

The CDS Guideline – For Margin Providers

October - 2023



Central Depository Systems (Pvt) Limited

CONVENIENT : DEDICATED : SECURE

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1 CDS E Connect

1.1 Connecting to the CDS E Connect

- The Margin provider shall obtain the E-connect facility by submitting the duly filled CDS 29B form along with a Board resolution.
- Users will need a currently supported Google Chrome or Firefox Web browser.
- The margin provider Portal can be accessed through the <https://econnect.cse.lk/LoginPageUI.aspx>
- Margin provider system access will **ONLY** be available for the users who are authorized by the CDS.

1.2 Margin Provider User Registration

- Usernames and passwords should be obtained from the CDS, by submitting a duly completed CDS 32A forms.
- The form should be submitted individually for each user.
- Relevant forms can be downloaded from http://www.cds.lk/cds_forms.php
- Upon verification, that the form is duly completed, the CDS will issue a username and password for the margin provider user.

1.3 User Types and Privileges

1.3.1 Verify User

1. View only access.
2. Accept the documents and refer them to authorized user for authorization.
3. View & accept the resubmitted records.

1.3.2 Authorized User

1. View records accepted by verify user.
2. Authorize the records accepted by verify user or return them back to verify user for further action.

1.3.3 Second Authorized User

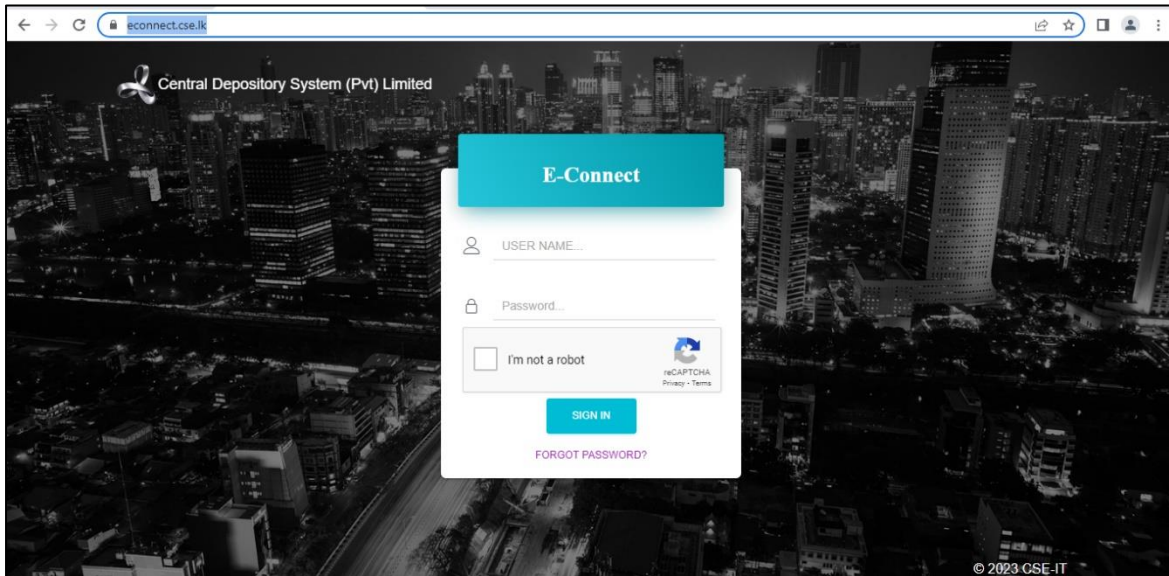
1. View records accepted by authorized user & the Client.
2. Authorize the records accepted by authorized user and the client or return them back to verify user for further action.

1.3.4 Legal Officer

1. Certify the documents attached for the off the floor transfer requests or return them back to verify user for further action.

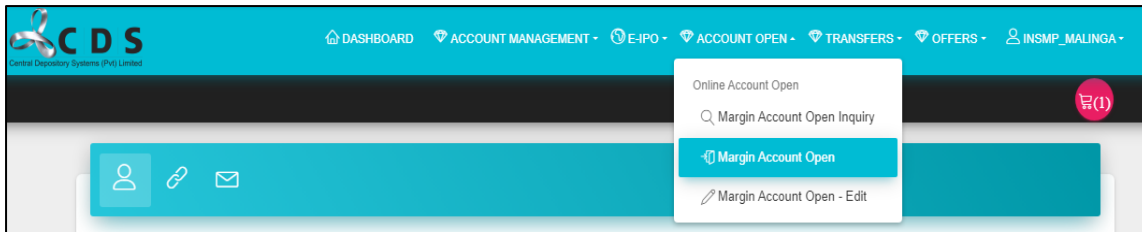
2 Margin Account Opening

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



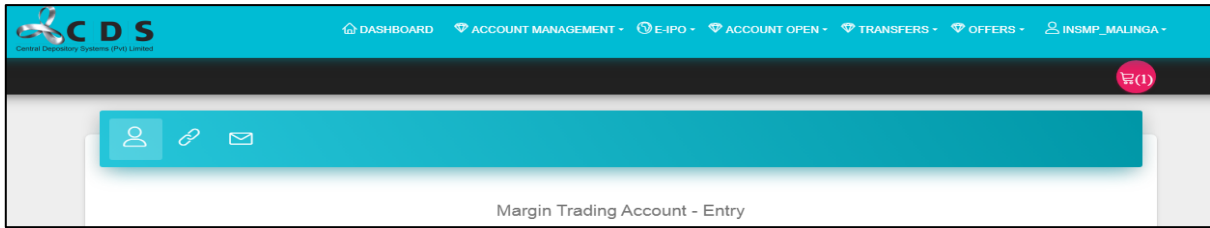
2.1 Margin Account Opening Process

1. Go to “Account Opening” and then select “Margin Account Open”

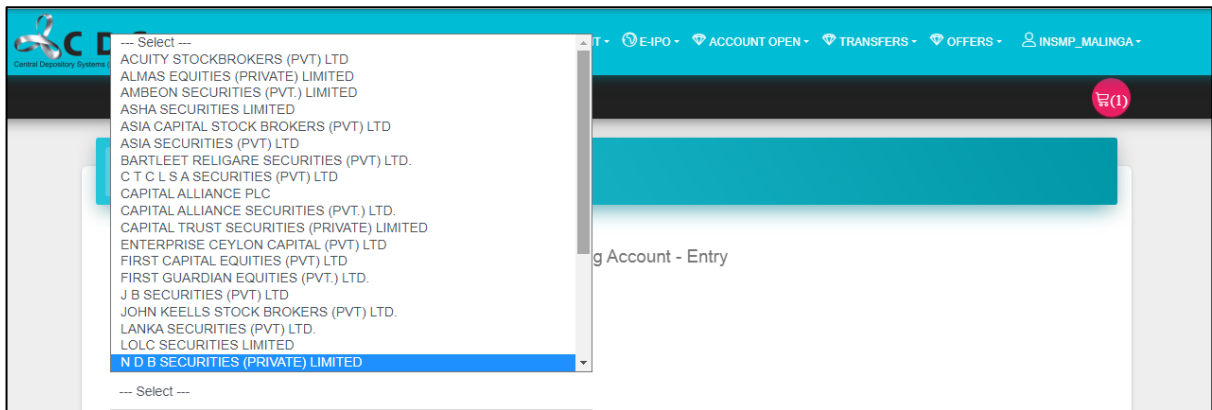


Then a window similar to the below will open and user will be required to filled mainly 3 types of information in here.

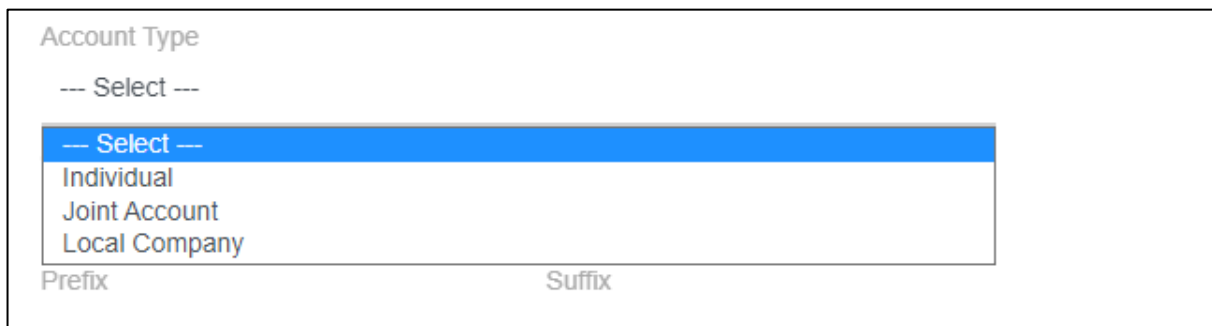
- Initial Details
- Approver Details
- Verification Details



2. Users need to select the “**Preferred Broker**” from the drop-down list given



3. Select the **Type of Margin Account** that the user wished to open from the drop-down list.



4. In “**CDS Account Available**” section, by default it is selected as “**YES**”.

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

CDS Account Available
Yes

Prefix _____ Suffix _____

[GET CDS ACCOUNT DETAILS](#)

5. Enter a valid **E - mail** address since e – statements related to margin accounts sent to this mail address

Email to receive eStatement

6. Bank Information

Users’ needs to select the “**Bank**” and “**Branch**” from the drop-down list and enter the Account Number.

Bank: --- Select --- Bank Branch: --- Select ---

Account number: _____ *

7. Next, user need to upload a set of documents as follows.
- A proof to verify the Name, Branch & the Bank account number
 - Valid Margin Provider License issued by the SEC
 - Margin Trading Agreement
 - KYC Document

After the uploads the user needs save and click the “**Next**” button

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

ATTACH FILE

Valid License Issued By SEC

ATTACH FILE

Margin Trading Agreement

ATTACH FILE

KYC Document

ATTACH FILE

SAVE

Next Page - Approver Details

1. First, user needs to decide and select whether they are having a **“One Approver or Two Approvers”**

Approver Details

Two Approvers Yes No

2. Then each approver details need to be updated in each field as follows.

Approver One

Name

Designation

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

Which identification number do you prefer ? NIC Passport

NIC number

Email

Contact Number

Mobile Number

Which identification number do you prefer ? NIC Passport

Passport number

Passport expiry date
YYYY/MM/DD

Email

Contact Number

Mobile Number

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

Upload the relevant document empowering the approver.

