyers in the failed transaction, on a pro-rata basis, by an amount equivalent to 10% of the value of the securities that remain undelivered after the buy-in.

7.5.10.2 CDSC will deduct 15% of the value of the securities that remain undelivered after the buy-in as processing fee and return the remaining balance of the cash deposit to the defaulting CDA .

7.3.5.17.5.10.3 CDSC will amend the trade by subtracting the amount of securities that remain undelivered from the initial quantity traded.

7.3.67.5.11 The ~~unallocated T~~trade, or the remaining portion thereof, shall, subject to the decision of the Business Conduct Committee, the Exchange and the Authority, be cancelled and the defaulting broker shall be liable to pay a penalty of 2 % of the value of the transaction at the ruling market price (pro-rata in case of a partial fill).

7.5.12 The Stockbroker shall also bear all losses and expenses associated with the buy-in. Such losses and expenses accruing to CDSC shall form part of ~~the stockbroker's funds~~ settlement obligation. If the buy-in is fully or partially successful, CDSC will deduct any such losses and expenses from the cash deposit of the CDA.



#### ~~7.4.17.6~~ **FAILURE TO ALLOCATE TRADES BY BUYING CDA IN CASE OF NON-ACCEPTANCE BY A CUSTODIAN**

~~7.4.17.6.1~~ Where a trade is not allocated by the buying CDA ~~following non-acceptance by a Custodian~~, the transaction will remain in the settlement cycle for settlement on T+3 but the procedures below will apply.

~~7.4.27.6.2~~ A penalty equivalent to 0.14 % of the value of the transaction shall be imposed for any trade not allocated on T+2 by 5.00 pm in accordance with Procedure 17.

~~7.4.37.6.3~~ If the Trade is not allocated before the commencement of trading on T+3, 9.00 am, the trade shall be allocated to the CDA's provisional account and settled on T+3 along with the CDA's other obligations. If necessary the Guarantee Fund will be used, in accordance with the Guarantee Fund Procedures.

~~7.4.47.6.4~~ The Guarantee Fund Procedures shall thereafter apply.

#### ~~7.5~~ **PROCEDURES UPON DEFAULT**

~~7.5.1~~ Buy-in will be effected by the Stockbroker, which has defaulted under the supervision of the Securities Exchange and procedures ~~7.34.5 to 7.34.8~~ above shall apply.

~~7.5.2~~ The CDSC will inform the ~~Securities~~ stock Exchange of the buy-in by 8:45 am on the third Business Day following the Business Day on which the trade took place (T+3), and will provide the ~~Securities~~ stock Exchange with the following details:

~~1.4.1.1~~ The defaulting Stockbroker;

~~1.4.1.2~~ The security, its price and quantity undelivered.

~~7.5.3~~ The Securities Exchange will ensure that the buy-in order is entered into the ATS at the highest possible price for the day on the same day set out in ~~7.5.2~~.

~~7.5.4~~ Partial fill for the quantity to be purchased will be allowed in each of the buy-in trade sessions.

## 8. TRANSFER OF ACCOUNTS

This function describes the procedures to be complied with by the CDA with respect to accepting, verifying, filing of Securities Transfer Forms and ~~submission of the transfer documents to CDSC~~processing the transfer in the CDS.

~~8.1~~ The Client will submit in ~~triplicate~~quadruplicate duly completed and signed Securities Transfer Form CDS 4A/B (Appendix 13) to his current CDA. (~~Appendix 13~~). The current CDA shall sign the CDS form 4A/B and return it to the client together with a certified copy of the client's national ID or passport or registration documents in case of a company.

~~8.18.2~~ The current CDA shall ~~prepare and submit to CDSC, a list of all CDS forms 4A/B that have been signed and returned to its clients on a daily basis.~~capture and submit the details of the transfer in the CDS

~~8.28.3~~ The client shall submit the duly executed form together with supporting documents to the receiving CDA.

~~8.38.4~~ The Receiving CDA shall verify the instructions and signature of client and will acknowledge receipt of the transfer request by returning to the client a copy of the Securities Transfer Form, duly signed.

~~8.48.5~~ The Receiving CDA ~~will deliver by its authorized personnel relevant copies of duly signed Securities Transfer Form CDS 4A/B to CDSC~~shall accept the transfer in the CDS and upload the transfer form together with supporting documents and submit to CDSC.

~~The CDSC will acknowledge receipt of transfer documents by handing over a copy of the Securities Transfer Form to the Receiving CDA, duly signed.~~

~~8.58.6~~ CDSC will ~~check whether the transfer request is in conformity with the Rules and Procedures and will immediately effect the transfer of Securities: or~~verify correctness of information captured in the CDS and ensure that the details match those indicated on the transfer form and approve the transfer.

~~8.7~~ CDSC will within one business day effect the transfer or reject it. CDSC shall give reasons for rejection in the CDS, and transaction will revert to the receiving CDA for correction. ~~return for collection by the receiving CDA's authorized personnel the rejected transfer documents.~~

~~8.68.8~~ On approval of the transfer by CDSC the securities will move from the client's CDS account with the current CDA to the client's account with the receiving CDA.

