



## **Procedures for Transfer of Securities under Pledged Position**



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CDC has introduced a facility whereby securities under the Pledged position can be transferred from a sub-account under the control of a TREC holder Participant only to the Investor Account of the same sub-account holder. These Procedures have been made pursuant to Regulation 11.5 of the CDC Regulations.

The term Pledge Transfer Approval Request Transaction as defined under Regulation 2.11.1 of the CDCPL Regulations means any transfer of Pledged Securities request initiated by the Stock Broker Participant to be transferred to the IAS account of the same client on UIN matching principle and subsequently approved by the Eligible Pledgee is known as "Pledge Transfer Approval Transaction".

The term Pledge Transfer Cancellation Request Transaction as defined under Regulation 2.11.1 of the CDCPL Regulations means any Stock Broker Participant may cancel any previously initiated request for transfer of Pledged Securities during Designated Time before any action is taken by the relevant Eligible Pledgee, such request is known as "Cancellation of any Pledge Transfer Request Cancellation Transaction".

The term Pledge Transfer Rejection Transaction as defined under Regulation 2.11.1 of the CDCPL Regulations means any transfer of Pledged Securities request initiated by the Stock Broker Participant and subsequently rejected by the Eligible Pledgee due to any valid reason is known as "Rejection of any Pledge Transfer Request Rejection Transaction".

In order to perform the transfer of pledged securities, following Procedure shall be followed:

1. The Sub-Account Holder is required to submit the Form prescribed for Transfer of Pledged securities (**Annexure A**) to respective TREC Holder.
2. TREC Holder shall verify that all the required details in the Form are properly filled and the form is signed by the authorized signatory (ies) as per the operating instructions mentioned in Sub Account Opening Form.
3. After verification, the TREC Holder initiates transfer of pledged securities request during the Designated Time by entering the following details in the CDS:
  - From Sub-Account Number
  - To Participant ID (IAS only)
  - To Investor Account Number (based on UIN matching principle)
  - Eligible Pledgee ID
  - Group Id
  - Security Symbol
  - Security Volume
4. The TREC holder shall forward a copy of the Form to the relevant Eligible Pledgee. The Eligible Pledgee shall have a right either to approve Pledge Transfer Approval Transaction or reject (Pledge Transfer Rejection Transaction) the transaction.



5. In case of rejection of transaction by respective Eligible Pledgee, pledged position of requested securities shall remain intact in the originating sub-account.
6. Upon approval of transfer of Pledged Securities request transaction by respective Eligible Pledgee, transfer of pledged securities will take effect and the securities in Pledged position will be transferred from the originating Sub-Account to the requested IAS account under Pledged position.
7. The TREC Holder Participant may cancel any previously made request (Pledge Transfer Request Transaction) for transfer of Pledged Securities during Designated Time before any action is taken by the relevant Eligible Pledgee on such request.

**Notes:**

- Right of Call / Release of Pledged Securities will remain intact for the Eligible Pledgee.
- Partial Approval / Rejection of an initiated transfer request will not be allowed at Eligible Pledgee end.
- The Group Id of the Eligible Pledgee remains the same before and after the transfer of pledged securities.



(Annexure A)

**Authorization Form for Transfer of Pledged Securities**  
(with Banks, DFI and other institutions other than Stock Exchange and the Clearing Company)

I/We, [insert name(s) of Sub-Account Holders], the Sub-Account Holder(s) of [insert name of the Participant] (hereinafter referred to as the "Participant"), hereby authorize the Participant in terms of Sections 12 and 24 of the Central Depositories Act, 1997 read with the relevant provisions of the Sub-Account Opening Form and the CDC Regulations, to transfer my/our Book-entry Securities beneficially owned by me/us and entered in my/our Sub-Account maintained with the Participant in Pledged position to my/our IAS Account as per the following details:

Details	
Participant ID	
Title of Sub-Account	
Sub A/C #	
Name of Eligible Pledgee	
Group ID #	
IAS ID #	
Title of Investor Account	
IAS Account #	

Following is the list of securities required to be transferred as per above mentioned details:

S. #	Name of Security	No. of Pledged Securities
1		
2		
3		
4		
5		

**Disclaimer:**

This Standardized Pledged Transfer Authorization Form is not intended to replace standardized form for Pledging of Securities or any other authorization processes, policies and documentation requirements. The form is designed to serve as a standardized prior authorization form accepted by Participants on behalf of pledgee banks. It is intended to assist sub-account holders by streamlining the process of pledge transfer from Sub-Account to IAS Account that require prior authorization.

CDC accepts no responsibility with respect to transfer of pledged securities initiated by the TREC Holder on the instructions of sub-account holders nor gives any warranty, express or implied, nor assumes any legal liability, or guarantees it to be, accurate, timely, secure, or free of error.

CDC, its directors, officers and employees shall not be held responsible for and do not undertake any liability for any loss (including loss of business) and/or any direct, indirect, incidental, special, exemplary or consequential damages that maybe incurred or caused due to usage and/or reliance on this authorization form and its contents.

I/We, the afore-stated Sub- Account Holder(s), have carefully read the above disclaimer and have no objection or reservation thereto. Therefore, I/We unconditionally acknowledge and accept the same.

For Client Use Only			
Signature of Account Holder and Joint Account Holder(s) (as per Signature Instruction)			
1.	2.	3.	4.
<b>Title Account Holder</b>	<b>1<sup>st</sup> Joint A/c Holder</b>	<b>2<sup>nd</sup> Joint A/c Holder</b>	<b>3<sup>rd</sup> Joint A/c Holder</b>