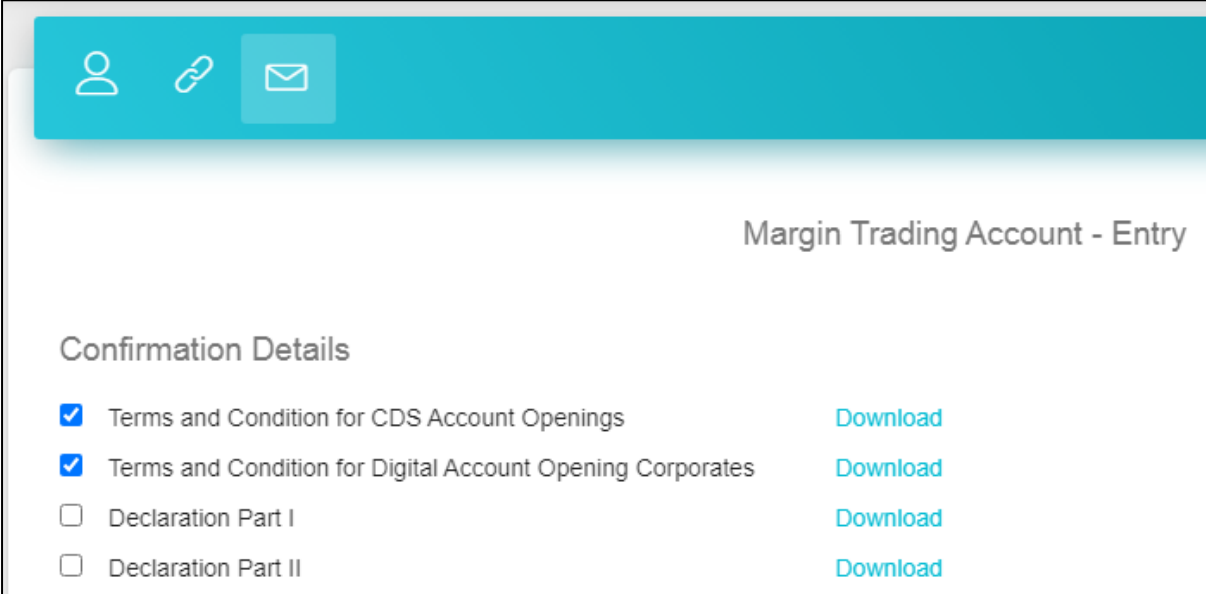
ATTACH FILE

SAVE

Next Page - Confirmation Details

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

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



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

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



Litigation Yes No

Please specify

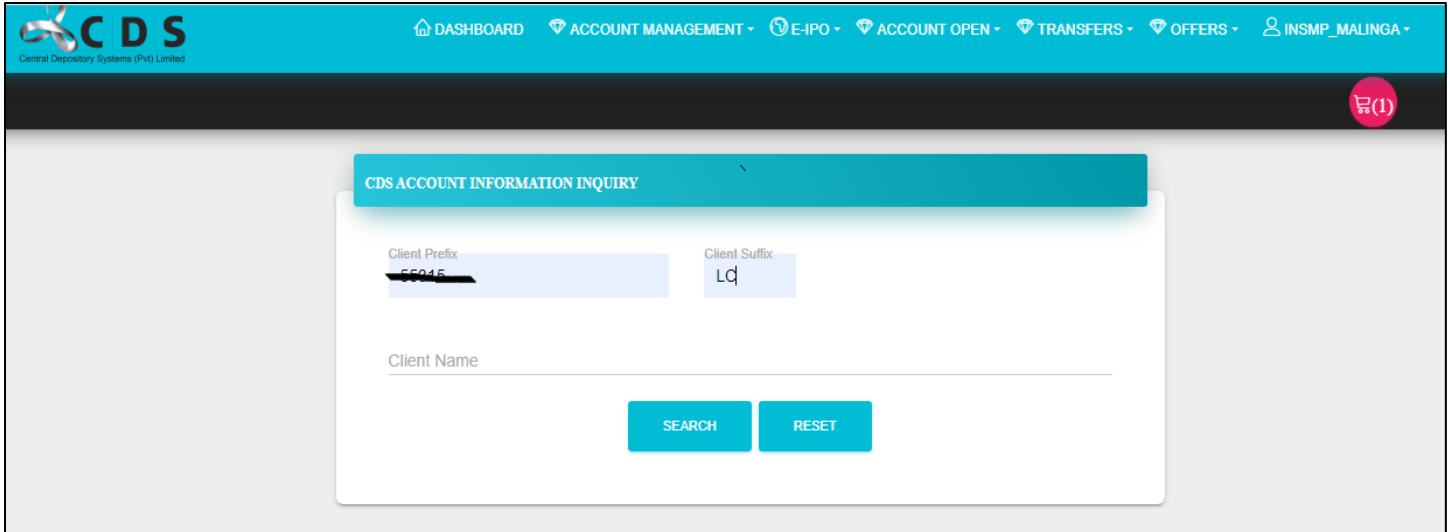
*

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

3 Features for Margin provider “Verify User”

3.1 Add new CDS accounts (clients) to the System

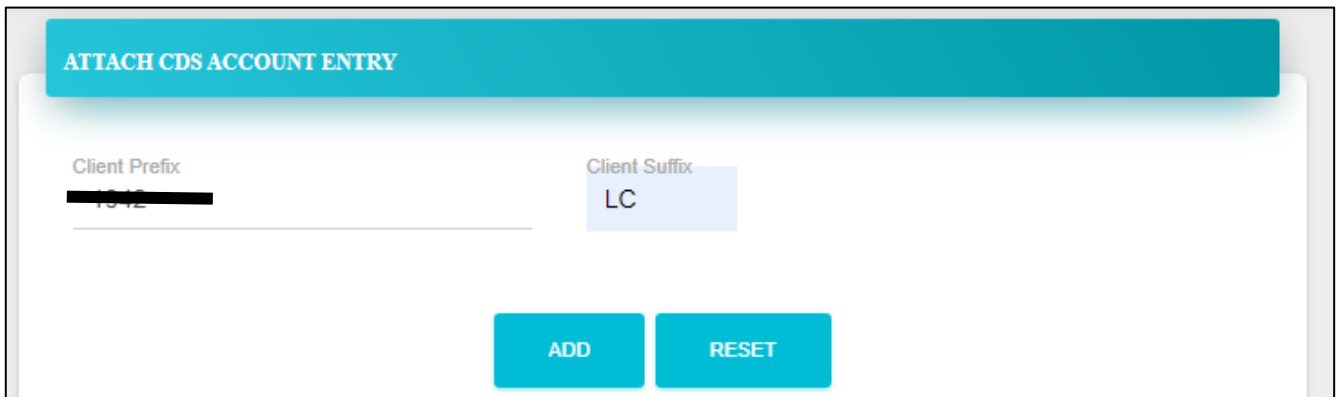
With this feature, users can attach new client accounts into the system



The screenshot shows the 'CDS ACCOUNT INFORMATION INQUIRY' form. It has a teal header with the CDS logo and navigation links: DASHBOARD, ACCOUNT MANAGEMENT, E-IPO, ACCOUNT OPEN, TRANSFERS, OFFERS, and INSMIP_MALINGA. The form contains three input fields: 'Client Prefix' with the value '55045', 'Client Suffix' with the value 'Ld', and 'Client Name' which is empty. Below the fields are two teal buttons: 'SEARCH' and 'RESET'.

Go to “**Account Management**” and select “**Attach CDS Accounts**”

Then update the “**Client Prefix and Client Suffix**” in the relevant fields and click “**Add**”.



The screenshot shows the 'ATTACH CDS ACCOUNT ENTRY' form. It has a teal header with the text 'ATTACH CDS ACCOUNT ENTRY'. The form contains three input fields: 'Client Prefix' with the value '1342', 'Client Suffix' with the value 'LC', and an empty 'Client Name' field. Below the fields are two teal buttons: 'ADD' and 'RESET'.

3.2 CDS Account Profile View

Using this feature, a user can view a detailed profile information of an attached CDS accounts.

Go to “**Account Management**” and select “**CDS Account Profile**”

If the user entered a “**Client Prefix**” and “**Client Suffix**” and run a search, then the user can see the CDS account applicable **only** to that Client Prefix and Client Suffix.

If the user does a general search without entering any Client Prefix and Client Suffix, then the user can see all the CDS account attached into the system and from the list the user can select the needed account.

CDS ACCOUNT INFORMATION INQUIRY

Client Prefix _____ Client Suffix _____

Client Name _____

SEARCH RESET

	Prefix	Suffix	Client Name	
1				Select
2				Select
3				Select
4				Select
5				Select
6				Select
7				Select

- Master information of the client

Prefix - ~~10005~~ Suffix - LC

Client Master Information

Master Level Status _____ Client Type _____ Date of Incorporation _____

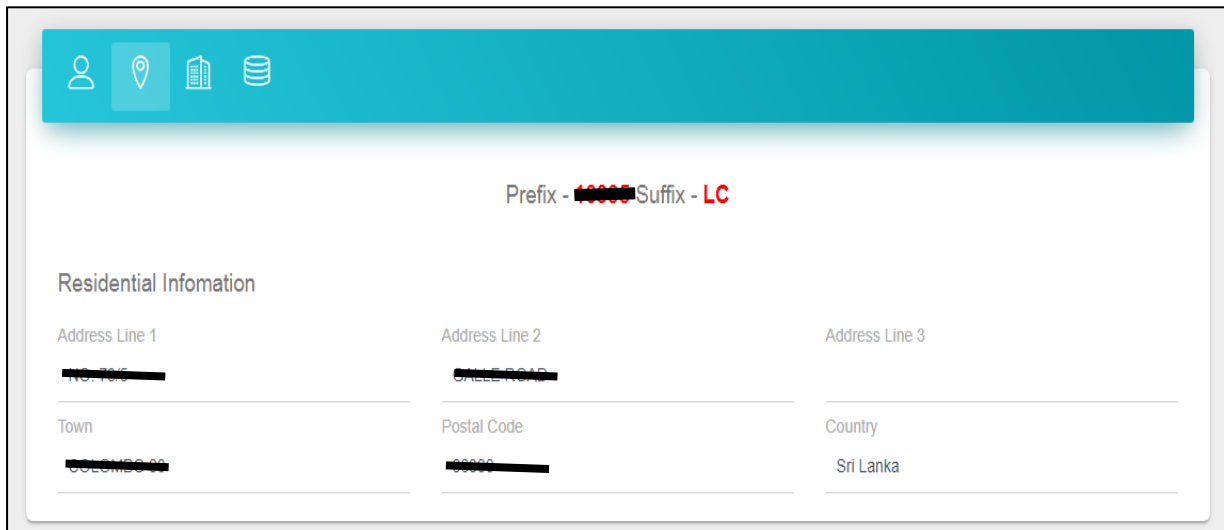
Dealing Allow _____ MARGIN TRADING _____ 2015/01/06 _____