## 9. PRIVATE TRANSACTIONS

This section stipulates the procedures to be complied with by CDAs with respect to:

1. Hereditary transfers of securities already deposited in the CDSC,
2. Transfer of eligible securities between custodians and between custodians and their clients where there is NO CHANGE IN BENEFICIAL OWNERSHIP,
3. Donations
4. Gifts
5. Other dispositions of eligible securities with prior approval of the Authority (Rule 44)

9.1 The Client will hand over duly completed and signed Securities Private transfer Form CDS 7 (Appendix 16) accompanied by relevant supporting documents to his CDA.

9.2 The CDA will verify instructions and signature of client and will acknowledge receipt of the transfer request by returning to the client relevant copies of the Private transfer Form duly signed, stamped and dated.

9.2.3 Where the transferor's CDA differs from the transferee's CDA, the transferor CDA will return the CDS 7 form together with supporting documents to the client for onward transmission to the transferee CDA.

9.4 The transferor's CDA will deliver two copies of the duly signed will capture the details of the transfer in the CDS Private transfer Form together with supporting documents and submit the request to NSE.

9.5 The transferee will deliver the CDS 7 form together with supporting documents to their CDA

9.3.6 The transferee CDA will review the details of the transfer in the CDS, upload the CDS 7 form together with supporting documents and accept the transfer

9.7 The NSE CDSC will check whether the information provided in the Private transfer form is in conformity with the provisions of the CMA requirements for private transfers. If they fulfill all laid down requirements, NSE CDSC shall approve them for the transfer in the system and submit the documents to CDSC.

9.4.8 On approval the CDS will move securities from the transferor's account to the transferee's account and send notifications to the clients and CDAs involved

9.5.9 The CDSC will send all transfers that require CMA approval to the Authority for approval first before approving the transfers in the CDS immediately effect the transfer of Securities.

## 10. PLEDGES, RELEASES & FORECLOSURES

This section stipulates the procedures to be complied with by CDAs with respect to:

1. Pledge of securities already deposited in the CDSC,
2. Release of pledge upon termination of the pledge,
3. Foreclosure on securities pledged in the CDSC, and
4. Foreclosure on securities pledged with the Issuer.
5. Foreclosure on securities held under a CDA who has gone under
6. Foreclosure on securities using a different CDA when the current CDA is still existing

### 10.1 PLEDGE IN THE CDSC

10.1.1 The Client will hand over duly completed and signed Securities Pledge Form CDS 5 (Appendix 14) to his CDA.

10.1.2 The CDA will verify instructions and signature of client and will acknowledge receipt of the pledge request by returning to the client relevant copies of the Pledge Form duly signed.

10.1.3 The Client/Pledgor will hand over the duly signed Securities Pledge Form to the pledgee and negotiate his pledge conditions.

10.1.4 The pledgee will forward the completed and duly signed Securities Pledge Form to the ~~CDSC through his~~ CDA.

10.1.5 The CDA will verify the client's signature on the CDS 5 form and ensure that the form is duly filled and stamped.

~~10.1.4~~ 10.1.6 The ~~pledge~~ CDA will capture the details of the pledge and upload the CDS 5 form together with supporting documents in the CDS and submit the request to CDSC for final approval.

~~10.1.5~~ 10.1.7 ~~The~~ CDSC will check whether the information provided in the pledge documents are in conformity with the Rules and Procedures.

~~10.1.6~~ 10.1.8 The CDSC will reject incomplete pledge ~~documents~~ requests, stating reasons for rejection and return the pledge ~~document~~ request to the pledgee's CDA.

~~10.1.7~~ 10.1.9 ~~On approval~~ The CDSC will ~~record the~~ pledged Securities and will freeze the securities in the pledgor's account in favor of the pledgee.

~~10.1.8~~ 10.1.10 ~~The~~ CDSC will confirm to the pledgee's and the pledgor's CDA the completion of the pledge by forwarding a ~~copy of the Securities Pledge Form~~ confirmation letter, to each duly signed.

## 10.2 RELEASE TO PLEDGOR

10.2.1 The pledgee will submit instructions to his CDA, on the Securities Pledge Release/Foreclosure Form CDS 6 (Appendix 15), clearly stating that the pledge is being terminated for reason of payment or any other reason.

10.2.2 The pledgee CDA will verify the details and signatories forward the on Securities Pledge Release / Foreclosure Form to the CDSC after verifying the details and signatories and completing the relevant section in the form.

~~10.2.2~~ 10.2.3 The CDA will capture the details of the release in the CDS as provided in CDS 6 form and upload the CDS 6 form together with supporting documents and submit the request to CDSC for final approval.

10.2.4 Upon receipt of the instructions, CDSC will verify whether the information captured is in conformity with the CDS 6 form and the form has been properly filled and relevant documents attached. CDSC will then approve the release request.

~~10.2.3~~ 10.2.5 On approval the CDS will release the pledge in favour of the pledgor ~~in accordance with Rule [63]~~ and the securities will be eligible for any other transaction. A notification will be sent to the CDA.