Name _____

Contact No _____ Email Address _____

margintrading@afes.com

- Residential Information



Prefix - ~~40005~~ Suffix - LC

Residential Information

Address Line 1: ~~NO. 70/0~~

Address Line 2: ~~GREEN ROAD~~

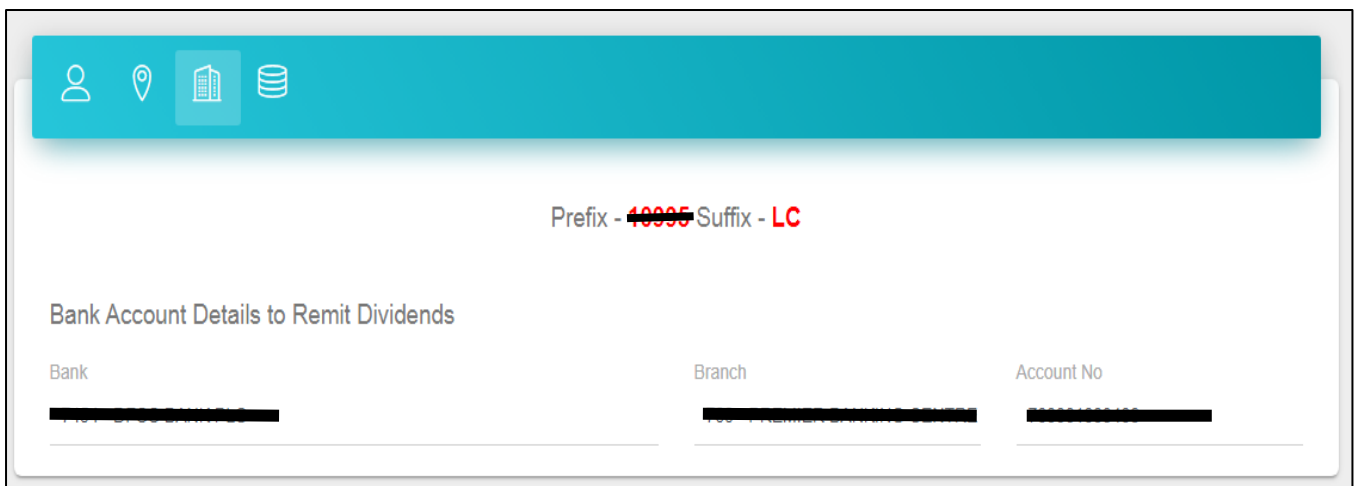
Address Line 3: _____

Town: ~~COLOMBO 06~~

Postal Code: ~~10000~~

Country: Sri Lanka

- Bank Account Details



Prefix - ~~40005~~ Suffix - LC

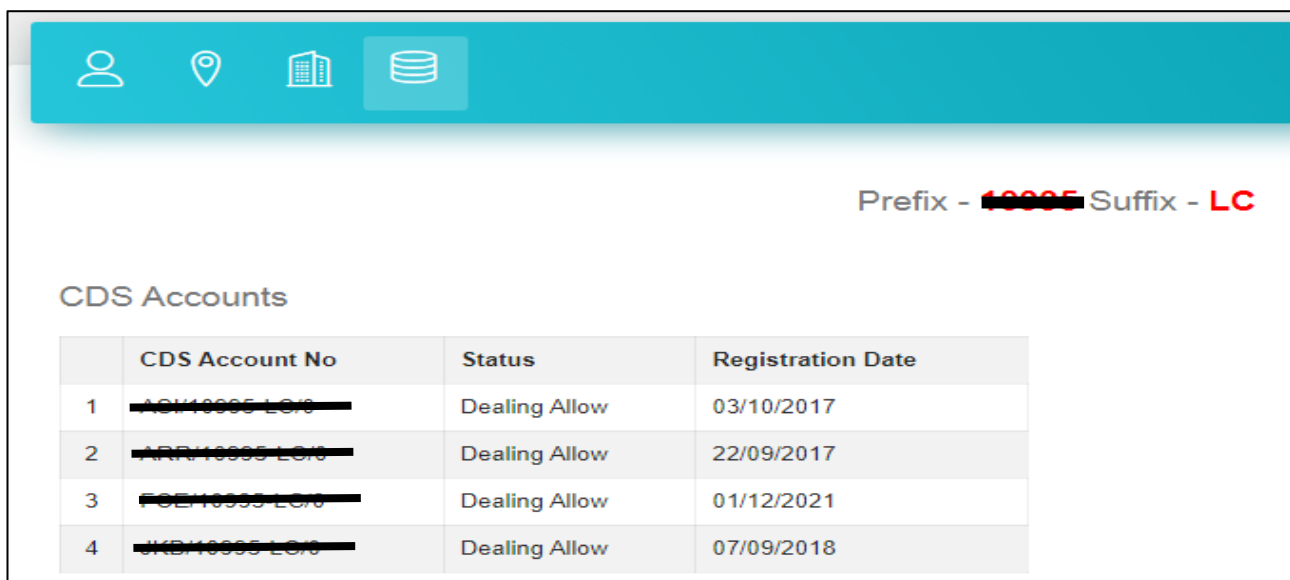
Bank Account Details to Remit Dividends

Bank: ~~THE COMMERCIAL BANK OF SRI LANKA~~

Branch: ~~COLOMBO 06~~

Account No: ~~12345678901234567890~~

- CDS account registered



Prefix - ~~40005~~ Suffix - LC

CDS Accounts

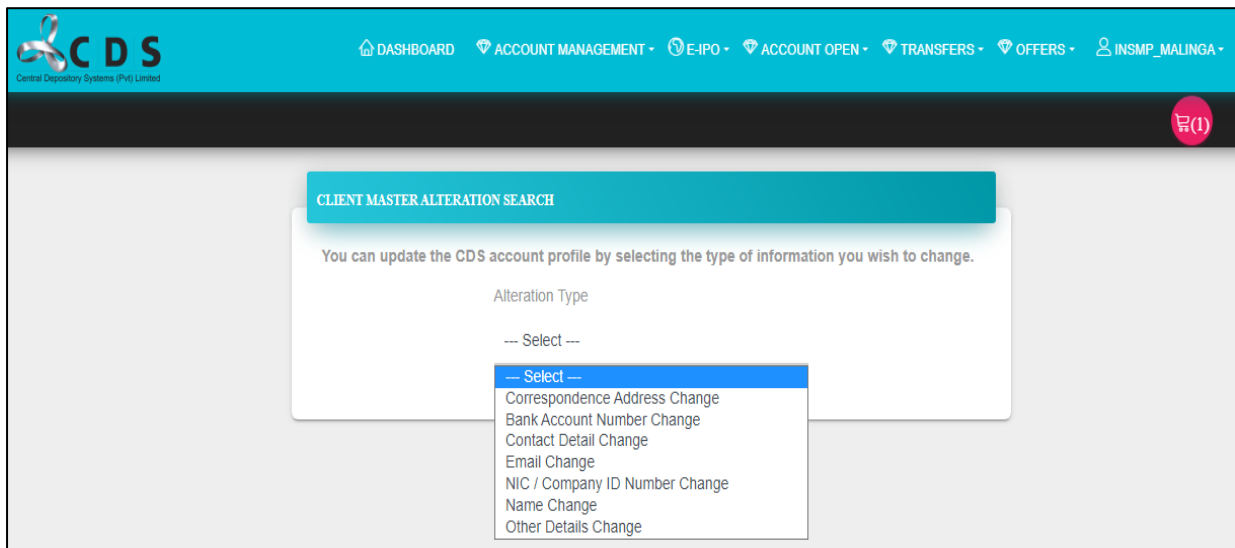
	CDS Account No	Status	Registration Date
1	ACH40005-LC/0	Dealing Allow	03/10/2017
2	APR40005-LC/0	Dealing Allow	22/09/2017
3	FOE40005-LC/0	Dealing Allow	01/12/2021
4	JKD40005-LC/0	Dealing Allow	07/09/2018

3.3 Update Account Profile

Using this feature, users can update/change any information in the client profile.

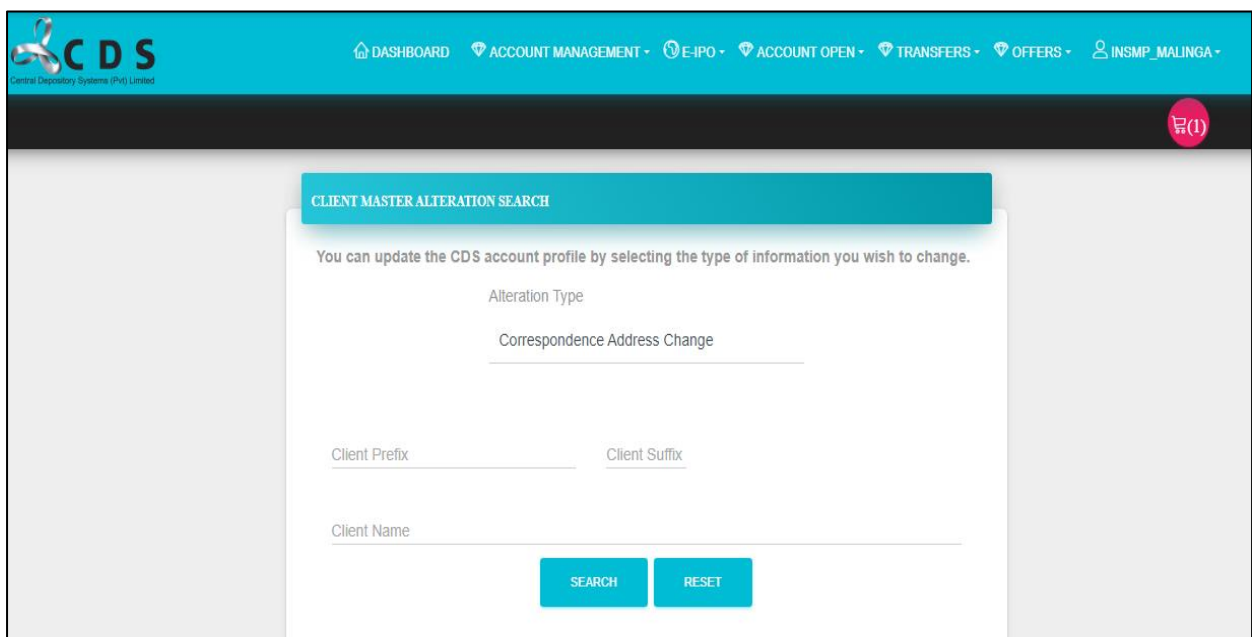
Go to “**Account Management**” and select “**Update Account Profile**”

From the drop-down menu, user need to first select the type of information that need to be changed.



The screenshot shows the CDS Client Master Alteration Search form. The header includes the CDS logo and navigation links: DASHBOARD, ACCOUNT MANAGEMENT, E-IPO, ACCOUNT OPEN, TRANSFERS, OFFERS, and INSMP_MALINGA. A notification icon with '1' is in the top right. The form title is 'CLIENT MASTER ALTERATION SEARCH'. Below the title, it says 'You can update the CDS account profile by selecting the type of information you wish to change.' The 'Alteration Type' dropdown menu is open, showing options: -- Select --, Correspondence Address Change, Bank Account Number Change, Contact Detail Change, Email Change, NIC / Company ID Number Change, Name Change, and Other Details Change.

In the below window users can either enter the relevant “**Client Prefix and Client Suffix**” of the relevant client account or do a general search and then select the required client account.



The screenshot shows the CDS Client Master Alteration Search form with the search fields filled. The header and navigation links are the same as in the previous screenshot. The form title is 'CLIENT MASTER ALTERATION SEARCH'. Below the title, it says 'You can update the CDS account profile by selecting the type of information you wish to change.' The 'Alteration Type' dropdown menu is now closed and shows 'Correspondence Address Change'. Below this, there are input fields for 'Client Prefix' and 'Client Suffix'. Below these is a 'Client Name' input field. At the bottom of the form are two buttons: 'SEARCH' and 'RESET'.

Example – Changing the Correspondence address change

CDS Account No : ██████████

Name : ██████████

CURRENT CORRESPONDENCE ADDRESS DETAILS

Address 1 : ██████████

Address 2 : ██████████

Address 3 : ██████████

Town : ██████████

District :

Country :

Country Of Residency :

Nationality :

NEW CORRESPONDENCE ADDRESS DETAILS

Address 1 : ██████████

Address 2 : ██████████

Address 3 : ██████████

Town : ██████████

District :

Country :

Country Of Residency :

Nationality :

Billing proof : * No file chosen

In the above, left hand side indicates the existing address of the client within the system and users need to change the required fields from the right-hand side panel and if it is a completely new entry it can be done as well.

Once the user clicks the “Submit” this will automatically lead to the Authorize User of the margin provider for the approval and once the Authorize user approve it, then it will direct to the relevant broker for the approval. Once the stockbroker approves it then it will come to the CDS to update the system.

3.4 CDS Account Balance

With this feature, the users can search the available balance of a client account.

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

User can search selecting the relevant CDS Account Number or **All CDS** accounts under the client.

If the user needs to search the balance of a specific “Security”, then the user can type the required security and continue the search.

Prefix - ~~1728~~ Suffix - LC

CDS Account no(s) Balance type Security

--- All ---
ABC.N0000 (OPTIONAL)

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Based on the requirement user can select balance type required

Prefix - ~~1728~~ Suffix - LC

CDS Account no(s) Balance type Security

--- All ---
ABC.N0000 (OPTIONAL)

3.5 Intra Account Transfer

Using this feature users can transfer securities of the client accounts from one broker to another.

Go to “**Account Management**” and select “**Transfer Securities**”

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

INTRA ACCOUNT TRANSFER

Client Prefix _____ Client Suffix _____

Client Name _____

SEARCH RESET

Users need to update each field as required and submit

INTRA ACCOUNT TRANSFER DETAIL

CDS Account Name _____

Transfer Type
Tradable to Tradable

From Account

To Account

Security
ABC.N0000 (OPTIONAL)

SEARCH BACK

In here users need to select the “**Transfer Type**” from the drop-down menu available.

Transfer Type

--- SELECT TRANSFER TYPE ---

--- SELECT TRANSFER TYPE ---

Tradable to Tradable

Locked to Locked

Locked to Tradable

To Account

Security

ABC.N0000 (OPTIONAL)

SEARCH BACK

Once the user clicks the “**Submit**” this will automatically lead to the Authorized User of the margin provider for the approval and once the Authorized user approves it, then it will direct to the relevant brokers for the approval. Once the stockbroker approves it then it will come to the CDS to update the system.