### 10.3 FORECLOSURE ON SECURITIES PLEDGED WITH THE ISSUER

This section pertains to foreclosure on securities which have never been deposited in the CDS and which are pledged in the register of the Issuer. Sale of such securities implies deposit of the pledged securities in the CDS in a Securities Account for the purpose of clearing and settlement through the CDSC.

10.3.1 The pledgee CDA will ensure that the pledgee has the proper authority to deposit the securities for subsequent sale. ~~The pledged~~

10.3.2 ~~The pledgee CDA will ensure that the pledgee has the proper authority to deposit the securities for subsequent sale.~~ The pledged securities will be deposited in a Securities Account in the name of the pledgor clearly marked “Foreclosure”.

10.3.3 The pledged certificate will be deposited in the CDSC in accordance with Procedures 5 accompanied by:

10.3.3.1 Instructions pertaining to “Foreclosure on securities pledged with the Issuer” on the Securities Pledge Release / Foreclosure Form CDS 6.

10.3.3.2 Documents evidencing the pledge.

~~1.4.2 After verification and processing, the CDSC will forward the following documents to the Issuer:~~

~~1.4.2.1 Deposit Form;~~

~~1.4.2.2 Certificates;~~

~~1.4.2.3 Copy of the CDSC Pledge Release/Foreclosure Form, and~~

~~1.4.2.4 The Schedule for Provisional Deposits.~~

10.3.4 When the Issuer confirms the authenticity of the deposited certificates, CDSC will credit the securities to the client’s Securities Account marked “Foreclosure” and record the pledge.

10.3.5 Prior to effecting the sale through its CDA, the pledgee will give sufficient notice to the pledgor as required by any applicable law or agreement. CDSC will issue a letter to the pledgor notifying the pledgor that the securities are being released for sale by the pledgee.

~~10.3.6 The executing Stockbroker will inform CDSC immediately after the securities are sold. CDSC will then release the pledge and make the securities available in the Securities Account of the pledgee for clearing and settlement purposes.~~

~~10.3.7~~ 10.3.6 The pledgee shall be required to indemnify ~~the~~ CDSC in the event of any wrongful foreclosure by dully completing the CDS 11a form

## 10.4 FORECLOSURE ON SECURITIES PLEDGED IN THE CDS

This section pertains to foreclosure by the pledgee on securities, which have been pledged in the CDS. ~~Upon receipt of a request for foreclosure on pledged securities, CDS will release the pledge and make the securities available in the Securities Account of the pledgee for sale, clearing and settlement purposes. The release is effected only upon confirmation of the sale by the executing Stockbroker appointed by the pledgee.~~

- 10.4.1 The pledgee will submit instructions pertaining to “Foreclosure on securities pledged in the CDSC” on the Securities Pledge Release / Foreclosure Form (Appendix 15).
- 10.4.2 The pledgee CDA will ~~forward~~ capture the details on the Securities Pledge Release / Foreclosure Form ~~to in~~ the CDSC after verifying the details and signatories and completing the relevant section in the form. The CDA will then upload the supporting documents and submit the request to CDSC.
- 10.4.3 Prior to effecting the sale through its CDA, the pledgee will give sufficient notice to the pledgor as required by any applicable law or agreement. CDSC will issue a letter to the pledgor notifying the pledgor that the securities are being released for sale by the pledgee.
- ~~10.4.4 The executing Stockbroker will inform CDSC immediately after the securities are sold. CDSC will verify correctness of the release details captured in the CDS and confirm whether the documents provided are in conformity with the CDSC rules and procedures and approve the release.~~
- ~~10.4.4~~ 10.4.5 On approval the CDS will release the securities and they will be available then release the pledge and transfer the securities to the Securities Account of the pledgee for clearing and settlement purposes. The executing Stockbroker will allocate the sale to the pledgee’s Securities Account.
- ~~10.4.5~~ 10.4.6 The pledgee shall be required to indemnify the CDSC in the event of any wrongful foreclosure by dully completing the CDS 11b form.

## 10.5 FORE CLOSURE ON SECURITIES HELD UNDER A DIFFERENT CDA ~~WHICH IS UNDER STATUTORY MANAGEMENT~~

This section pertains to foreclosure by the Pledgee on securities held by a CDA other than the Pledgor's CDA. ~~WHICH IS UNDER STATUTORY MANAGEMENT~~ This applies to cases where the pledgor's CDA has been suspended or is under statutory management or where the pledgee chooses to use a CDA other than the pledgor's CDA