3.6 Transaction History

Using this feature users can search up to 180 days of transaction history of a particular client account.

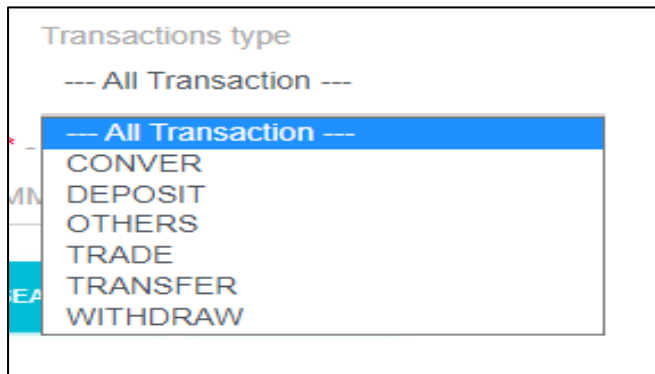
Go to “**Account Management**” and select “**Transaction History**”

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

Using the below window users can search the required transaction history information of a client.

This facility allows users to search transaction history of a user account in terms of the following transaction types

- Deposits
- Transfers
- Withdrawals
- Trade
- Conversions



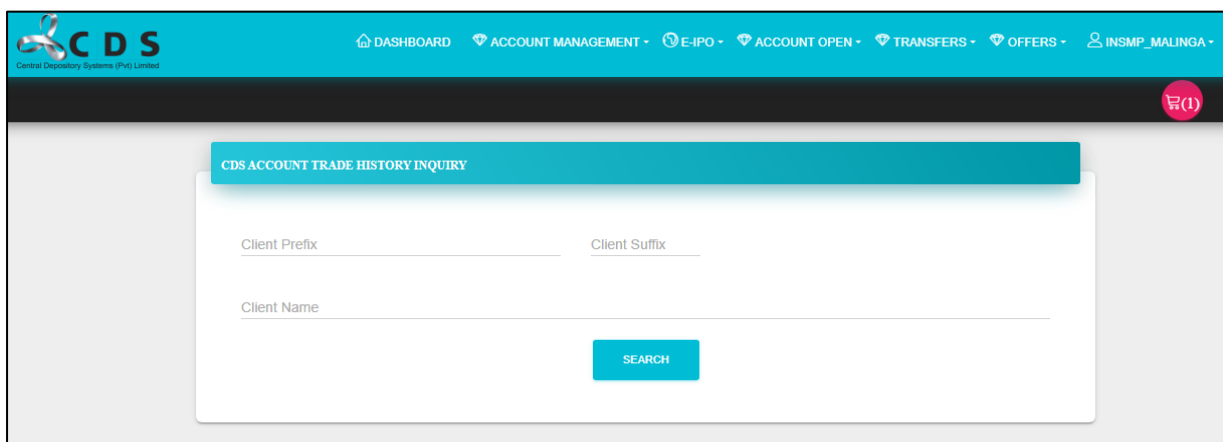
Note: Search information available only up to **180 days**

3.7 Trade History

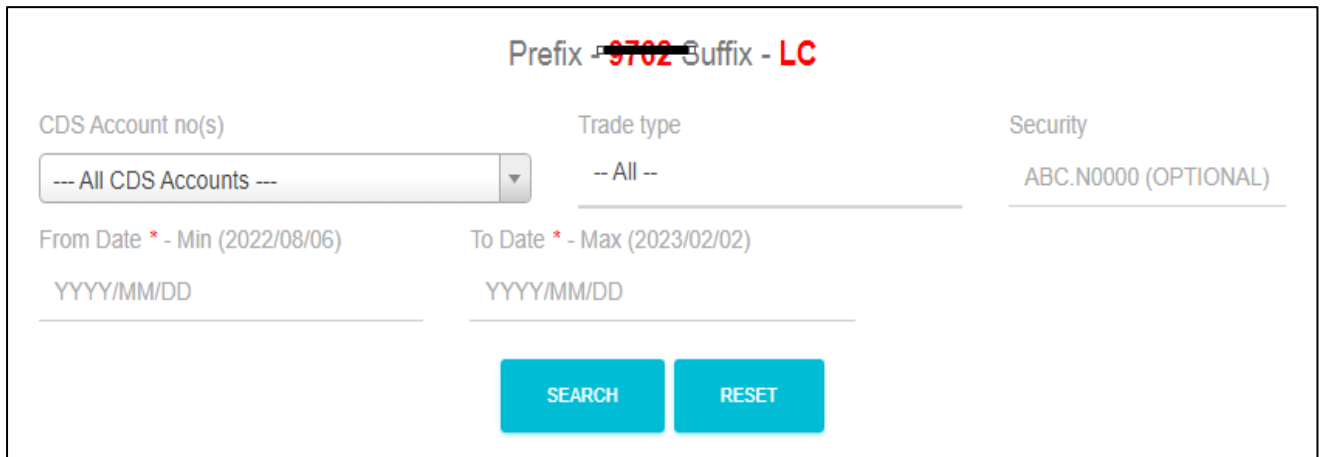
Using this feature, users can view/search trade history (**Only buy or sell**) of a security of the client accounts attached into the system.

Go to “**Account Management**” and select “**Trade History**”

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



Using the below screen, users can search the required trade history information of a client by selecting the CDS Account number, Trade Type (sale or purchase) and the relevant period.



Prefix - ~~9702~~ Suffix - LC

CDS Account no(s) Trade type Security

--- All CDS Accounts --- -- All -- ABC.N0000 (OPTIONAL)

From Date * - Min (2022/08/06) To Date * - Max (2023/02/02)

YYYY/MM/DD YYYY/MM/DD

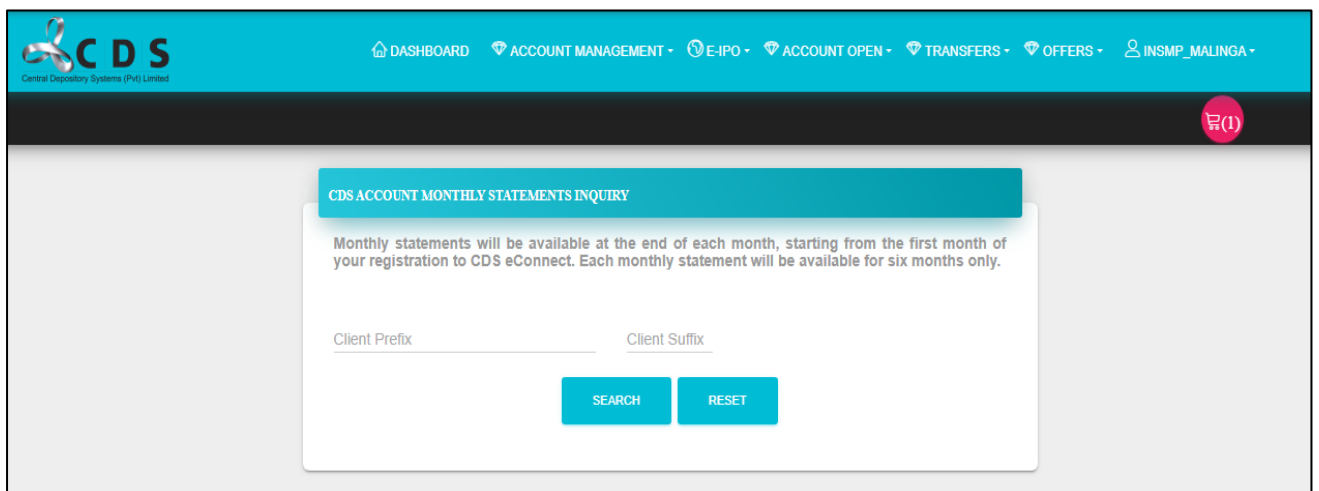
SEARCH RESET

3.8 Monthly Statements

Using this feature, users can view the monthly statements of the client accounts.

Go to “**Account Management**” and select “**Monthly Statements**”

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



CDS
Central Depository Systems (Pvt) Limited

DASHBOARD ACCOUNT MANAGEMENT E-IPO ACCOUNT OPEN TRANSFERS OFFERS INSM_PMALINGA

CDS ACCOUNT MONTHLY STATEMENTS INQUIRY

Monthly statements will be available at the end of each month, starting from the first month of your registration to CDS eConnect. Each monthly statement will be available for six months only.

Client Prefix Client Suffix

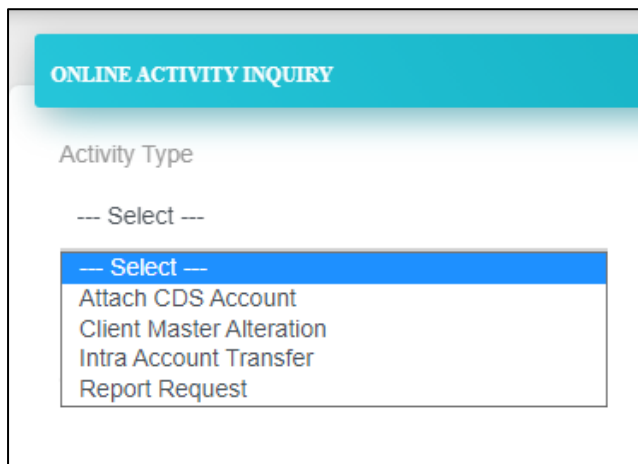
SEARCH RESET

3.9 Online Activity

Using this feature, users can check the current status of activities such as “Masterfile Changes, Intra Transfers, Adding new CDS accounts and Report requests.

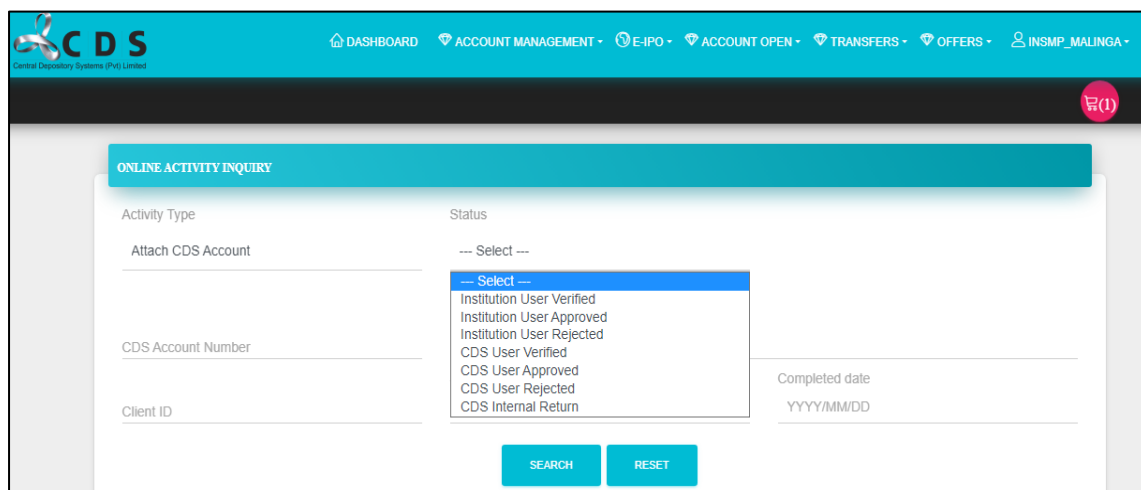
Go to “**Account Management**” and select “**Online Activity**”

In here, users first need to select the relevant “Activity Type” from the drop-down menu



Under each “Activity Type” there are different types of “Status” available and based on the requirement users can select and can run a search. Then all the CDS account fallen into the search criteria of “Activity Type” and “Select” will display.