- 10.5.1 The pledgee dully completes a CDS 6 form, CDS 4A/4B and a letter to release the securities. ~~signed by t~~ The Pledgee will sign the CDS 4A/B form in place of the Pledgor.
- 10.5.2 ~~11.5.2~~ The forms should be approved by the Statutory Manager or any other party authorized to sign documents on behalf of the suspended CDA before submission to CDSC.
- 10.5.3 ~~11.5.2.1~~ The Pledgee should fully indemnify the Central Depository for releasing the securities and subsequently transferring them to another CDA without the Pledgor's consent, by dully completing the CDS 11b form.
- 10.5.4 ~~11.5.2.2~~ Where securities are in certificate form, the Pledgee should also fill a CDS 1 form to open a CDS account in the name of the Pledgor and a CDS 2 form for immobilization.
- 10.5.5 ~~11.5.2.3~~ Where the pledgor does not have a CDS account with the pledgee CDA ~~securities are already in the CDS~~, CDS 4A/4B ~~are~~ will be used to open a CDS foreclosure account with the new CDA.
- 10.5.6 The Pledgee's CDA will forwards the documents ~~together with a cheque KES 1200 addressed to CDSC for processing as payment of both the pledge transfer and pledge release to another CDA for subsequent sale.~~ The relevant transfer and pledge release fees shall apply.
- 10.5.7 CDSC will check whether the information provided in the foreclosure and transfer documents are in conformity with the Rules and Procedures.
- 10.5.8 CDSC will writes a foreclosure letter to the client ~~a foreclosure letter~~ to notify them of the impending release and subsequent sale of the securities by the Pledgee.
- 10.5.9 CDSC will release the securities and transfer them to the foreclosure account under the pledgee's CDA. The Central Depository, through the use of the CDS 4A/4B will transfer the pledge.
- 10.5.10 ~~Once the pledge has been transferred, the securities will be released for sale.~~
- 10.5.11 As soon as the securities have been sold and settled, the Pledgee will inform the Central Depository to close the foreclosure account opened with the Pledgee's CDA.



## 11. PUBLIC OFFERS

This function describes the procedures to be complied with by Issuers for Securities to be credited directly to clients Securities Accounts in respect of Initial and other Public Offers (IPOs)

*This section was amended in December 2013*

- 11.1 The Client will, if he already has a securities account in the CDS, indicate the account number thereof in the subscription form. If the client does not already have a CDS account, he will open one and have the [account](#) number indicated on the subscription form.
- 11.2 Upon completion of IPO, the Issuer will provide CDSC with an Allotment upload file [in a prescribed format](#) indicating the respective securities account numbers. [The upload file must be submitted to CDSC at least 4 days before the trade date.](#)
- 11.3 At the close of the Business Day before the trade date CDSC will credit client Securities Account with the number of Securities allotted to them as per the Allotment file.
- 11.4 CDSC will make available to the Issuer a New Issues file.
- 11.5 Issuer will register the Securities as per the New Issues file in the name of CDSC nominees.

## 12. BONUS ISSUES

This function describes the procedures to be complied with by the ~~Registries-Issuer~~ for Bonus Securities to be credited directly to clients Securities Account.

*This section was amended in December 2013*

- 12.1 The Issuer will inform CDSC in writing of any proposed Bonus Issue, the record date and the Entitlement Date.
- 12.2 Following settlement of all transactions that took place on or before the last cum-date, CDSC will provide the Issuer with an Entitlement Schedule with respect to shareholders registered as at Entitlement Date. CDSC will provide the Entitlement Schedule at the close of business 4 days after the Entitlement Date. The issuer will generate the schedule directly from the system.
- ~~The CDSC will provide the Shares Registrars with the Entitlement Schedule at the close of business 4 days after the Entitlement Date.~~
- 12.3 The Issuer will forward letters of allotment to ALL CDS Securities Accounts holders indicated in the Entitlement Schedule notifying them that their Securities Accounts ~~would~~ will be credited with the number of Bonus Securities.
- 12.4 The Issuer will submit to CDSC an upload file in the prescribed format for the incremental numbers of securities at least 4 days before commencement of trading. The issuer will initiate the upload and submit the file directly in the system.
- 12.5 At the close of Business Day before the trade date, CDSC will approve the upload and credit the clients Securities Accounts with the number of Bonus Securities allotted to them.
- 12.6 ~~The~~ CDSC will make available to the Issuer a Bonus/~~Rights~~ Schedule
- 12.7 The Issuer will register the Securities as per the Bonus/~~Rights~~ Schedule in the name of ~~the investor~~ CDSC Nominees
- 12.8 ~~The Issuer will forward the Securities certificate to CDSC.~~
- ~~12.9 CDSC will acknowledge receipt of the Securities certificate by issuing a receipt to the Issuer.~~

## 13. RIGHTS ISSUES

This function describes the procedures to be complied with by Issuer and CDAs with respect to Rights Issues and trading of Rights.

*This section was amended in December 2013*

### 13.1 RIGHTS ENTITLEMENT

13.1.1 The Issuer will inform CDSC of:

13.1.1.1 The Rights Issue,

13.1.1.2 The Entitlement Date,

13.1.1.3 The period during which the Rights will be traded,

~~13.1.1.3~~ 13.1.1.4 The last date of immobilization and transfer of rights and

~~13.1.1.4~~ 13.1.1.5 The opening and closing dates of subscription.

13.1.2 The Securities Exchange shall ensure that the last cum-date will be the Entitlement Date (Record Date).

13.1.3 Following settlement of all transactions that took place on or before the last cum-date, CDSC will provide the Issuer with an Entitlement Schedule with respect to shareholders registered as at the Entitlement Date.

13.1.4 CDSC will provide the Entitlement Schedule on the 4th day after the Entitlement Date.

13.1.5 The Issuer will ~~forward-send~~ Provisional Letters of Allotment (PAL) ~~for-to~~ Securities Account holders indicated in the ~~list~~entitlement file.