Example – “Attach CDS Account”



If any case, users required to run a “**Activity Type**” and “**Search**” of a specific client account, users can update any of “**CDS Account Number**”, “**Client ID**”, “**NIC**” or even a specific date

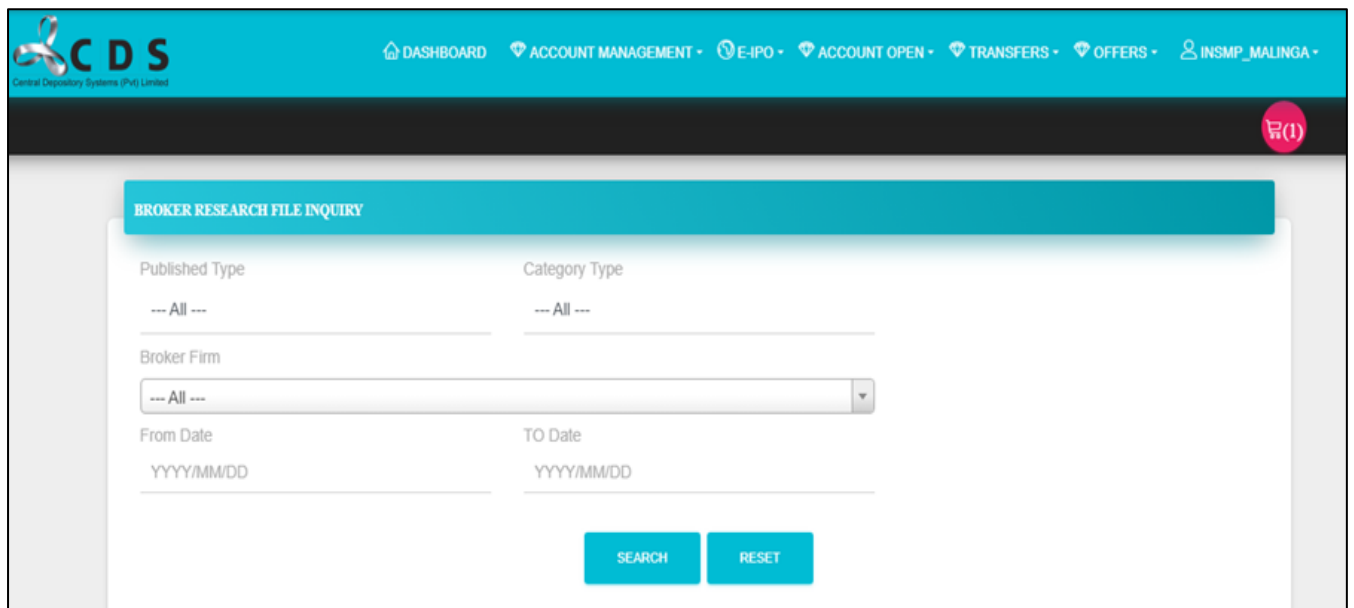
range and run a search. Then, only the client accounts fallen into the entered criteria and filters will display.

3.10 Research Paper Inquiry

Using this feature, users can view and download the research materials uploaded by the stockbrokers.

Go to “**Account Management**” and select “**Research Paper Inquiry**”

In this window users required to update each of the fields as required and download the research materials



The screenshot shows the 'BROKER RESEARCH FILE INQUIRY' form within the CDS (Central Depository System) interface. The form includes the following fields:

- Published Type:** A dropdown menu with the option '--- All ---' selected.
- Category Type:** A dropdown menu with the option '--- All ---' selected.
- Broker Firm:** A dropdown menu with the option '--- All ---' selected.
- From Date:** A text input field with the placeholder 'YYYY/MM/DD'.
- TO Date:** A text input field with the placeholder 'YYYY/MM/DD'.

At the bottom of the form, there are two buttons: 'SEARCH' and 'RESET'.

3.11 Requests for Report

Using this feature, users can request reports which are beyond 180 days from CDS. Requestee required to make a payment to the CDS and once the CDS received both the report request and the payment, CDS will process the report request and upload it to the system. Then the requestee can download the reports from the system.

Go to “**Account Management**” and select “**Request for Reports**”

From the drop-down list, users required to select the applicable account and the types of reports they wished to request from the drop-down menus available.

REQUEST REPORTS

Company Accounts * Main Type *

--- Select --- --- Select ---

Sub Type * Participant Type *

Output Type * Request Type *

_____ --- Select ---

REQUEST REPORTS

Company Accounts * Main Type *

--- Select --- --- Select ---

Sub Type * Participant Type *

--- Select ---

Ledger transactions

Duplicate monthly statements

Portfolios

Sub Type *

--- Select ---

--- Select ---

Per Security - Tradable

Per Security - Locked

Per Security - Amalgamated

Whole portfolio - Tradable

Whole portfolio - Locked

Whole portfolio - Amalgamated

Sub Type *

--- Select ---

--- Select ---

Per-security

All securities

Sub Type *

--- Select ---

--- Select ---

Tradable

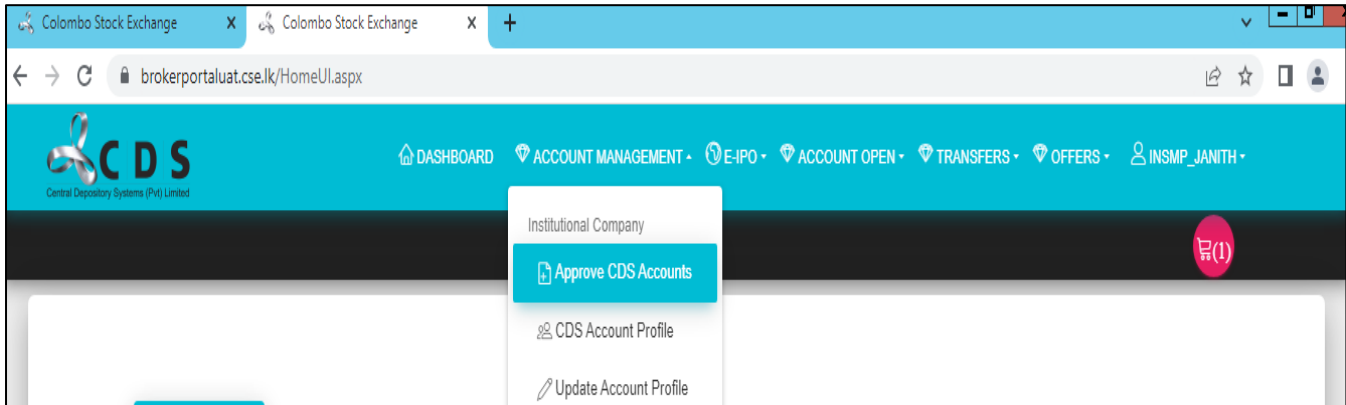
Locked

4 Features for Margin provider “Authorized User”

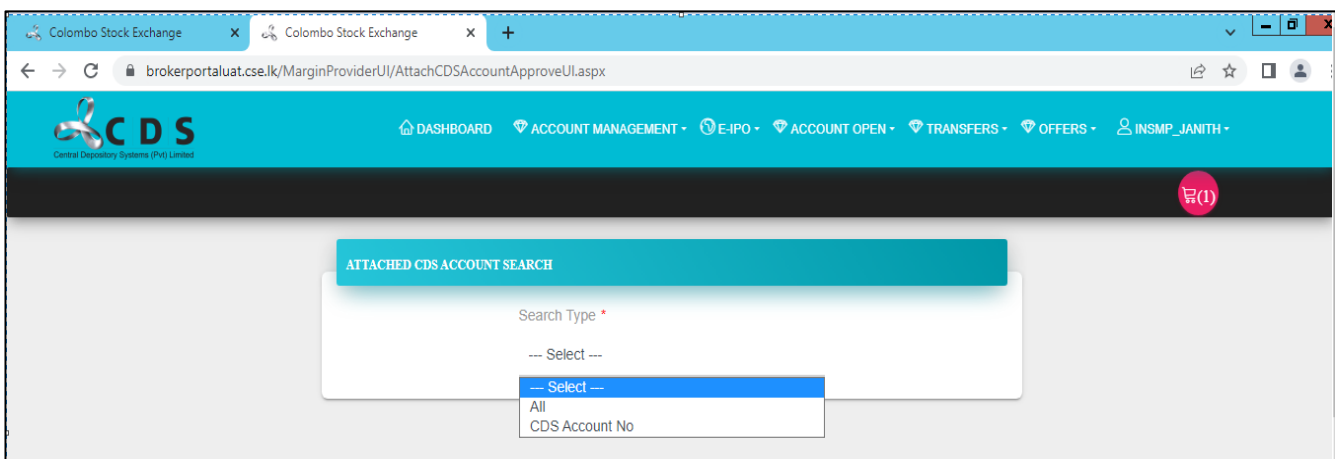
4.1 Approve an attached Margin Account

Using this feature, user can authorize the added (attached) new clients accounts into the system.

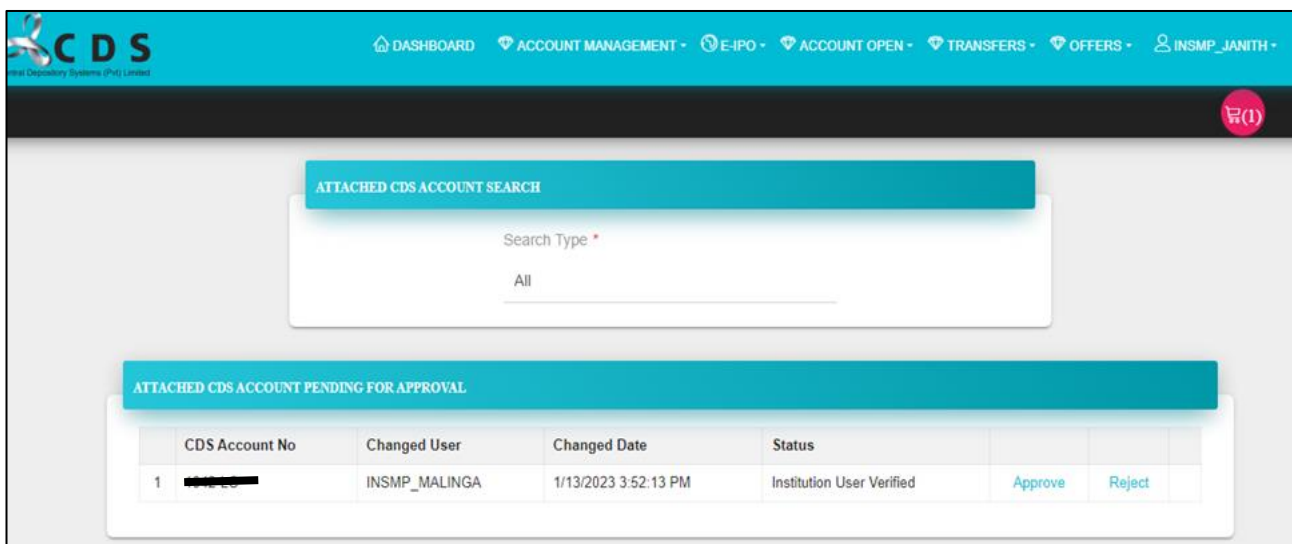
Go to “Account Management” and select “Approve CDS Account”



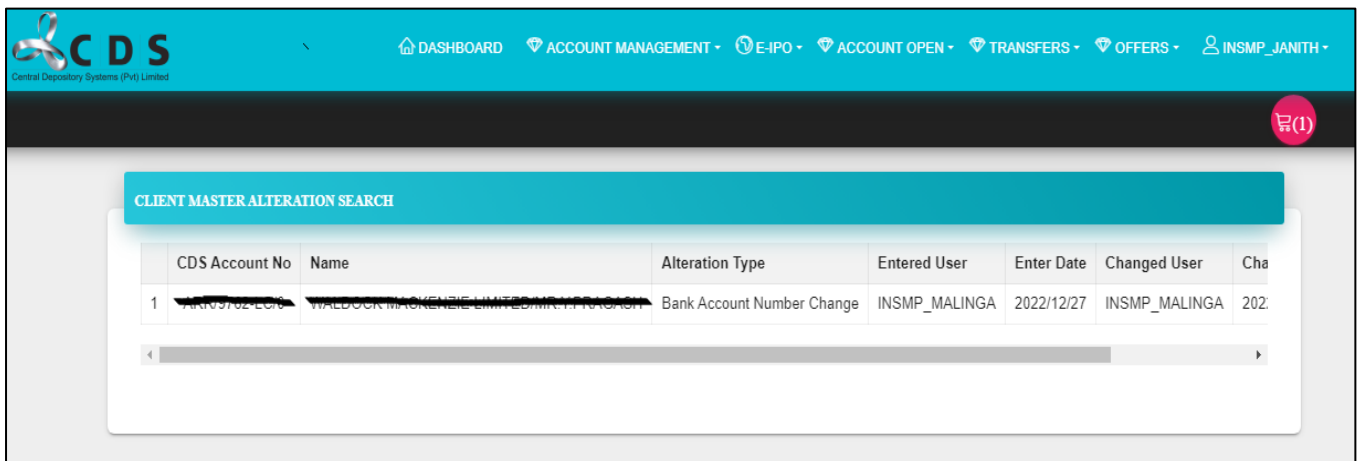
Then select the required “Type”



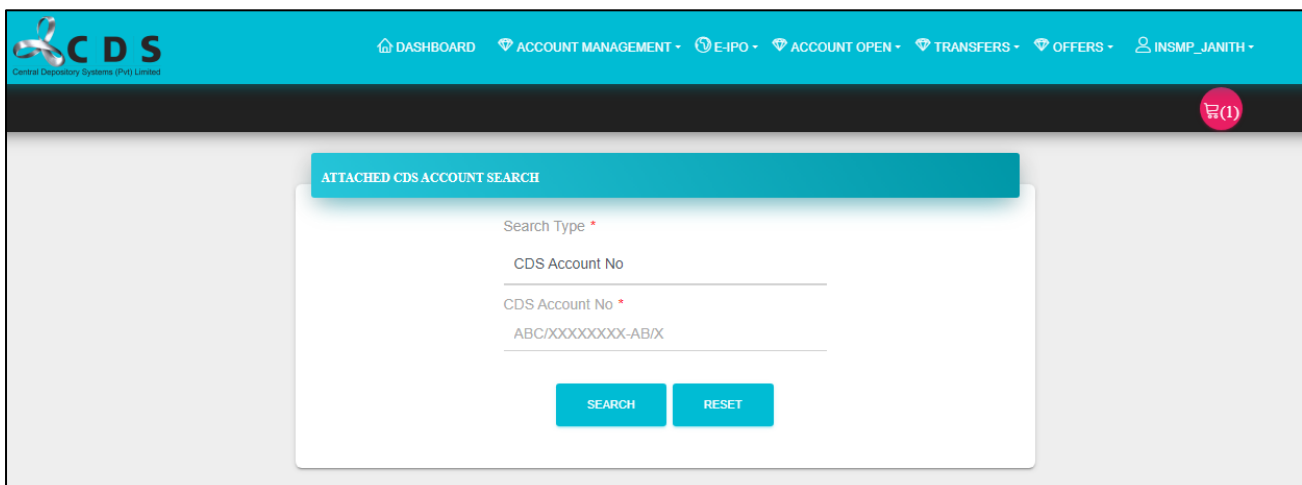
If the user selects “All”, then this will show all the CDS accounts attached which are pending for approval from the authorized user.



Then user can select the required CDS account and **“Approve”** or **“Reject”** it.



If User select **“CDS Account No”**, the user can enter the required CDS account Number and run a search.



4.2 Update Account Profile (Authorizing)

Using this feature user can authorized the changes /updates done to the client profiles by the verify user.

Go to **“Account Management”** and select **“Update Account Profile”**

User can select the relevant account from the list.

Then the user can either **“Accept or Reject”** the update request accordingly and **“Submit”**.

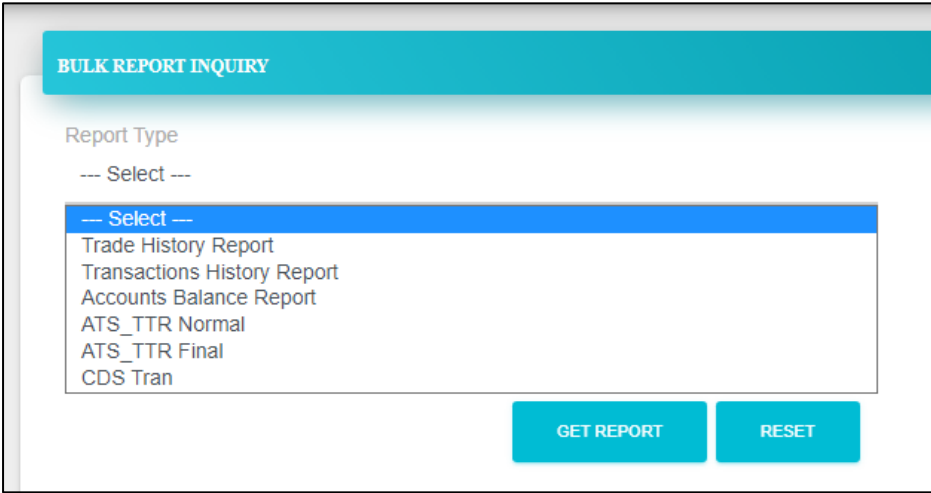
5 Value Added Reports

As a value addition service to the Margin Providers who are subscribed into the e connect, the CDS has given the access to the below value-added reports through the e connect.

Report Name	Report Output Type	
	Text	CSV
ATS TTR Final	✓	✓
ATS TTR Normal	✓	✓
CDS Tran	✓	✓
CDS Account Balance (Locked & Tradable)		✓
Transaction History		✓
Trade History		✓

Go to “**Reports**” and select “**Bulk Reports**”

Select the required report type from the drop-down menu.



The screenshot shows a web interface titled "BULK REPORT INQUIRY". It features a "Report Type" dropdown menu with a blue header bar. The dropdown is open, displaying a list of report types: "Trade History Report", "Transactions History Report", "Accounts Balance Report", "ATS_TTR Normal", "ATS_TTR Final", and "CDS Tran". Below the dropdown are two buttons: "GET REPORT" and "RESET".

Under each report type filled the relevant fields accordingly and to generate the report click “**Get Report**”. To Download the report, click “**Export**”

6 Online Transfers - Off the floor Transfers

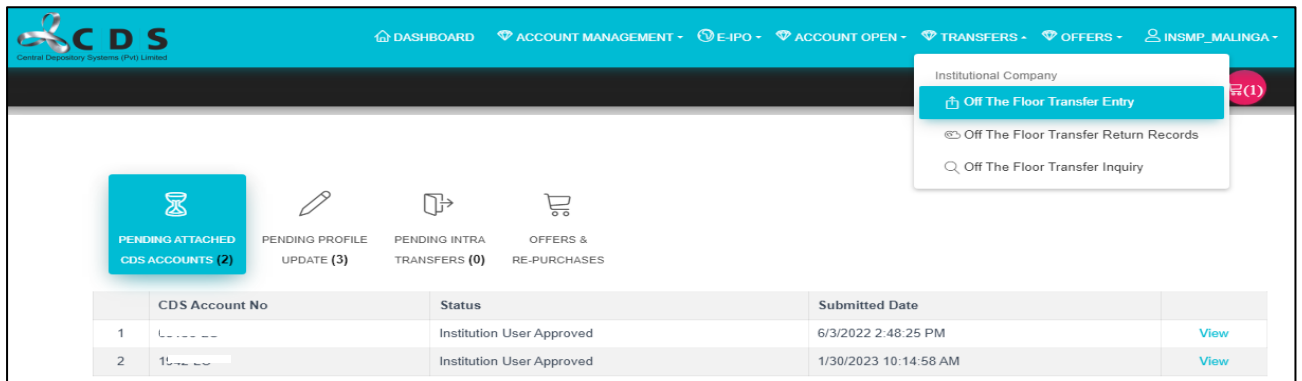
Margin Providers who had obtained the CDS E-connect facility can perform off the floor transfers through the CDS E-connect as follows.

6.1 Verify User – Margin Provider

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

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

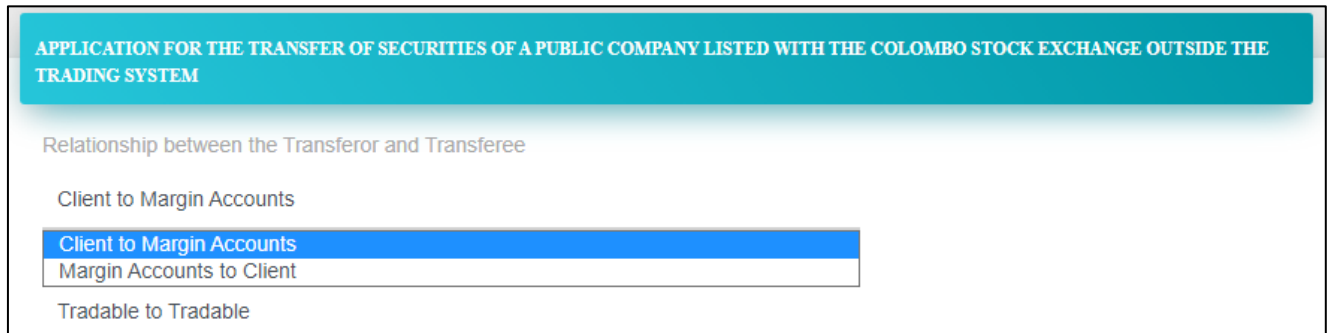
2. Then the verify user must fill the relevant fields based on the off the floor transfer requirements.



The screenshot shows the CDS E-connect dashboard. At the top, there is a navigation bar with the CDS logo and menu items: DASHBOARD, ACCOUNT MANAGEMENT, E-IPO, ACCOUNT OPEN, TRANSFERS, OFFERS, and INSMP_MALINGA. A dropdown menu for 'TRANSFERS' is open, showing options: Off The Floor Transfer Entry (highlighted), Off The Floor Transfer Return Records, and Off The Floor Transfer Inquiry. Below the navigation, there are four main sections: PENDING ATTACHED CDS ACCOUNTS (2), PENDING PROFILE UPDATE (3), PENDING INTRA TRANSFERS (0), and OFFERS & RE-PURCHASES. At the bottom, there is a table with the following data:

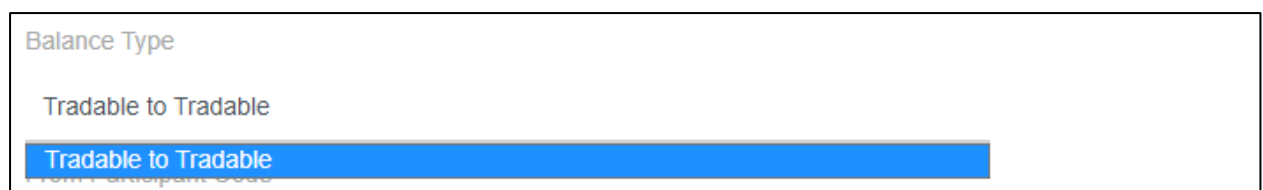
	CDS Account No	Status	Submitted Date	
1	10000000	Institution User Approved	6/3/2022 2:48:25 PM	View
2	10000000	Institution User Approved	1/30/2023 10:14:58 AM	View

- a. Select the **“Relationship between the Transferor and Transferee”** accordingly