13.1.6 The Issuer~~/~~ will submit to CDSC a Rights Allotment Schedule (upload file) in the prescribed format at least two days before commencement of trading in Rights ~~after Rights Issue processing~~.

13.1.7 If the Rights Allotment Schedule contains errors, CDSC will return the Allotment Schedule to the Issuer for rectification.

13.1.8 On the Business Day before the trade date of Rights, CDSC will credit the Securities Accounts (including the accounts held under the Issuer) with the number of Rights as per the Rights Allotment Schedule.

13.1.9 CDSC will make available to CDAs and Issuer a Schedule of Rights Allotted

## 13.2 TRADING OF RIGHTS

- 13.2.1 Rights holders not in the CDSC, but wishing to trade their Rights will have to open a Securities Account and deposit their Provisional Allotment Letters in accordance with Procedure 5.
- 13.2.2 Rights will be traded and settled in accordance with Procedures 6 and 7 respectively.
- 13.2.3 Subscription of rights bought on the trading floor will be effected in accordance with Procedures.
- 13.2.4 Following settlement of transactions effected on the trading ~~floor~~ [platform](#) on the last trade date, CDSC will provide a Trade Schedule [\(share movement report\)](#) to the Issuer for the trading period of the rights.

## 13.3 SUBSCRIPTION OF RIGHTS

- 13.3.1 Rights holders, including Securities Accounts holders, who accept all or part of the shares offered will submit the relevant subscription forms together with the remittances to the Issuer.
- 13.3.2 Securities Account holders who have bought Rights on the ~~Stock~~ [Securities](#) Exchange will submit the relevant subscription forms and their remittances to the Issuer through their CDAs.
- 13.3.3 Transfer of rights for subscription by the transferee will be dealt with by the Issuer. Such requests will be submitted directly to the Issuer together with the remittances and the relevant approval.
- 13.3.4 Upon receipt of subscription forms from the rights holders, the Issuer shall ascertain from the Trade Schedule to be provided by CDSC that the subscriber has not already disposed of his/her rights.

## 13.4 TRANSFER OF RIGHTS BETWEEN DEPOSITOR'S ACCOUNTS

- 13.4.1 In case of transfer of rights, between securities accounts of different Depositors, procedure 9 shall apply.

## 13.5 APPLICATION FOR EXCESS SHARES

- 13.5.1 Application for excess shares will be submitted directly to the Issuer for processing.

## 13.6 ALLOTMENT OF SHARES

- 13.6.1 The Issuer will forward to the CDSC an Allotment Schedule ([upload file in the prescribed format](#)) that will contain the list of Securities Account holders who have been allotted shares after exercising their rights as well as those who have been allotted excess shares. [The file must be submitted at least two days before trade date.](#)
- 13.6.2 If the Allotment Schedule contains errors, CDSC will return the Allotment Schedule to the Issuer for rectification.
- 13.6.3 At the close of business day before trade date, CDSC will credit the clients Securities Accounts with the number of Securities as per the Allotment Schedule.
- 13.6.4 CDSC will make available to the Issuer a Schedule of Securities Allotted.
- 13.6.5 The Issuer will register the Securities as per the Rights Schedule in the name of ~~the Rights holders~~ [CDSC nominees](#).

## 14. DIVIDENDS/CORPORATE ACTIONS

This function describes procedures to be complied with by Registries in respect of dividends payment and Corporate Actions.

*This section was amended in December 2013*

- 14.1 The Issuer will inform CDSC in writing of the Entitlement Date and the last cum-date, in respect of dividend payment and corporate actions.
- 14.2 The Securities Exchange shall ensure that the last cum-date will be the Entitlement Date (Record Date).
- 14.3 Following settlement of all transactions that took place on or before the last cum-date, CDSC will provide the Issuer<sup>4</sup> with an Entitlement Schedule with respect to shareholders registered as at the Entitlement Date.
- 14.4 CDSC will provide the Entitlement Schedule 4 days after the Entitlement Date.
- 14.5 The Issuer will effect payment of dividends to its shareholders and handle other Corporate Actions.

## 15. SUBDIVISION (SPLIT) OF SHARES

This function describes the procedures to be complied with by Issuers for subdivision of shares, whereupon the shares will be posted directly to clients Securities Account.

Issuer and Securities Exchange will inform CDSC in writing of the Subdivision of Shares, the Record Date and the last effective date.

- 15.2 The last Cum-Date will be set at five Business Days before the Record Date.
- 15.3 The Securities Exchange will suspend trading on these shares **due for subdivision** between the Ex Date and the next Business Day following the Record Date.
- 15.4 The CDSC will not accept deposit of certificates of this security between the Ex Date and the next Business Day following the Record Date.
- 15.5 Following settlement of all transactions that took place on or before the last cum-date, CDSC will provide the Issuer with an Entitlement Schedule with respect to shareholders registered as at Record Date.
- 15.6 The Issuer will perform the subdivision of the shares and submit to CDSC, on the next Business Day following the Record Date, an Allotment Schedule for the crediting of Securities Accounts with the subdivided shares.
- 15.7 If information contained in the Allotment Schedule cannot be processed, CDSC will return the Allotment Schedule to the Issuer for rectification.
- 15.8 On the next Business Day following the Record Date, CDSC will expire the original security, create the new subdivided security and credit the clients Securities Accounts with the subdivided shares as per the Allotment Schedule.
- 15.9 Following the crediting of accounts, CDSC will provide the Issuer with a list of the shareholders with their respective shareholdings. The Issuer will register the subdivided shares in the name of CDSC Nominees.
- ~~and issue a share certificate for the subdivided shares in the name of CDSC. The Issuer will forward the Securities certificate to CDSC. CDSC will acknowledge receipt of the Securities certificate by issuing a receipt to the Issuer~~
- 15.10 Issuer will instruct CDSC regarding acceptance of deposits of old certificates issued prior to the subdivision.