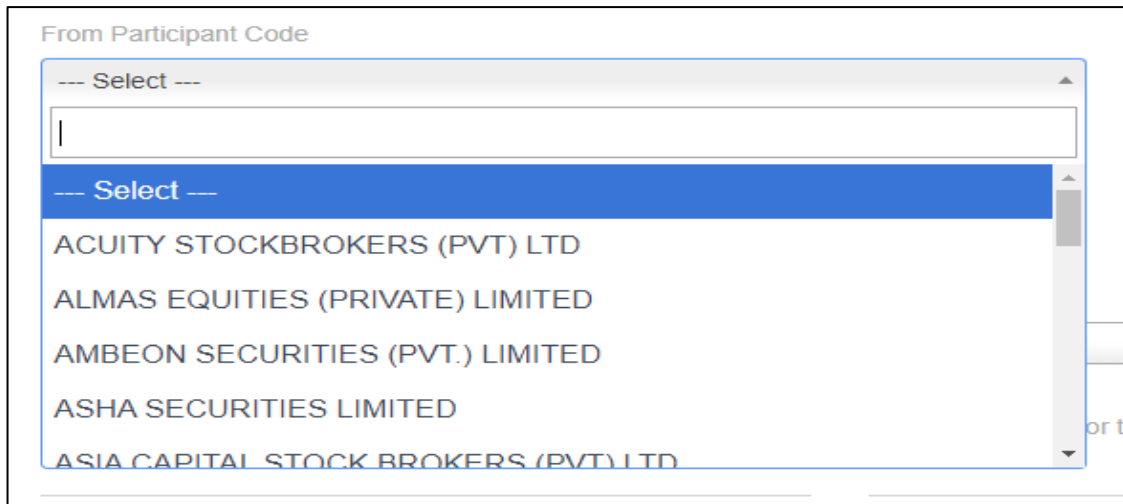
The screenshot shows the 'Relationship between the Transferor and Transferee' dropdown menu. The title is 'APPLICATION FOR THE TRANSFER OF SECURITIES OF A PUBLIC COMPANY LISTED WITH THE COLOMBO STOCK EXCHANGE OUTSIDE THE TRADING SYSTEM'. The dropdown options are: Client to Margin Accounts, Client to Margin Accounts (highlighted), Margin Accounts to Client, and Tradable to Tradable.

- b. **“Balance Type”** is by default selected as **“Tradable to Tradable”**



The screenshot shows the 'Balance Type' dropdown menu. The options are: Tradable to Tradable and Tradable to Tradable (highlighted).

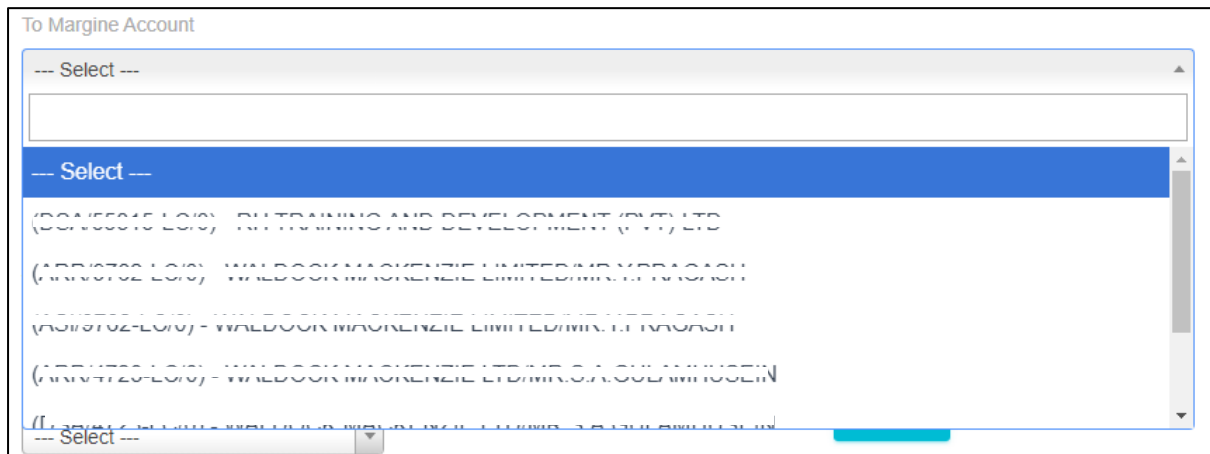
- c. **“From Participant Code”** select the relevant stockbroker from the drop-down menu.



- d. Complete the **“Prefix, Suffix and Joint No”** of the From Account accordingly and click the **“Check Client Name”**.

Once the user clicks the **“Check Client Name”** button, the applicable client’s name to the CDS account will be displayed.

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



- f. Update the relevant interest rates applicable to the transfer accordingly

Interest Rate indicated in the margin agreement(%)	New interest rate for this facility(%)
<input type="text"/>	<input type="text"/>
*	*

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

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

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

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

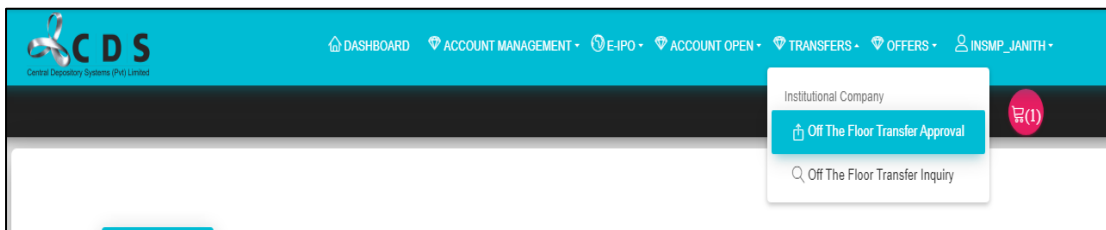
1	Portfolio Valuation	Mandatory	Choose File	NO FILE CHOSEN
2	Margin Agreement	Mandatory	Choose File	NO FILE CHOSEN
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Optional	Choose File	NO FILE CHOSEN
4	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Optional	Choose File	NO FILE CHOSEN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

- i. User needs to upload the required documents in PDF format or in excel format by clicking the “Choose File” button.
- j. As a final step, user needs to click “**Submit**” button and submit the documents.

6.2 Authorized User

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

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



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

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

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

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

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

Decision

Approve
 Return
 Reject

Comment [ADD](#)

[SUBMIT](#)

6.3 Client Approval for the Off the Floor Transfer

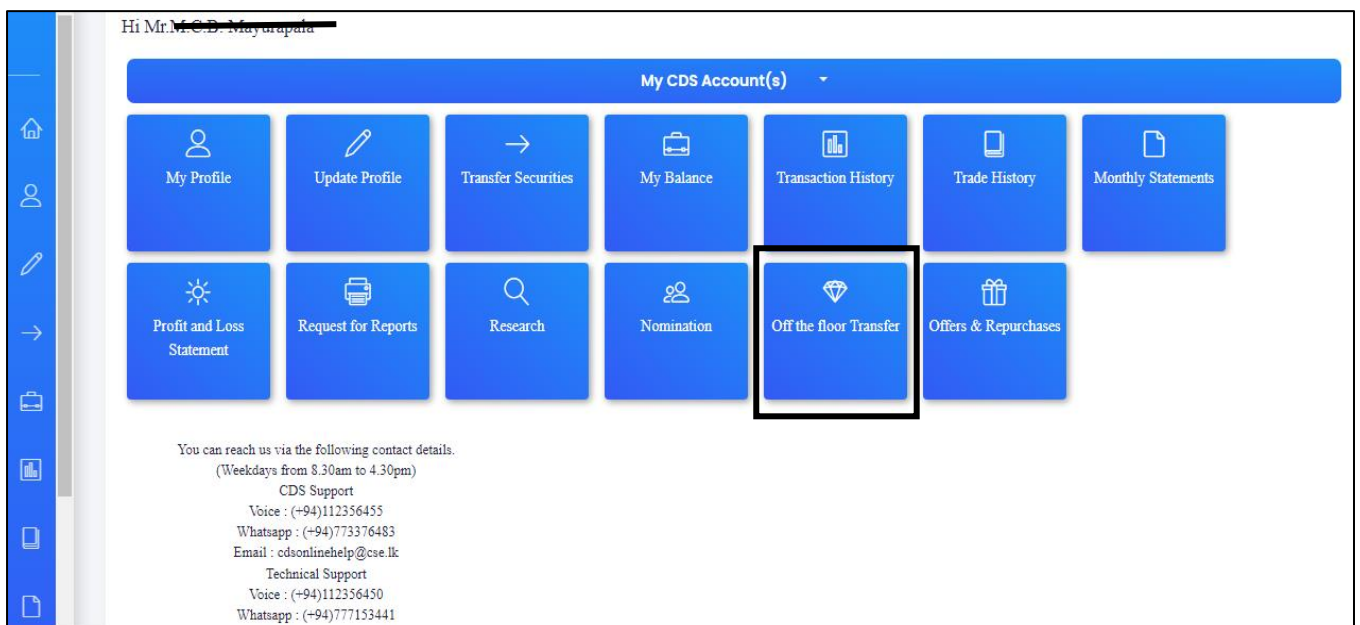
Once the authorized user of the Margin provider approves the transfer request, it is sent to the client of the Margin Provider (the requester) for their approval. The approval process differs based on the client type.

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

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

6.3.1 Individual Client Approval Process

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



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

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

The screenshot displays a web application interface with a blue sidebar on the left containing navigation icons. The main content area is divided into three sections:

- Document List:** A table with 5 rows. Each row has a 'Download' link and a checkbox.

1	Margin Agreement	Download	<input checked="" type="checkbox"/>
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Download	<input checked="" type="checkbox"/>
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Download	<input type="checkbox"/>
4	SEC Payment Confirmation	Download	<input type="checkbox"/>
5	SEC Payment Calculation Excel Sheet	Download	<input type="checkbox"/>
- Previous Decision:** A table with 4 columns: Approver Level, Status, Comment, and Entered Date.

	Approver Level	Status	Comment	Entered Date
1	Margin Provider Authorization	Approved	APPROVED	3/23/2023 12:34:27 PM
- Decision:** A form section with radio buttons for 'Approve', 'Return', and 'Reject'. The 'Approve' option is selected. Below the radio buttons is a 'Comment' label and a text input field. An 'ADD' button is located to the right of the input field.

6.4 Margin Provider's 2nd Authorized User

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

6.5 Margin Provider's Legal Officer

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

Note

Based on the instructions of SEC, the **Margin provider's legal officer's authorization date** will be considering as the **"Date of the Application"** to execute the Administration Fee Calculation.