## 16. STATEMENTS OF SECURITIES ACCOUNTS

This function describes the procedures to be complied with regarding submission of statements to Securities Account holders.

16.1 The CDSC will make available statements of accounts to holders of active Securities Accounts on a monthly basis (Appendix20)

16.2 The CDSC will provide on an annual basis, statements of accounts to holders of ~~inactive~~ Securities Accounts which have not yet been declared dormant. No statements shall be provided for accounts in dormancy~~on an annual basis~~.

16.3 CDSC will provide interim statements to a depositor upon request and upon payment of the prescribed fee.

16.4 Statements of accounts will be made available, issued or delivered using such means as shall be suitable from time to time to ensure each account holder gets their statement



## 17. FEES AND SURCHARGES

### A) Investors

	CDSC Fees (%)
<b>Transaction Levy</b>	0.0 <del>86</del> % of the value of each transaction
<u>Change of CDA, transfer of securities between different accounts of the same Depositor.</u>	<u>Kshs. 200 per change</u>
<u>In respect of statements issued upon request from the account holder</u>	<u>Kshs. 50 per <del>statement</del>page</u>
<u>In respect of withdrawal of securities or register correction</u>	<u>Kshs. 500 per certificate/entry</u>
▪ <u>Fee for recording, releasing, confirming or foreclosing of pledges</u>	<u>Kshs.1, 000 per pledge</u>

#### Private transfer fees

<u>APPLICATION TYPE</u>	<u>TRANSFER VALUE</u>	<u>RATE</u>	<u>CDSC</u>	<u>BROKER</u>
<u>Settlement of an estate of a deceased person</u>	<u>&lt;Kes.10,000</u>	<u>No fee</u>	<u>Nil</u>	<u>Nil</u>
	<u>&gt;Kes.10,000</u>	<u>Kes.1,500/-</u>	<u>45%</u>	<u>55%</u>
<u>Transfer by gift*</u>	<u>&lt;Kes.10,000</u>	<u>No fee</u>	<u>Nil</u>	<u>Nil</u>
	<u>&lt;Kes.100,000</u>	<u>2.1% of the value of transaction</u>	<u>45%</u>	<u>55%</u>
	<u>&gt;Kes.100,000</u>	<u>Negotiable subject to a maximum of 1.5% of the value</u>	<u>45%</u>	<u>55%</u>
<u>Transfers with no change in beneficial ownership including Treasury bonds and other corporate bonds</u>	<u>&gt;Kes.10,000</u>	<u>Kes.1,500</u>	<u>45%</u>	<u>55%</u>

- —The reference price for determining the value of consideration for Gift transfers of immobilized securities shall be the previous day's closing price obtained from the exchange.

### B) Central Depository Agents

▪ Appointment Fee for CDAs who are members of a Securities Exchange	Kshs. 20,000
▪ Appointment fee for CDAs who are not members of a Securities Exchange	Kshs. 75,000
▪ Annual Subscription Fee for CDAs	Kshs. 2,500
<b>SURCHARGE</b> ▪ In respect of client re-allocation or acceptance after T+2	2 % of the value of transaction with a minimum of Kshs <u>3,000</u> and a maximum of Kshs <u>10,000.</u> <u>per day</u>
▪ <del>Change of CDA, transfer of securities between different accounts of the same Depositor.</del>	<del>Kshs. 200 per change</del>
▪ <del>In respect of statements issued upon request from the account holder</del>	<del>Kshs. 50 per statement</del>
▪ <del>In respect of withdrawal of securities</del>	<del>Kshs. 500 per certificate</del>
▪ <del>Fee for recording, releasing or foreclosing of pledges</del>	<del>Kshs.1, 000 per pledge</del>

#### C) LISTED COMPANIES

A fee of Kshs 90/= per transaction payable quarterly in arrears commencing on 1<sup>st</sup> April 2005, with a maximum of Kshs 1,000,000/= and a minimum of Kshs 50,000/= per annum

#### D) STATEMENT & PAYMENT

17.1 CDSC will forward a CDSC Fees and Surcharge Statement to CDAs at the end of each week.

17.2 All payments will have to be effected to CDSC by CDA before the expiry of 14 days following receipt of statement.

17.3 The mode of payment will be by cheque or direct debit to the CDSC bank account.

17.4 Any amount due but unpaid will attract interest at the rate of 2% above the rate charged by the Settlement Bank to CDSC on its facilities.