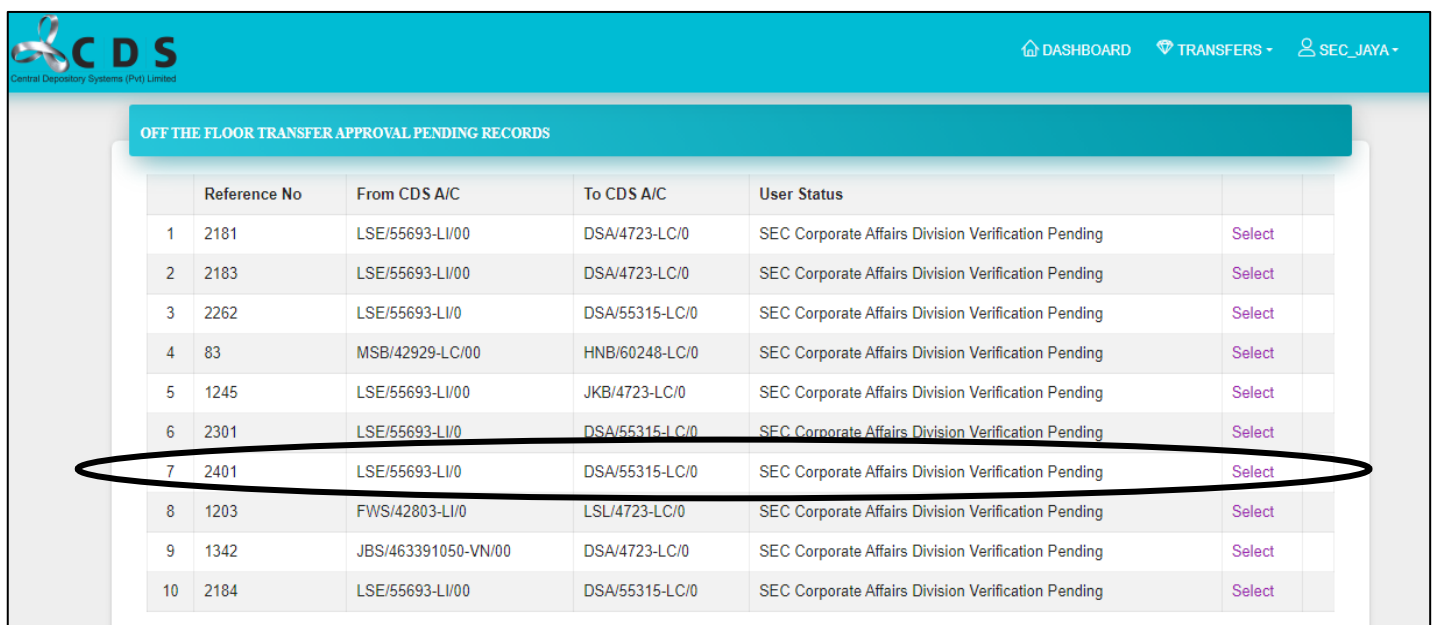
7 Off the Floor Transfer Approval Process – SEC

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

SEC Corporate Affairs’s Division First Approval

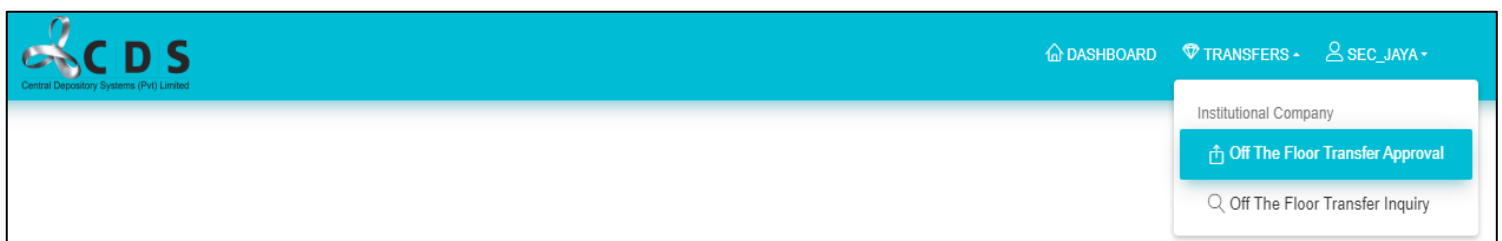
Go to “**Transfers**” and select “**Off the Floor Transfer Approval**”

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



	Reference No	From CDS A/C	To CDS A/C	User Status	
1	2181	LSE/55693-LI/00	DSA/4723-LC/0	SEC Corporate Affairs Division Verification Pending	Select
2	2183	LSE/55693-LI/00	DSA/4723-LC/0	SEC Corporate Affairs Division Verification Pending	Select
3	2262	LSE/55693-LI/0	DSA/55315-LC/0	SEC Corporate Affairs Division Verification Pending	Select
4	83	MSB/42929-LC/00	HNB/60248-LC/0	SEC Corporate Affairs Division Verification Pending	Select
5	1245	LSE/55693-LI/00	JKB/4723-LC/0	SEC Corporate Affairs Division Verification Pending	Select
6	2301	LSE/55693-LI/0	DSA/55315-LC/0	SEC Corporate Affairs Division Verification Pending	Select
7	2401	LSE/55693-LI/0	DSA/55315-LC/0	SEC Corporate Affairs Division Verification Pending	Select
8	1203	FWS/42803-LI/0	LSL/4723-LC/0	SEC Corporate Affairs Division Verification Pending	Select
9	1342	JBS/463391050-VN/00	DSA/4723-LC/0	SEC Corporate Affairs Division Verification Pending	Select
10	2184	LSE/55693-LI/00	DSA/55315-LC/0	SEC Corporate Affairs Division Verification Pending	Select

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



In this request, the SEC user can download the documents uploaded by the margin provider and checked the accuracy of the documents. Once the SEC user is satisfied with the accuracy

of the uploaded document, then the SEC user can mark “✓” in the check boxes in front of each document.

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

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

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

Decision

Approve Return Reject

Comment ADD

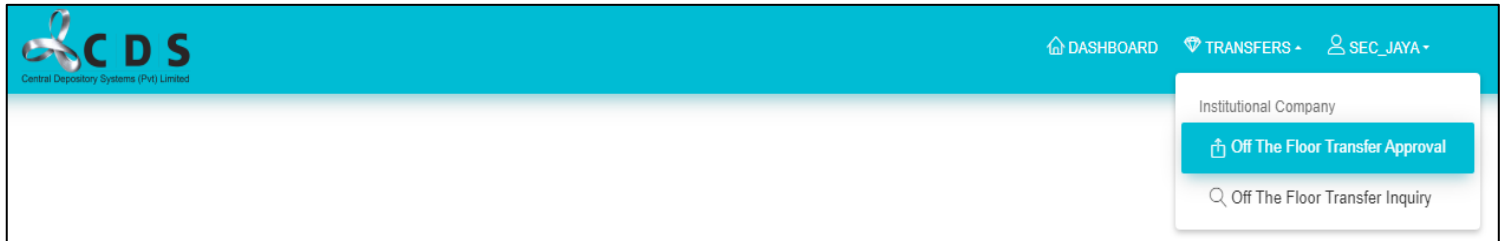
*

SUBMIT

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

7.1 SEC Finance Division Approval

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



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

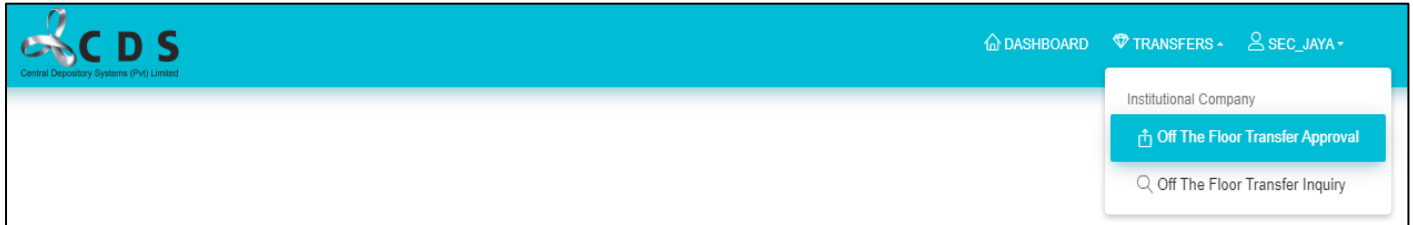
1	Margin Agreement	Download	<input checked="" type="checkbox"/>
2	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 01	Download	<input checked="" type="checkbox"/>
3	E-MAIL /ANY OTHER CORRESPONDENCE SENT BY THE CLIENT 02	Download	<input checked="" type="checkbox"/>
4	SEC Payment Confirmation	Download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

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

Then this request will direct to the SEC’s Corporate Affair’s Division Second Approval (final).

7.2 SEC Corporate Affairs Division's Final Approval

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



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

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

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

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

8 Outgoing Broker's Approval

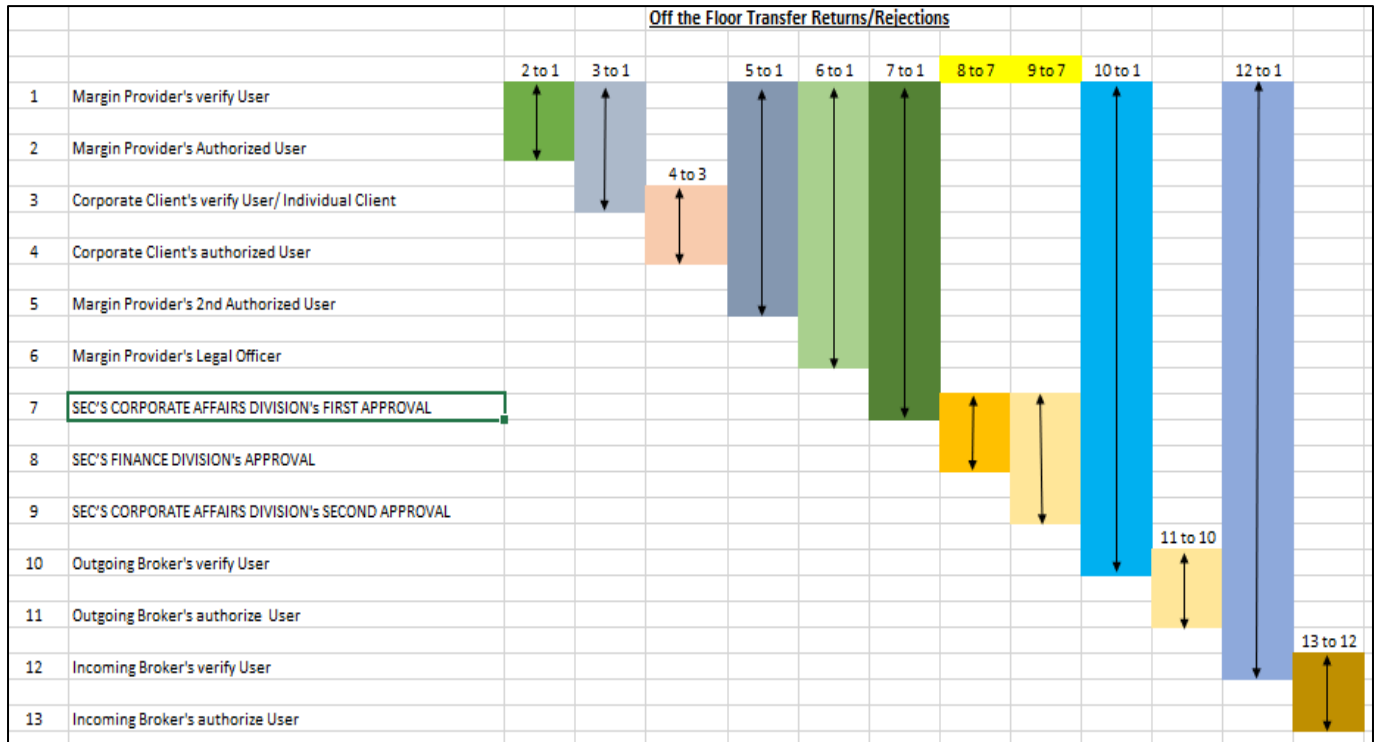
Following the approval granted by the SEC for the off the floor transfer, the request is subsequently routed to the outgoing broker firm. Within the outgoing broker firm, a dual-level approval process with "**verify**" and "**authorize**" users is implemented. Both parties involved are required to provide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

9 Incoming Broker's Approval

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

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

10 Summary of Off the Floor Transfer Process



The Acceptance & Return will take place according to the above process chart. One important system embedded control is that SEC approved security quantities cannot be exceeded by any of the user's involved, though the security quantities can be amended to lesser quantities than the SEC approved security quantities. Any amendments to the securities can only be changed prior to the SEC's approval.

Further, if the Transferor and Transferee are with the same Participant, one maker checker approval will be sufficient prior to request reaching the CDS. There will be email notification for each step of the process to notify the relevant users.

11 CDS Helpdesk

Users of the CDS e connect facility can reach the designated CDS helpdesk through the below contact numbers for technical or any other assistance required when using the CDS e connect system.

01) CDS Online Help

Direct: +94-112356444

E mail – cdsonlinehelp@cse.lk

02) Anuraj Wickramasinghe - Lead – Depository Digital Services

Direct: +94-112356453

E mail – anuraj@cse.lk

03) Piyathi Algama - Junior Executive – Depository Operations

Direct: +94-112356455

E mail - piyathi@cse.lk

04) Achintha Soysa - Junior Executive

Direct: +94-112356449

E mail - achintha@cse.lk