~~17.4~~17.5 Notwithstanding clauses 17.1 above, all transaction levies due to CDSC and all Guarantee fund levies shall be paid together with the daily settlement obligation of each CDA.

#### E) PENALTIES

~~17.5~~17.6 Where a trade remains unallocated ~~following an amendment~~ after T+2 5.00 pm the following charges shall apply:

17.6.1 Daily fine of 0.14 % of the value of the transaction subject to a minimum of Kshs. 3, 000 and a maximum of Kshs. 10, 000 until the situation is rectified or until buy-in is initiated

~~17.5.1~~17.6.2 Daily fine of 1% of the value of the unallocated trade during buy-in until conclusion.~~by T+4 9.00 am.~~

~~17.6~~17.7 If a buy-in is unsuccessful, the defaulting broker will pay a penalty of 2 % of the value of the failed transaction (pro rata in case of partial fill).

~~17.7~~17.8 Where a trade fails due to funds settlement default, an absolute and irrevocable penalty of Kshs. 10,000 shall be payable immediately.

## **SUBDIVISION (SPLIT) OF SHARES**

This function describes the procedures to be complied with by Issuers for subdivision of shares, whereupon the shares will be posted directly to clients Securities Account.

- ~~1.5.1.18.1.1.1 The Issuer and Securities Exchange will inform CDSC in writing of the Subdivision of Shares, the Record Date and the last effective date.~~
- ~~1.5.1.28.1.1.2 The last Cum Date will be set at five Business Days before the Record Date.~~
- ~~1.5.1.38.1.1.3 The Securities Exchange will suspend trading on these shares between the Ex Date and the next Business Day following the Record Date.~~
- ~~1.5.1.48.1.1.4 The CDSC will not accept deposit of certificates of this security between the Ex Date and the next Business Day following the Record Date.~~
- ~~1.5.28.1.2 Following settlement of all transactions that took place on or before the last cum date, CDSC will provide the Issuer with an Entitlement Schedule with respect to shareholders registered as at Record Date.~~
- ~~1.5.38.1.3 The Issuer will perform the subdivision of the shares and submit to CDSC, on the next Business Day following the Record Date, an Allotment Schedule for the crediting of Securities Accounts with the subdivided shares.~~
- ~~1.5.48.1.4 If information contained in the Allotment Schedule cannot be processed, CDSC will return the Allotment Schedule to the Issuer for rectification.~~
- ~~1.5.58.1.5 On the next Business Day following the Record Date, CDSC will expire the original security, create the new subdivided security and credit the clients Securities Accounts with the subdivided shares as per the Allotment Schedule.~~
- ~~1.5.68.1.6 Following the crediting of accounts, CDSC will provide the Issuer with a list of the shareholders with their respective shareholdings. CDSC will also return the Jumbo Certificates for the original security to the Issuer.~~
- ~~1.5.78.1.7 The Issuer will register the subdivided shares in the name of CDSC and issue a share certificate for the subdivided shares in the name of CDSC. The Issuer will forward the Securities certificate to CDSC. CDSC will acknowledge receipt of the Securities certificate by issuing a receipt to the Issuer.~~
- ~~1.5.88.1.8 Issuer will instruct CDSC regarding acceptance of deposits of old certificates issued prior to the subdivision.~~

## 18. REDEMPTION OF SECURITIES

This function describes the procedures to be complied with by Issuers and CDAs for full redemption of securities, whereupon the redeemed securities will no longer be available in the Securities accounts of clients.

18.1 The Issuer and the Securities Exchange will inform CDSC in writing of

18.1.1 The redemption

18.1.2 The redemption \_date, and

18.1.3 The last trade date which will be fixed at 7 business days prior to the redemption \_date.

18.2 CDSC will inform CDAs and the Issuer of the:

18.2.1 Last date for acceptance of deposits of securities being redeemed, which will be set at 5 business days prior to the last trade date.

18.2.2 The last date for any other transactions in the securities, which will be set at 2 business days prior to redemption date.

18.3 The CDSC will verify whether any of the securities being redeemed are pledged.

18.4 To enable redemption of the pledged securities, CDSC will request pledgee CDA to submit pledge release instruction of the pledgee in accordance with Rule ~~10063~~.

18.5 If the pledgee instructs CDSC to release the pledge in favour of the pledgor, the CDSC will unfreeze the securities in the pledgor's Securities Account and procedure 10.2 shall apply.

18.6 If the pledgee instructs CDSC to release the pledge in its favour, then the pledgor CDA must submit the pledgor's confirmation of such instruction. CDSC will then transfer the securities to the pledgee's Securities Account.

18.7 Any instructions submitted by the pledgor and pledgee must be duly authenticated by their respective CDAs.

18.8 Following settlement of transactions effected on the last trade date, CDSC will debit clients Securities Accounts and will provide the Issuer with two Entitlement Schedules for the following purposes:

18.8.1 Entitlement Schedule to be used for the payment of interests. All pledged Securities will be in the name of the pledgor in this list

18.8.2 Entitlement Schedule to be used for redemption. This list will contain the list of securities holders after release of pledge. Securities released from pledge may appear in the name of the pledgor or pledgee depending upon the pledge release instructions received.  
(Procedure ~~19+18.5~~ and ~~19+18.6~~ above)

18.9 The CDSC shall ensure that entitlements (dividends, interests, bonus shares, rights and so on) on securities pledged as collateral are transmitted to the depositor as the "owner" of the securities as long as the said securities have not been duly seized by the lender.

18.10 Where neither the pledgor nor the pledgee submits release instructions, the CDSC shall release the pledge ~~form and submit the file~~ to the Issuer together with the Entitlement Report. The issuer will be required to pay the pledge release fee and recover the same from the client before effecting payment.

## **19. DE-LISTING OF IMMOBILISED SECURITIES**

19.1 The Issuer will inform the Securities Exchange which will in turn inform the CDSC in writing of the proposed date of delisting.

19.2 The CDSC will write to the Issuer within 7 days of the notice of delisting asking for instructions on dealing with the securities accounts.

19.3 CDSC will submit to the issuer a list of holders showing the details of the holders and the quantities held.

~~19.2~~19.4 Any securities that are held on lien shall be provided on a separate list indicating the pledges for each.

~~19.3~~19.5 If on the 30th day, no instructions are received to transfer the delisted securities to individual holders, CDSC will infer that the issuer intends to have the securities to continue being so held in the CDS.

19.6 An Issuer of delisted securities held in the CDS will be charged a depository fee in accordance with the Fees and Surcharges Structure

19.7 An issuer may request CDSC to transfer securities from individuals who have agreed to sell securities to the issuer in case of a delisting. The following procedures will apply:

19.7.1 The issuers will write to CDSC requesting for transfer of securities from individual holders to the issuer's account. The issuer must indemnify CDSC from any claims that may arise as a result of the transfer.

19.7.2 The issuer will attach a list the details of all the accounts to be transfer and the quantities for each account to the request.

19.7.3 CDSC will transfer the securities as per the schedule provided.

19.7.4 A transfer fee shall apply.

19.8 Any lien placed on securities must be lifted before securities are transferred. Procedure 10.3 and 10.4 shall apply.

## 20. MISCELLANEOUS

### 20.1 COMPLAINTS PROCEDURE

- 20.1.1 Complaints regarding CDAs or transactions on a CDSC account shall be forwarded to the CDSC in the Complaints Form.
- 20.1.2 Complaints that cannot be resolved by management shall be heard by the Business Conduct Committee at the earliest opportunity.
- 20.1.3 Upon hearing both parties, the Business Conduct Committee shall issue directions on what should be done.

### ~~DE LISTING OF IMMOBILISED SECURITIES~~

~~The Issuer will inform the Securities Exchange which will in turn inform the CDSC in writing of the proposed date of delisting.~~

~~The CDSC will write to the Issuer within 7 days of the notice of delisting asking for instructions on dealing with the securities accounts.~~

~~If on the 30th day, no instructions are received to transfer the delisted securities to individual holders, CDSC will infer that the issuer intends to have the securities to continue being so held in the CDS.~~

~~An Issuer of delisted securities held in the CDS will be charged a depository fee in accordance with the Fees and Surcharges Structure~~

### 20.2 RETENTION PERIOD

The retention period in respect of Service records by CDAs will be 7 years.

### 20.3 NOTICE

Any Notice to CDSC shall be addressed to: -

Central Depository & Settlement Corporation Ltd.  
10th Floor, Nation Centre  
Kimathi Street  
NAIROBI  
Tel: (020) 253078  
Fax: (020) 253077

### 20.4 FORMS

~~1.5.98.1.9~~ The forms set out in Appendices 1,2,12,13,14,15,16 and 20 to the Procedures shall be prescribed Forms to be used for the purposes stated in the Forms.

## 21. LIST OF APPENDICES

### Appendix

- 1 Securities Account Opening/Maintenance Form (CDS 1)
- 2 Securities Deposit Form (CDS 2)
- 3 Provisional Deposit Schedule- (to be generated from the system)
- 5 Schedule of Securities Allotted- (to be generated from the system)
- 6 Unsubscribed Rights Schedule- (to be generated from the system)
- 7 Broker Trading Summary schedule- (to be generated from the system)
- 8 Initial Settlement Report (Broker & Custodian) - (to be generated from the system)
- 9 Final Settlement Schedule- (to be generated from the system)
- 10 Settlement Instruction - (to be generated from the system)
- 11 Amended Settlement Instruction- (to be generated from the system)
- 12 Securities Withdrawal Form (CDS 3)
- 13 Securities Transfer Form ([CDS 4A/ 4B](#))
- 14 Securities Pledge (CDS 5)
- 15 Securities Pledge Release/Foreclosure Form (CDS 6)
- 16 Private Transfer form (CDS 7)
- 17 Entitlement Schedule (ENTITLEMENT) - (to be generated from the system)
- 18 Subscription Schedule- (to be generated from the system)
- 19 Bonus/Rights Schedule- (to be generated from the system)
- 20 Statement of Securities Accounts (CDS 8)
- 21 Fees and Surcharge Statement (BILLING)
- 22 Withdrawal Schedule- (to be generated from the system)
- 23 [Indemnity for foreclosure of securities \(CDS 11a and 11b\)](#)